# Combinable Crops
# NFU Conference 2017

Mike Hambly
Guy Gagen
Tori Morgan

*Chaired by* Tom Allen-Stevens

NFU supported by
NFU Mutual

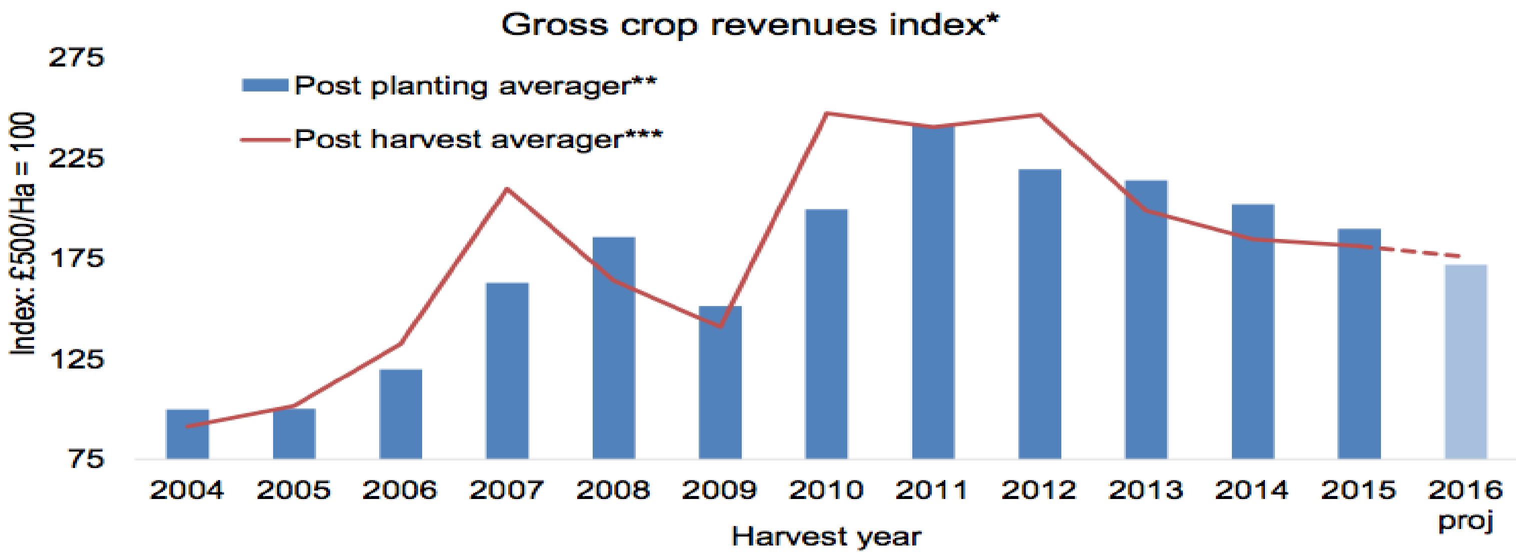
Mike Hambly

Chairman, Combinable Crops Board

# Incomes under pressure …..

## UK crop revenues continue to fall

*Reality check on yields in 2016*




** Index of gross wheat, barley and OSR income. Accounting for price and yield. Weighted by UK crop area.*

*** Olympic average of previous five year yields used to calculate pre-harvest sales volumes, multiplied by average forward price between October and July. Balance of yield sold at average of August to June spot price*

**** Actual yields sold at average of August to June spot price*

AHDB CEREALS & OILSEEDS

*Source: AHDB*

NFU supported by

NFU Mutual

NFU CYMRU

NFU

# 2015 World Record Yields

Wheat 16.52 T/Ha

Oilseed Rape 6.7 T/Ha

# Developed market place ....


NFU supported by

NFU Mutual

# Storage Infrastructure & Traceability

Red Tractor Assurance *for Farms*

Crops & Sugar Beet Scheme

ASSURED FOOD STANDARDS

NFU supported by

NFU Mutual

NFU CYMRU

NFU

Guy Gagen

Chief Arable Adviser

# IPM development – retaking the language!

The **careful consideration** of all available plant protection methods and subsequent integration of **appropriate measures** that **discourage** the development of populations of **harmful organisms** and keep the use of plant protection products and other forms of **intervention** to levels that are **economically and ecologically justified** and **reduce or minimise risks** to **human health** and the **environment**.

