

The challenge of food production today

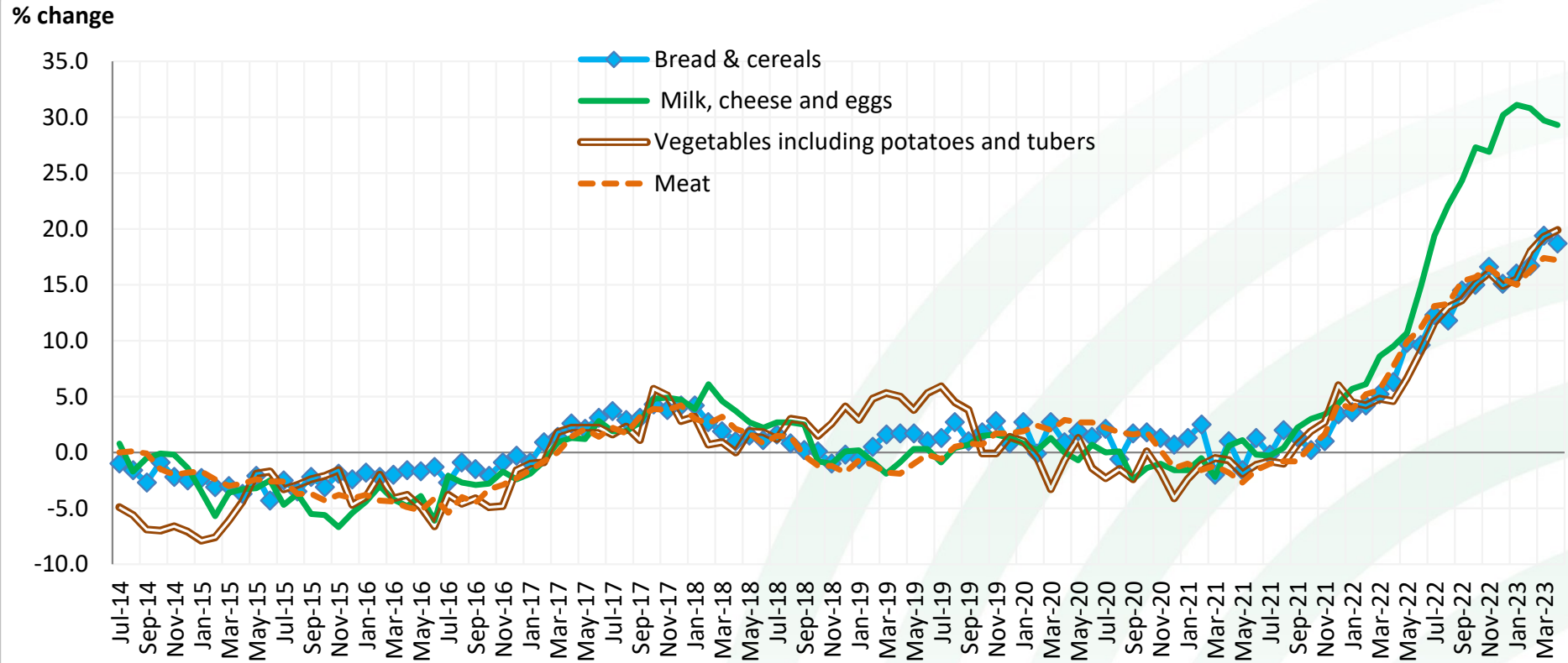
Andrew Clark

National Farmers' Union



NFU SUPPORTED BY
NFU Mutual

UK food price inflation



Source: ONS



Sectorial price snapshot

Commodity Prices	April 2023 prices	% change from 3 months ago	% change from 12 months ago	% change from 24 months ago
Milk (ppl) - March	46.0	-10.9%	22.7%	54.9%
Deadweight pigs (p/kg)	218.2	7.5%	32.6%	51.4%
Feed Wheat (£/t)	196.1	-13.2%	-36.7%	1.4%
Deadweight sheep (p/kg)	650.1	26.3%	8.5%	-0.3%
Deadweight cattle (p/kg)	489.9	7.7%	12.2%	21.7%
<i>Source: AHDB (Figures may not add up due to rounding).</i>				



