



Department
for Environment
Food & Rural Affairs

Note of the meeting of the UK Agricultural Market Monitoring Group, 10 December 2024

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



Scottish Government
Riaghaltas na h-Alba
gov.scot



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 10 December 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 strengthened in November 2024 against major currencies of interest except for the US Dollar.
- The Consumer Prices Index (CPI) rose by 2.3% in the 12 months to October 2024. Food and non-alcoholic beverage prices rose by 1.9% in the same period, 0.1% higher than in the 12 months to September 2024.
- The Met Office projections suggest near average precipitation for the December-January-February 2024 period while the chances of a near average and mild temperatures for the period are about even when viewed at the UK-scale.

Intervention scheme announcements

There were no new market intervention schemes announced.

Farm Business Income in England for 2023/24

The UKAMMG was given a briefing on the results of the Farm Business Income in England for 2023/24 report which was published on 14 November 2024.

In 2023/24, average Farm Business Income was lower for all farm types except for specialist pig farms and specialist poultry farms. The fall in income followed exceptional highs for some farm types in 2022/23.

The full release is available here: [Farm business income - GOV.UK](#)

Overview and market updates

In November 2024, the Pound gained some ground against the Euro, the Australian Dollar, and the New Zealand Dollar, but lost to the US Dollar. However, when compared to November 2023 the Pound sits in a stronger position against all mentioned currencies. The GBP/EUR rate saw fluctuations on the back of the German Government calling for new elections and higher than expected UK inflation figures, while the GBP/USD rate was affected strongly by the US federal election.

According to the Office for National Statistics (ONS), inflation increased in October 2024. The Consumer Prices Index (CPI) rose by 2.3% in the 12 months to October 2024. Food and non-alcoholic beverage prices (commonly referred to as food inflation) rose by 1.9% in the same period, 0.1% higher than in the 12 months to September 2024.

Supply of seasonal workers appears to be meeting demand. Worker numbers are 11% higher than November 2023 due to sector demand, but with the current trend the 2024 allocation of 45k is likely to be sufficient.

In November 2024, Brent crude oil prices fluctuated due to the Organization of the Petroleum Exporting Countries and its allies (OPEC+) production cuts, the US presidential election, and geopolitical tensions, ultimately settling lower. Title Transfer Facility (TTF) natural gas prices spiked following supply disruptions in Norway, colder weather, and geopolitical issues, including a legal dispute between Austria's Oil and Gas Group (OMV) and Russia's Gazprom, leading to high volatility and increased prices.

Fertiliser sales have begun to pick up at merchant-level, with signs of some demand emerging from farmers.

The Met Office projections suggest near average precipitation for the December-January-February period while the chances of a near average and mild temperatures for the period are about even when viewed at the UK-scale. However, this does not preclude the possibility of some cold spells and related impacts later in this period. Stormy periods and impacts from rainfall and high winds are possible throughout, but especially during January and February.

Sector discussions

Horticulture

In November 2024 prices for apples and swedes were stable. Carrot prices show a small yearly decrease. Cauliflower and Brussel sprouts prices have dropped significantly compared to last year when poor weather led to higher prices. Cabbage prices have marginally increased.

Dairy

In October 2024 the farmgate milk price rose to 45.2ppl, driven by strong dairy commodity values and festive demand. Milk supply increased month-on-month (MoM) and year-on-year (YoY), with daily deliveries up 6.2%. Global production remains constrained, keeping markets bullish.

Arable

Bread milling wheat, feed wheat and feed barley prices are down MoM and YoY for November 2024. Malting barley is up MoM and down YoY, also for November 2024. Oilseed rape prices are up MoM and YoY for August 2024. All prices remain relatively close to the 5-year average.

AHDB's early bird survey reports that for the 2025 harvest the wheat and oat areas are expected to rise, while barley and oilseed rape areas are expected to fall. This is subject to change but is more in line with a typical drilling campaign following the impact on drilling following the wet weather seen in 2023.

For sugar the UK beet harvest has started well, the quality is good, and while processing is expected to continue until early March 2025, over half of the expected 8 million tonne harvest has already been processed.

Beef

October 2024 beef production and slaughter rates rose significantly YoY. The AHDB is forecasting an increase of 4% in the total 2024 beef production when compared to 2023.

Prime cattle deadweight prices for GB are up 8.5% YoY for November 2024, driven by strong demand. Imports in September 2024 were down, while exports increased as higher domestic supply increases export capacity.

Sheep

Sheep slaughter rates varied in the Autumn, due to poor weather conditions, but have improved recently. October 2024 saw a 10.3% MoM and 1.7% YoY increase in slaughter. Production is slightly down YoY. Lamb prices are rising due to festive demand, with September 2024 imports up and exports down, both YoY. Imports and exports have been partially impacted by domestic supply shortages

Pigs

Prices have declined but remain well above the 5-year average. October 2024 pig meat production was up 9.2% YoY. Clean pig slaughter for October 2024 numbers increased by 8.9% YoY.

Poultry

Broiler slaughter increased MoM and YoY, with October 2024 figures significantly higher than the 5-year average. Turkey slaughter rose MoM but fell YoY for October 2024.

Poultry meat production and EU broiler prices for October 2024 were up, while wheat feed prices for November 2024 and other input costs were down.

Eggs

In Q3 2024, the average egg price rose by 5.7% YoY to 145.7 p/dozen. Total egg production for human consumption increased by 7.2% YoY to 254.1 million dozen, also for Q3 2024. The weekly average for commercial layer eggs set for October 2024 was down 9% MoM but up 0.9% YoY and 8.3% above the 5-year average. The weekly average for commercial layer chicks placed for October 2024 was 0.81 million, up 16% MoM and 3.6% above the 5-year average, but down 3.7% YoY.

Any other business

No other issues were raised.

Date of next meeting

The next scheduled meeting of the UKAMMG will take place on 14 January 2025.



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