*From the Sustainable Use Directive (SUD) 2009*

# Reminding non-farmers how you use:

- *Crop rotation*
- *Cultivation techniques*
- *Resistant or more tolerant varieties and high quality certified/farm saved seed*
- *Protection and enhancement of important beneficial organisms*
- *Pest monitoring/forecasting and application of control based on monitoring and available thresholds*
- *Use of biological, physical and other non-chemical methods*
- *Targeted application of pesticides*
- *Anti-resistance strategies*

# Stewardship – keeping product where it should be

H₂OK? Keep it Clean

The Voluntary Initiative
Promoting responsible pesticide use

ASSURED FOOD STANDARDS

METAZACHLOR MATTERS

NSP nematicide stewardship programme

OSR Herbicides? Think Water

Get Pelletwise!

BeeConnected

NFU supported by NFU Mutual

NFU CYMRU

NFU


Beetle banks


Pollinator strips


Physical barriers


Margins

# Endocrine disruptor definition: substances identified in impact assessment 2016

| | | |
|---|---|---|
| **2,4-D** | Malathion | Spirodiclofen |
| 8-hydroxyquinoline | **Mancozeb** (e.g. Dithane) | **Tebuconazole** (Folicur) |
| **Boscalid** (e.g. Filan) | Maneb | Tepraloxydim |
| **Cypermethrin** | Metiram | **Tetraconazole**(Eminent) |
| Desmedipham | Myclobutanil | Thiophanate-methyl |
| Fenamidone | Oxadiazon | **Thiram** (e.g. Anchor) |
| Flubendiamide | **Pendimethalin** (e.g. Stomp) | Tralkoxydim |
| Iprodione | **Propyzamide** (e.g. Kerb) | Triflusulfuron |
| Lenacil | | Ziram |

# Insect control in OSR

- IPM study at AHDB
  - 2016, new measues-20??
- NFU supply chain conference November 2016
- Emergency Use Authorisation
  - Requested January 2017
- EU General Court intervention
  - Feb 2017/?

# Glyphosate

- 40 years of **safe use**; for environment, human health
- Innovation that has slowed man-made CC, cut labour needed, reduced risks to food safety and protected the environment
- Politically motivated: global multinationals, seeds and biotechnology. GM barely relevant in the Europe and the UK, so targets **pre-harvest use**. Bigger force in anti-globalisation? leaders of opposition to glyphosate may have a Tiger by the tail.
- Commission officials responsible, and MEPs, point to massive **public 'interest'** and almost total absence of **farmer voice** in social media and direct communication
- NFU is supporting Members who have come to us with questions about what NFU is doing and what they can do

