



Department
for Environment
Food & Rural Affairs

Note of the meeting of the UK Agricultural Market Monitoring Group, 8 October 2024

The UK Agricultural Market Monitoring Group comprises representatives from Defra, DAERA, Scottish Government and Welsh Government.



Scottish Government
Riaghaltas na h-Alba
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Department of
**Agriculture, Environment
and Rural Affairs**



Llywodraeth Cymru
Welsh Government

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Introduction

This note records the key points discussed at the meeting of the UK Agricultural Market Monitoring Group (UK AMMG) held on 8 October 2024. Present were representatives of Defra, Scottish Government, Welsh Government and DAERA (Northern Ireland). The meeting assessed issues impacting on the agricultural sector and reviewed the market situation across a range of UK agricultural commodities.

The publication of these notes is in the interest of preserving transparency and accountability. The accompanying data reports will be published on the same GOV.UK landing page.

Key points: Market situation

- Most farming sectors are performing well, with many operating at prices well above the 5-year average. Production in most sectors is within the 2019-2023 range except for lamb, which sits below. Arable yields are down year-on-year, largely down to the difficult planting conditions earlier in the year, as well as the prolonged period of wet weather.
- The Pound Sterling exchange rate against major currencies of interest performed well in September 2024.
- The Consumer Prices Index (CPI) rose by 2.2% in the 12 months to August 2024, unchanged from June 2024. Food and non-alcoholic beverage prices rose by 1.3% in the year to August 2024, 0.2% lower than in the 12 months to July and 0.3% lower than August 2023.
- The Met Office projections suggest near normal climate for the October, November, December 2024 period when viewed at the UK-scale. The wettest conditions likely over northern and western parts of the UK.

Intervention scheme announcements

There were no new market intervention schemes announced.

Overview and market updates

In September 2024, the Pound strengthened against the Euro, US Dollar, and Australian Dollar. The GBP/EUR rate rose due to positive UK data and European Central Bank rate cuts, while the GBP/USD rate surged after a significant Federal rate cut and weak US data. Overall, the Pound is stronger compared to September 2023.

According to the Office for National Statistics (ONS), inflation remained unchanged from July 2024, with the Consumer Prices Index at 2.2% in the 12 months to August 2024. Food and non-alcoholic beverage prices (commonly referred to as food inflation) rose by 1.3% in the year to August 2024, 0.2% lower than in the 12 months to July 2024 and 0.3% lower than August 2023.

Supply of seasonal workers appears to be meeting demand. Demand by the end of September 2024 was higher than in the same period in 2023 by about 3,500 workers. If the current trend continues, the 2024 allocation of 45,000 workers is likely to be sufficient

In September 2024, Brent crude oil prices fluctuated, starting at \$72.69 per barrel and dropping to \$69.19 due to weak Chinese demand and increased Libyan supply. Prices briefly rebounded to \$75.12 with China's domestic economic stimulus measures but fell again to \$71.60 as Saudi Arabia increased output, ending the month at \$71.89.

Demand for fresh fertiliser supplies has remained low, as buyers throughout the fertiliser chain wait for an expected price drop.

The Met Office projections suggest a near normal climate for the final quarter of 2024 when viewed at the UK-scale. Whilst the likelihood of this period being wet is similar to normal, given the time of year, spells of wet weather are still to be expected. The wettest conditions are likely to be seen over northern and western parts of the UK.

Sector discussions

Horticulture

Apple prices in September 2024 trended downwards both monthly and annually. This could be attributed to the large volumes of Northern Hemisphere apples harvested in September 2024 with many Southern hemisphere apples still available. However, prices remain near the top of the 2019-2023 range. Strawberry prices are up month-on-month due to short supply related to the end of the season. This increase in price follows long-term trends.

Tomato prices have risen due a reduced supply available. The prices, however, remain within the 2019-2023 range. Lettuce prices have remained consistently at the top of the five-year average range as the UK harvest comes to a close. Onion prices have returned to near five-year averages after sitting well above the 2019-2023 range in July and August 2024.

