



Department
for Environment
Food & Rural Affairs

Note of the meeting of the UK Agricultural Market Monitoring Group, 14 January 2025

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 14 January 2025. 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 lambs and pigs, which sit below. The market dynamics were influenced by currency fluctuations, fuel prices, and varying demand across different agricultural products.
- The Met Office projections for the January to March 2025 suggest near average precipitation and an elevated chance of milder temperatures for the period.

Intervention scheme announcements

There were no new market intervention schemes announced.

Overview and market updates

In December 2024 Pound Sterling gained value against the Euro, the Australian Dollar, and New Zealand Dollar but weakened against the US Dollar.

Supply of seasonal workers appeared to be meeting demand. At the close of 2024 worker numbers were 13% higher than in 2023 due to increased sector demand, but still within the 2024 allocation.

In December 2024, Brent crude oil prices remained relatively stable with some falls in the second half of the month.

Red diesel prices increased by 2.5% month-on-month (MoM) in December 2024. According to weekly data from the Department for Energy Security and Net Zero, the price of ultra-low sulphur diesel rose from the first week of October 2024 to the last week of December 2024 at an average rate of 0.41p per litre per week. For red diesel, this translates to 0.34p per litre per week. However, the rate has been slowing down in the last couple of weeks, reaching 0.19p per litre per week in December 2024.

In December 2024, European natural gas prices remained mostly stable.

Most fertiliser prices are stable but the urea price has firmed due to strong global demand. Granular urea prices have reacted in the UK, moving up in January 2025 to £373/t, compared to £338/t in December 2024.

The Met Office projections suggest that there is an elevated chance that the January to March 2025 period will be milder than normal. However, this does not preclude the possibility of some cold spells and related impacts, these being more likely in January 2025. Whilst the 3-month projection shows an increased chance of wetter than normal conditions when taking the UK as a whole, the chances of rainfall being close to normal are still higher.

Sector discussions

Horticulture

The Group focussed on key seasonal commodities with apples showed a slight increase in price from November 2024 to December 2024 and very small decline in price from last year.

Onion prices decreased between October 2024 and November 2024. Carrot prices have also decreased across the same period however are showing a small percentage increase year-on-year (YoY).

Cabbage and Swede prices remain largely unchanged between November 2024 and December 2024 and compared with 2023.

Brussels sprouts showed an increase in prices between November 2024 and December 2024, but prices showed a 27% decrease YoY. Cauliflower prices have risen sharply across the same period however are considerably lower than last year's prices when flooding was affecting the crop.

Dairy

UK October 2024 farmgate milk price (FGMP) of 45.2ppl is up MoM with UK milk supply for October also up both MoM and YopY. Daily UK milk deliveries continued to be strong into mid-December 2024, up 4.1% YoY for the same week in 2023.

The Actual Milk Price Equivalent (AMPE) and the Milk for Cheese Value Equivalent (MCVE) are both down marginally MoM but from high levels with both remaining firm up 20 and 22% year-on-year between December 2023 and December 2024 respectively.

Arable

December 2024 was the seventh consecutive month that UK nearby feed wheat futures have been lower on the year. The current 2024 average price is the lowest since 2020. On average, 2024 UK feed wheat prices are going to finish the year at lower levels for the second year running.

Feed wheat and bread milling wheat prices are down YoY and MoM between November 2024 and December 2024. Feed barley and malting barley prices are up MoM between November 2024 and December 2024 and down YoY between December 2023 and December 2024. All sit below the 5-year average.

Beef

Prime cattle prices are up 12% year-on-year and 33% above the 5-year average in December 2024. Cow prices surged 24% YoY between 2023 and 2024, with beef prices reaching record highs due to strong demand and anticipated tighter supplies in 2025. Production levels are down by 5.9% YoY between 2023 and 2024. The total production is forecast to rise 4% in 2024 compared to 2023.

Sheep

Deadweight lamb prices increased 18% year-on-year between December 2023 and December 2024 and are 30% above the 5-year average, driven by strong domestic/export demand and lower supplies.

UK sheep production dropped 11.4% YoY between December 2023 and December 2024, with slaughter numbers down 8.5%, reflecting reduced breeding numbers, weather challenges, and a shrinking flock size.

The UK sheep flock is at a record low of 31 million head YoY to June 2024, with declines across all categories, including a 3.6% reduction in the female breeding flock.

Pigs

The monthly Standard Pig Price (SPP) (206.2p/kg, December 2024) has continued in a gradual decline. Although prices paid are lower than they were last year, they remain high above the 5-yr average. The monthly All Pig Price (APP) (208.0p/kg, December 2024) saw a small decline (0.4%) from November to December 2024 but is also still high above the 5-year average.

In November 2024, UK weekly pig meat production was 19,100 tonnes, 3.9% lower than November 2023.

In November 2024, weekly clean pig slaughter numbers were down 0.3% on the year at 205,000 head.

Poultry

Although down by 4.2% MoM between October 2024 and November 2024 and 2.7% YoY between November 2023 and November 2024, overall broiler slaughter numbers remain high at 3.1% above the 5-year average.

In line with seasonal variation, turkey slaughter numbers rose by 180% between October 2024 and November 2024 but are down 12.0% YoY between November 2023 and November 2024. Over the past 5 years, the month of November accounted for an average of 18% of annual turkey slaughter. The 5-year trend is one of declining consumer demand for turkey meat.

Weekly average poultry meat production is up 0.6% MoM between October 2024 and November 2024, down 4.3% YoY between November 2023 and November 2024, and up 1.4% against the 5-year average. Weekly EU Broiler Price remains buoyant at €293/100kg, sitting at the top of the 5-year min-max and up 9.3% on the year.

Eggs

The average egg price in Q3 2024 was 145.7 p/dozen, a 5.7% year-on-year increase. The total egg production for human consumption in Q3 2024 was 254.1 million dozens – this is a 7.2% increase YoY and a 1.8% increase on Q2 2024. The weekly average for commercial layer eggs set was down 16% MoM between October 2024 and November 2024, and 0.3% YoY between November 2023 and November 2024. The weekly average for commercial layer chicks placed was 0.67 million, down MoM between October 2024 and November 2024 by 17% and YoY between November 2023 and November 2024 by 14%.

Any other business

No other issues were raised.

Date of next meeting

The next scheduled meeting of the UKAMMG will take place on 11 February 2025.



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