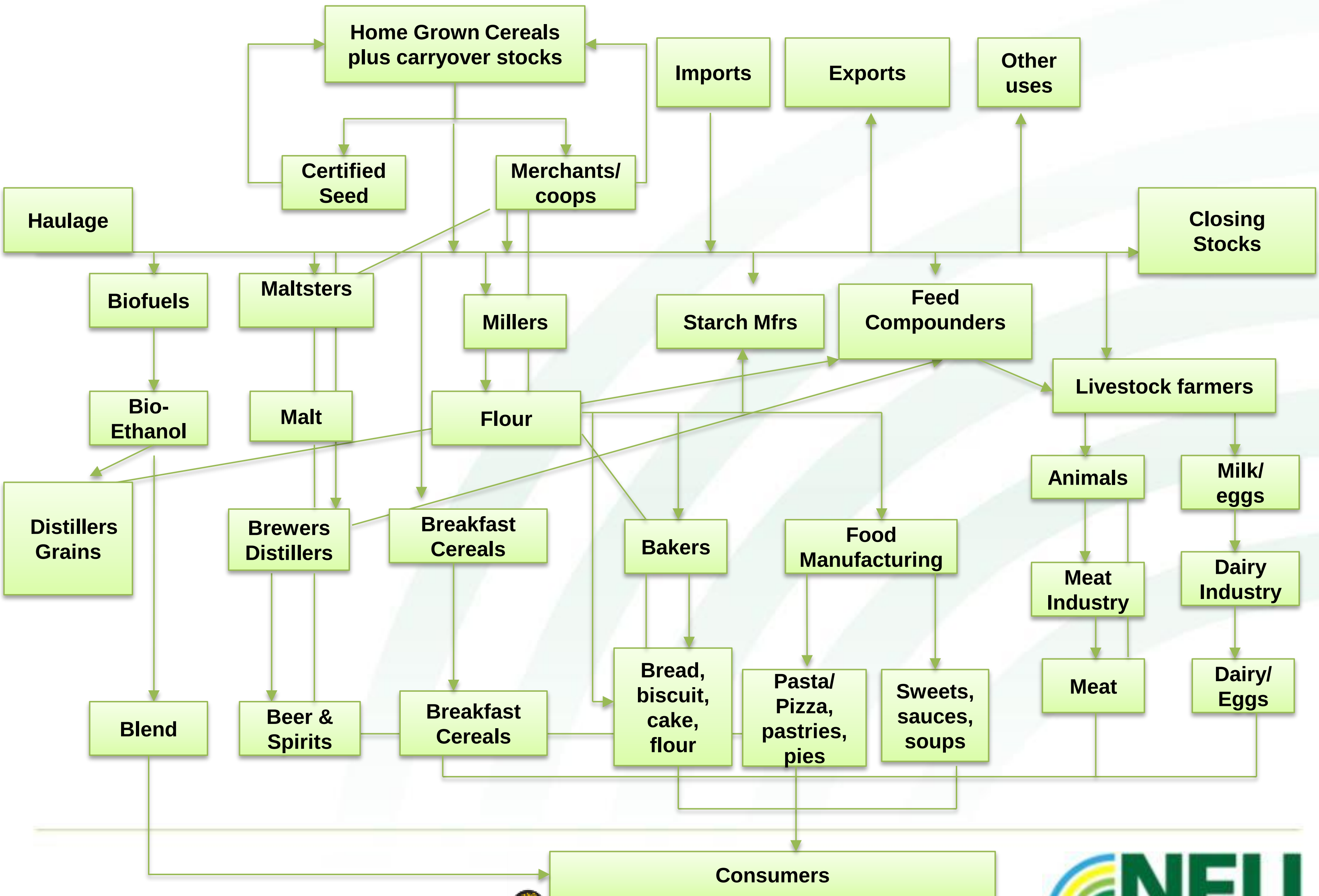
# Post-Brexit regulation

- Discussion on what is needed in PPP regulation is ongoing
- EU regulation
  - PPP
  - Plant Breeding
  - Contaminants (fertiliser, food, feed, water)
- Opportunity exists for evidence-based, robust regulation without isolating UK as a market, particularly for PPPs

# Crop protection questions

Tori Morgan
Combinable Crops Adviser

# UK Cereal Food Chain




NFU Mutual

CYMRU

NFU

NFU the voice of British farming

Home | About Us | News | Our Offices | NFU Membership | Sectors | Cross Sector

Future of biofuels - why we need YOUR help

In brief...

The Department for Transport is are consulting on future biofuel policy in the UK up to 2020, and 2030. The proposals include the setting of the controversial crop cap, which will limit the amount of biofuels which can be used on UK roads.

We need your help to explain to the DfT why the biofuel industry is important to farmers.

The Consultation has now closed but you can read the NFU response here or in the related documents page (you will need your membership login details).

Farmers Guardian INSIGHT

After a recently published consultation on biofuels which could put a stop to their production, Abi Kay looks at how the industry supports arable and livestock farmers.