Dairy

The UK August 2024 farmgate milk price (FGMP) of 41.1ppl is up month-on-month supported by continued increases in dairy commodity values on the back of constrained supply.

Month-on-month UK milk supply for August 2024 declined as would be expected at this time of year.

The 7-day rolling average for the week commencing on 21 September 2024 for UK daily milk deliveries was 38.7 million litres, virtually unchanged year-on-year.

Arable

The UK winter cereal, oilseeds and pulse harvest is all but complete. Specifically in England, all main cereal crops and oilseed rape saw a reduction in yield in 2024 compared to 2023 except oats which saw an 8.5% increase. Provisional estimates for the English 2024 harvest show that the yield for wheat is 10 million tonnes, a decrease of 22% on 2023, barley yield is 4.9 million tonnes an increase of 2.7% on 2023, oat production of 773 thousand tonnes an 20% increase on 2023 and oilseed rape production of 687 thousand tonnes a decrease of 33% on 2023. Overall yields are down on the five-year average.

Bread milling wheat prices in September 2024 are down on the month and the year, whilst feed wheat, milling wheat and feed barley prices in September 2024 are up on the month and down on the year. Oilseed rape prices are down on the month but up on the year. This decline in price is only slight, affected in part by global prices. Feed wheat and barley, and milling wheat prices remain near the 2019-2023 crop year averages.

Domestic consumption of wheat remains historically strong. Heavy imports saw end of season stocks for wheat and barley at their largest this century.

Towards the end of the season, imports of maize were above the five-year average in the 2023/24 season, with domestic consumption at its highest since 2020/21.

Despite reduced domestic consumption, a smaller oat crop and minimal imports, combined with stronger than average exports, led to the smallest ending stocks for oats since 2019/20.

Beef

Beef production fell back month-on-month for August 2024 although it remains above the 5-year average. August 2024 weekly average production increased 2.3% year on year, and weekly average prime cattle slaughter was up by 1.5% compared to last year.

Prime cattle prices increased 6% year on year in August 2024, driven by tightening supply.

Sheep

Weekly average clean sheep slaughter increased by 4.2% from July 2024 to August 2024. However, slaughter numbers remain lower than the 2019-2023 average by approximately 16%. The Standard Quality Quotation (SQQ) clean lamb prices in Great Britain (deadweight) and the deadweight lamb and hogget prices in Northern Ireland in September 2024 were both 18% higher than in September 2023.

Pigs

Deadweight monthly pig prices remained stable in September 2024 with the Standard Pig Price (SPP) at 209.2p/kg and All Pig Price (APP) at 212p/kg.

In August 2024, UK weekly pig meat production was 20,100 tonnes, 0.5% lower than August 2023. Weekly clean pig slaughtering was 0.6% down on the year at 196,900 head.

Poultry

In August 2024 broiler slaughter declined by 1.3% from July 2024 and by 1.9% from August 2023. Broiler slaughter numbers remain near the top of the 2019-2023 average range.

Turkey slaughter fell in August 2024: by 2.7% from July and by 10% from August 2023. The 5-year trend is one of declining consumer demand for turkey meat.

Weekly average poultry meat production is down on the month (-3.2%), the year (-1.0%), but remains up against the 5-year average (+4.3%).

The weekly EU broiler price remains high but steady at €281.2 /100kg, sitting at the top of the 5-year average range.

Eggs

The average egg price in Q2 2024 was 143.7 p/dozen, a 16% year on year increase.

Total egg production for human consumption for Q2 2024 was 249.5 million dozen – a 6.4% increase year on year.

The weekly average for commercial layer eggs set for August 2024 was up 5.6% on the month, 9.9% year on year, and 18% on the 5-year average.

The weekly average for commercial layer chicks placed for August 2024 was 0.69 million chicks, down on the month by 6% but up on both the year and the 5-year average (by 1.5% and 2% respectively).

Any other business

No other issues were raised.

Date of next meeting

The next scheduled meeting of the UKAMMG will take place on 12 November 2024.



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