Volatile prices have caused uncertainty in UK Agriculture

UK Natural gas prices have increased almost fivefold from 29p a therm in August 2021 to 640p a therm in August 2022

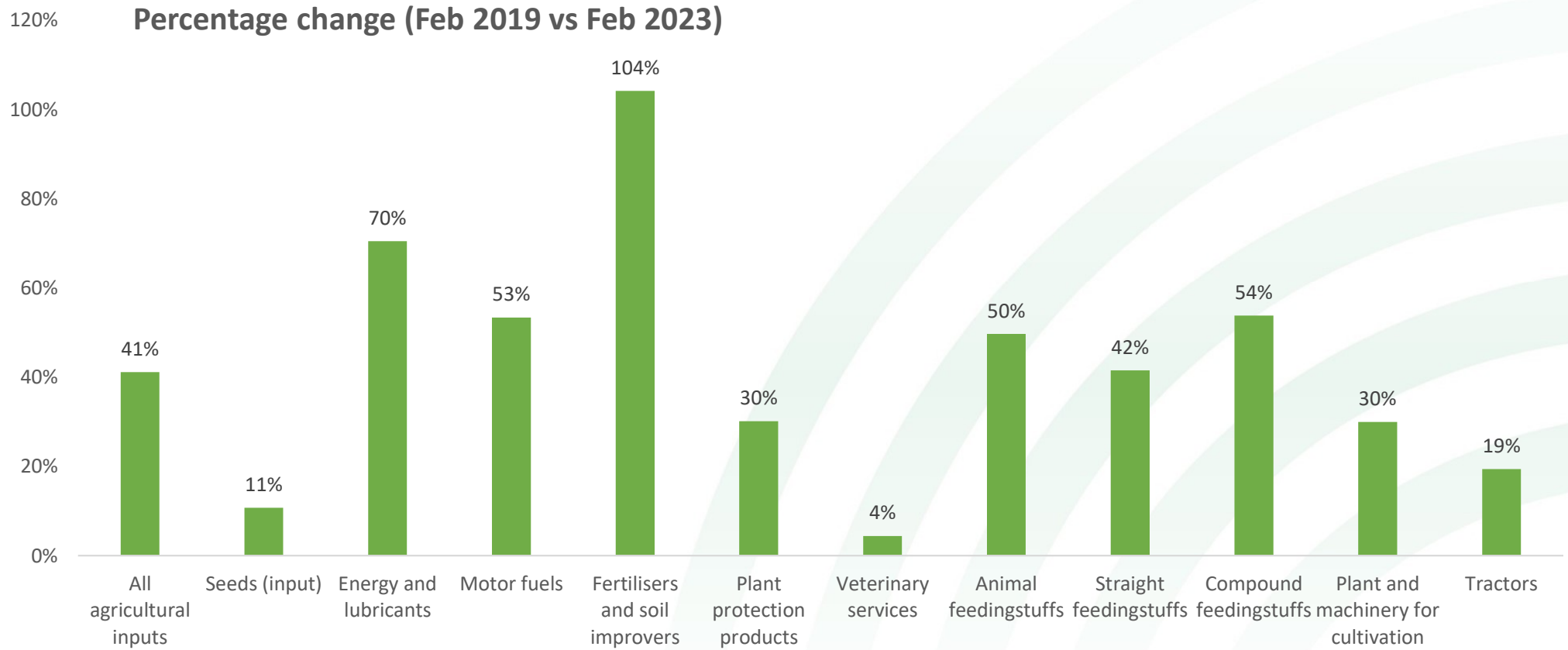
Electricity prices increased by 134%, from 248p per KWh in September 2022 to 581p per KWh in September 2023

Diesel increased by 46% between June 2021 to June 2022

Red diesel , increased by 171%, between March 2021 and March 2022



The cost of production has grown...