# Driving UK farming forward with E10 FUEL

Farmers could stand to benefit in more ways than one from the call for the Government to introduce E10, a new 'greener' petrol made from animal feed grade wheat.

By law, the UK must ensure 10 per cent of its transport fuel comes from renewable sources by 2020.

Biofuels companies have suggested using E10 – a petrol which has an ethanol blending ratio of 10 per cent compared to the current 5 per cent – is the best way to meet the target.

The process of making ethanol using wheat creates a by-product known as distiller's dried grains with solubles (DDGS), a high-protein animal feed comparable to soya.

## Alternative

Richard Royal, head of Government affairs at Vivergo Fuels, the UK's biggest producer of bioethanol, said: "Our animal feed provides a high-protein alternative to imported soya, as well as containing additional ingredients and roughage farmers would otherwise have to source elsewhere.

"Protein levels provide milk yields equivalent to soya, but crucially this comes from a stable and secure, duty-free, readily available and low transit British source.

"In an uncertain post-Brexit world, it makes sense for British businesses like ours to be supporting British farmers, and vice-versa, rather than relying on imports and exports."

Biofuels companies have said using E10 is the best way to meet the 2020 target.

## Higher crop cap

THE NFU is lobbying for a higher crop cap. Brett Askew, NFU north east combinable crops board chairman, said: "The biofuels industry represents a golden opportunity for UK farmers. It provides a clear uplift to the market and has given arable farmers the confidence and security there is a home for their crops.

"The animal feed produced as a co-product of biofuel production is essential for our dairy farmers who are facing rising feed costs due to the falling pound.

"In the forthcoming consultation, the NFU will be asking the Government to set the crop cap at the maximum permitted level of 7 per cent to ensure this industry can run at its full potential."

# UK Export ports 2017

1. Lancaster
2. Sharpness
3. Avonmouth
4. Portbury
5. Poole
6. Teignmouth
7. Plymouth
8. Portland
9. Southampton
10. Shoreham
11. Rye
12. Dover
13. Ridham
14. Tilbury
15. Felixstowe
16. Ipswich
17. Lowestoft
18. Great Yarmouth
19. King's Lynn
20. Sutton Bridge
21. Boston
22. Grimsby
23. Immingham
24. New Holland
25. Hull
26. Newcastle
27. Berwick-upon-Tweed
28. Dundee
29. Montrose
30. Peterhead
31 Inverness
32. Invergordon

# UK Export ports 20??

1. Lancaster
2. Sharpness
3. Avonmouth
4. Portbury
5. Poole
6. Teignmouth
7. Plymouth
8. Portland
9. Southampton
10. Shoreham
11. Rye
12. Dover
13. Ridham
14. Tilbury
15. Felixstowe
16. Ipswich
17. Lowestoft
18. Great Yarmouth
19. King's Lynn
20. Sutton Bridge
21. Boston
22. Grimsby
23. Immingham
24. New Holland
25. Hull
26. Newcastle
27. Berwick-upon-Tweed
28. Dundee
29. Montrose
30. Peterhead