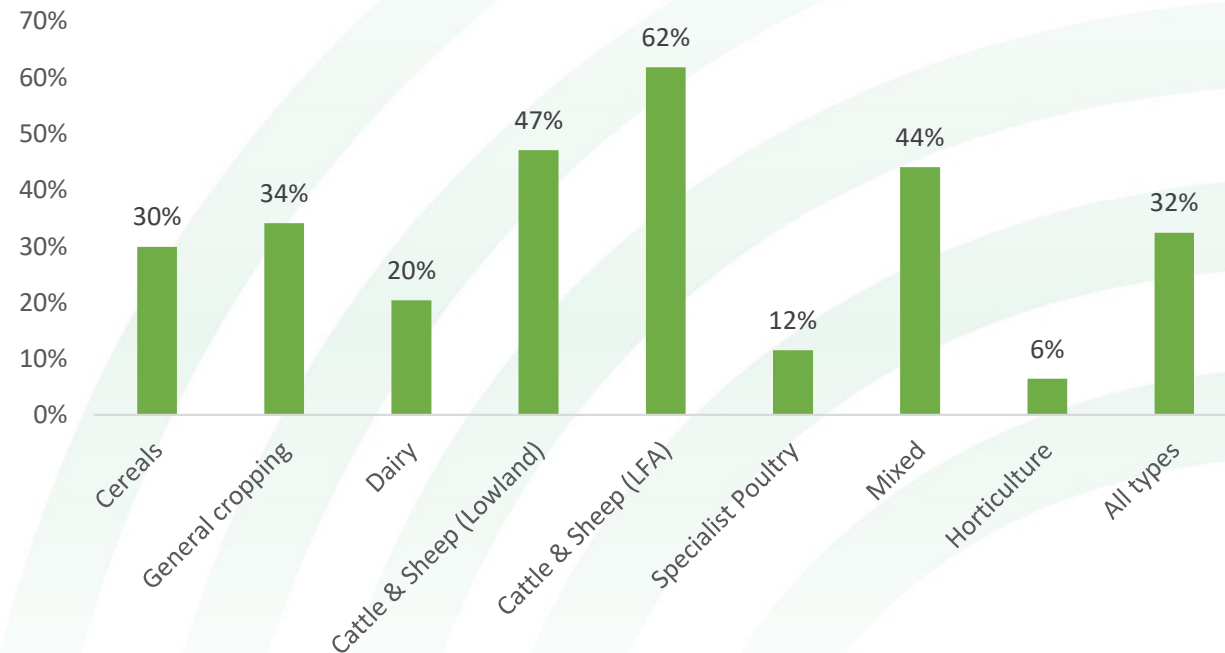


English Farming Payments - phase out

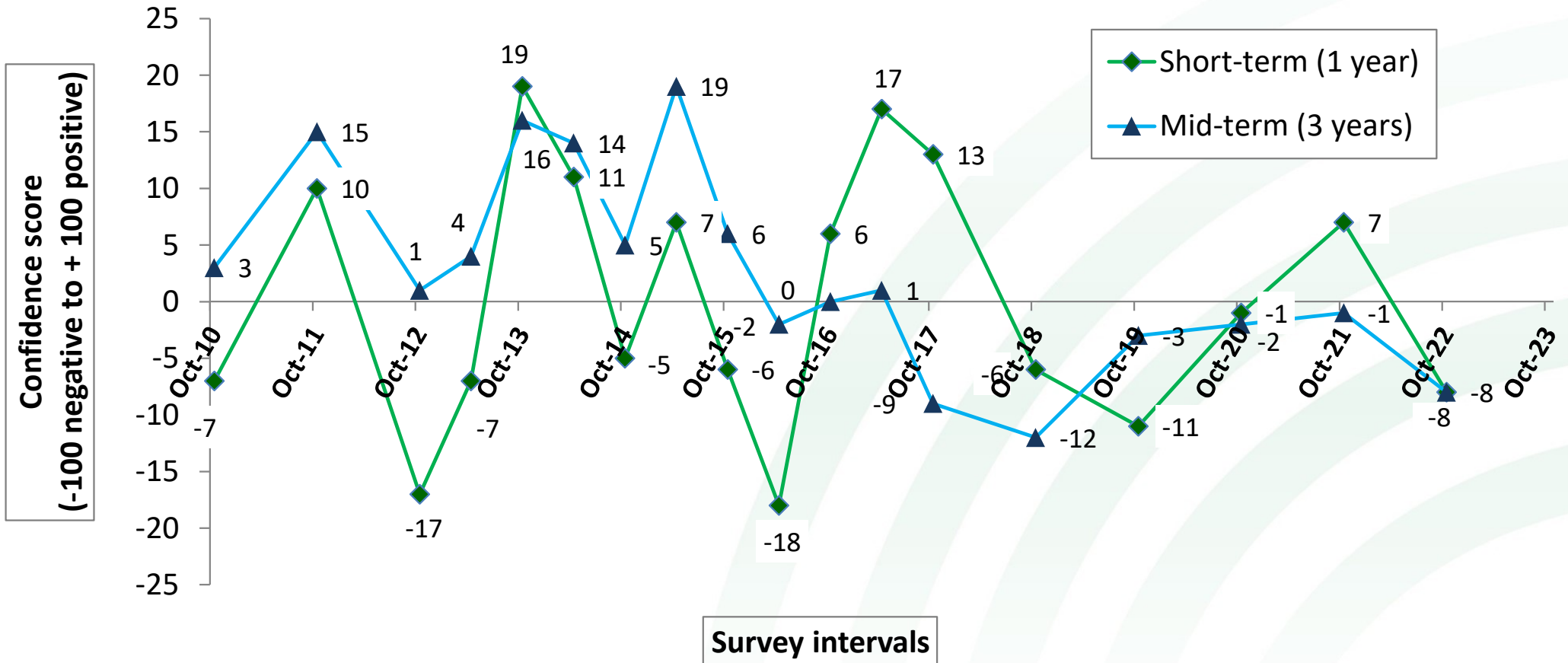
Payment Banding	BPS cut for that proportion			
	2021	2022	2023	2024
Up to £30,000	5%	20%	35%	50%
£30,000 - £50,000	10%	25%	40%	55%
£50,000 - £150,000	20%	35%	50%	65%
Over £150,000	25%	40%	55%	70%

The Basic Payment Scheme (BPS) in England will be phased out over seven years from 2021 to 2027.