31 Inverness

32. Invergordon

# Market Development Questions

# Agricultural Policy
# Mike Hambly

NFU supported by
NFU Mutual

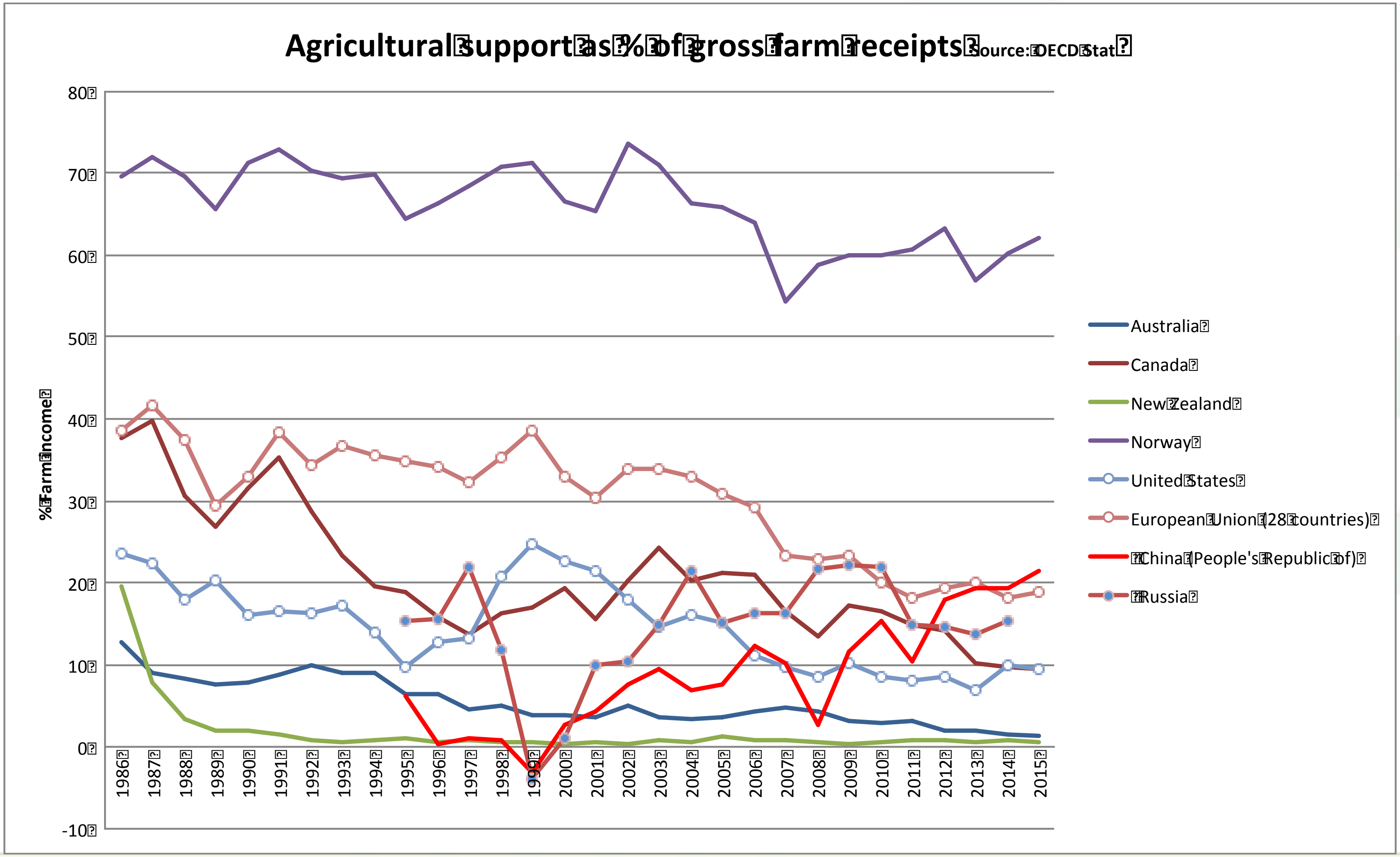
# Brexit – Cereal & Oilseed Issues

- Currency – short term pre-Brexit honeymoon
- Farm Support – current source of resilience
- Access to EU markets – inside or outside of tariffs
- Market implications
  - Internal trade flows
  - Imports (tariff levels)
  - S & D of individual commodities e.g. Malt Barley
  - Confidence/Investment from multinationals into supply chains already established in UK