Proportion of Farm Business Income (FBI) from BPS - 2021/22

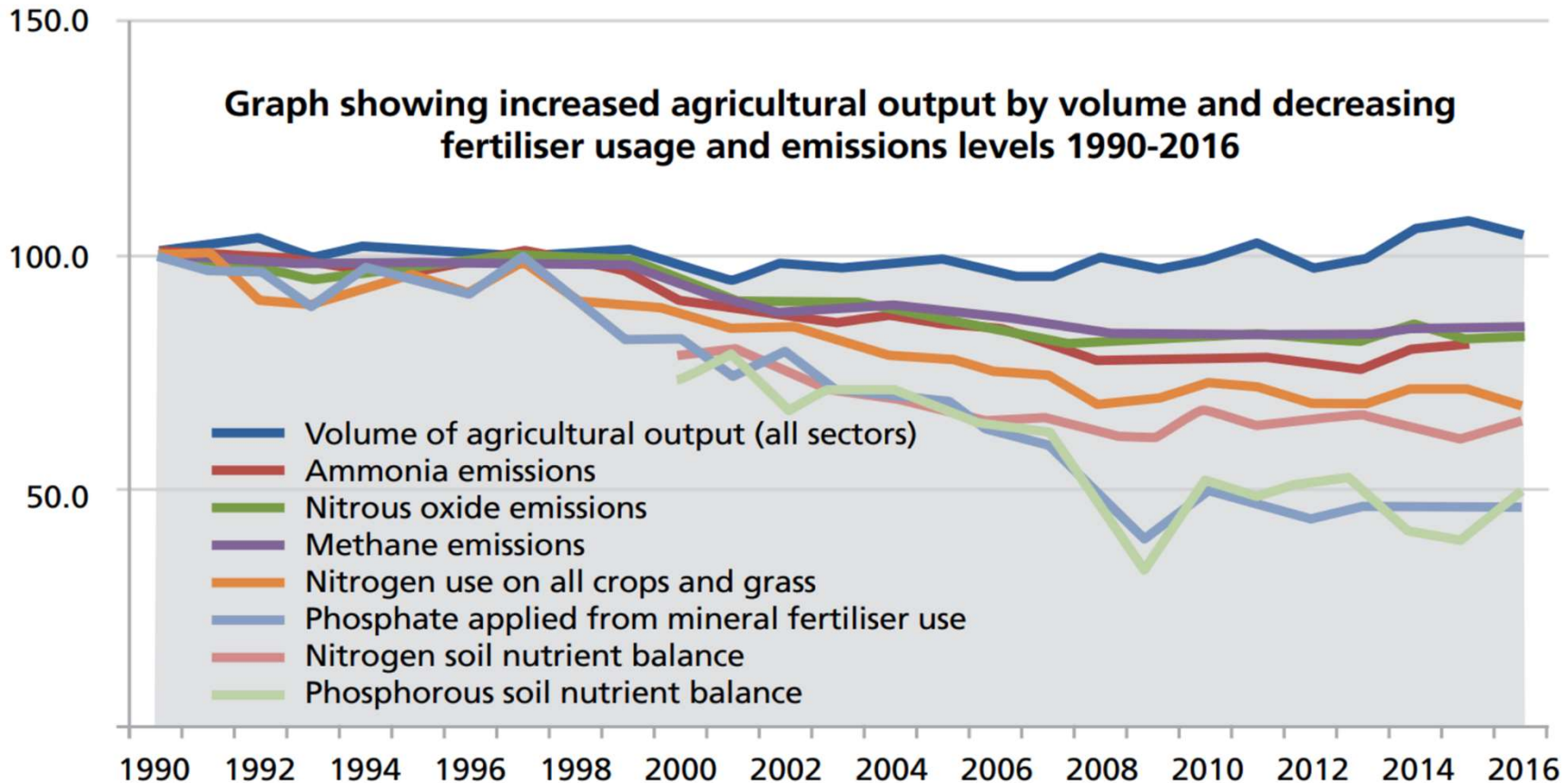


Business Confidence Time Series: 1yr & 3yr Outlook



Decoupling Farming's Impact

Index: (1990=100)



Plant Protection – a case study in chemistry



NFU SUPPORTED BY
NFU Mutual

Plant Protection – the opportunity



**Industry commitment
to meet challenges**



**Better, more efficient,
risk & science-based
regulation**



**Improved availability of
safer, more effective &
lower risk pesticides**



Triple win

maintaining highest
standards of consumer &
environmental protection
continuing to enable trade
better & more effective
outcomes for UK farm
businesses



NFU SUPPORTED BY
NFU Mutual

Plant Protection – the risks

Increasing conservatism & precaution in the regulatory approach

Not kicking the EU regulatory habit

Loss of actives / use restrictions

Development of resistance

Public perception



NFU SUPPORTED BY
NFU Mutual

Why science matters for farming

FEEDING THE FUTURE, FOUR YEARS ON: A review of innovation needs for British farming.



NFU

2017

- Farmers as applied scientists / innovators
- Increase adoption of existing knowledge and technologies
- 'Practices' as much as 'technologies'
- Knowledge exchange, equality of expertise
- Bridging the gap to commercialisation
- Whole chain engagement with innovation
- Digital tools, & data governance, enabling both sharing and protection
- Policy and legislation based on robust scientific evidence

2023 - Agricultural Universities Council Research Strategy

Actions include *“Review UK stakeholders’ priorities for agricultural research, in the context of global goals for sustainable land use and food systems”*

https://www.auc-uk.org/post/joint_research_strategy



NFU SUPPORTED BY
NFU Mutual