# Agricultural Policy post Brexit



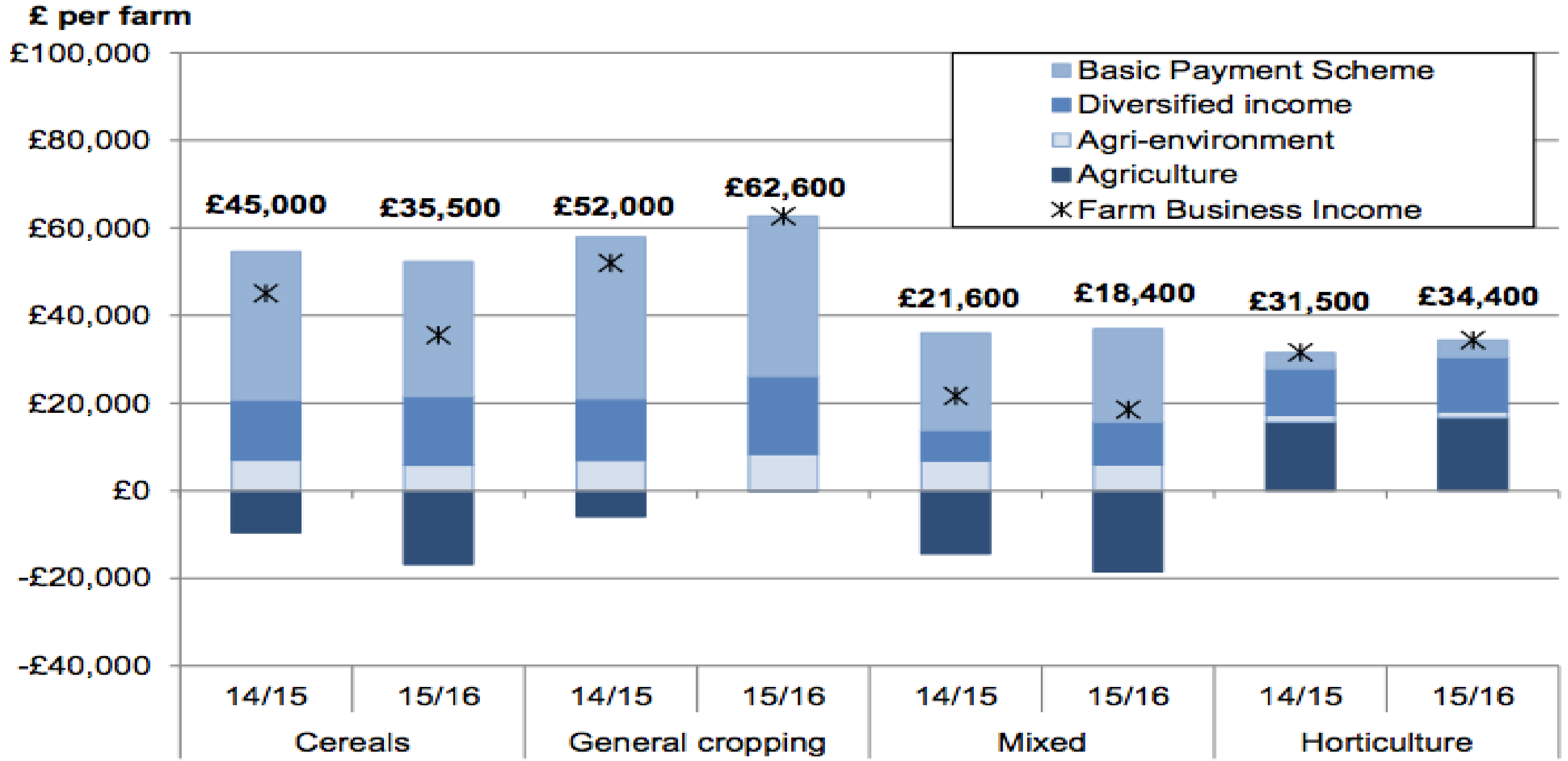
# Agricultural support around the world




NFU supported by NFU Mutual

# Cereal farm income source

**Figure 5: Average Farm Business Income for cropping farms, broken down by cost centres 2014/15 and 2015/16**




Source: Farm Business Survey, England

NFU supported by NFU Mutual

# In 2015/16 the average farmer supported every tonne of wheat sold by


**£29**

NFU supported by NFU Mutual

NFU CYMRU

NFU


REGULATIONS


JOB
VACANCY


TRADE

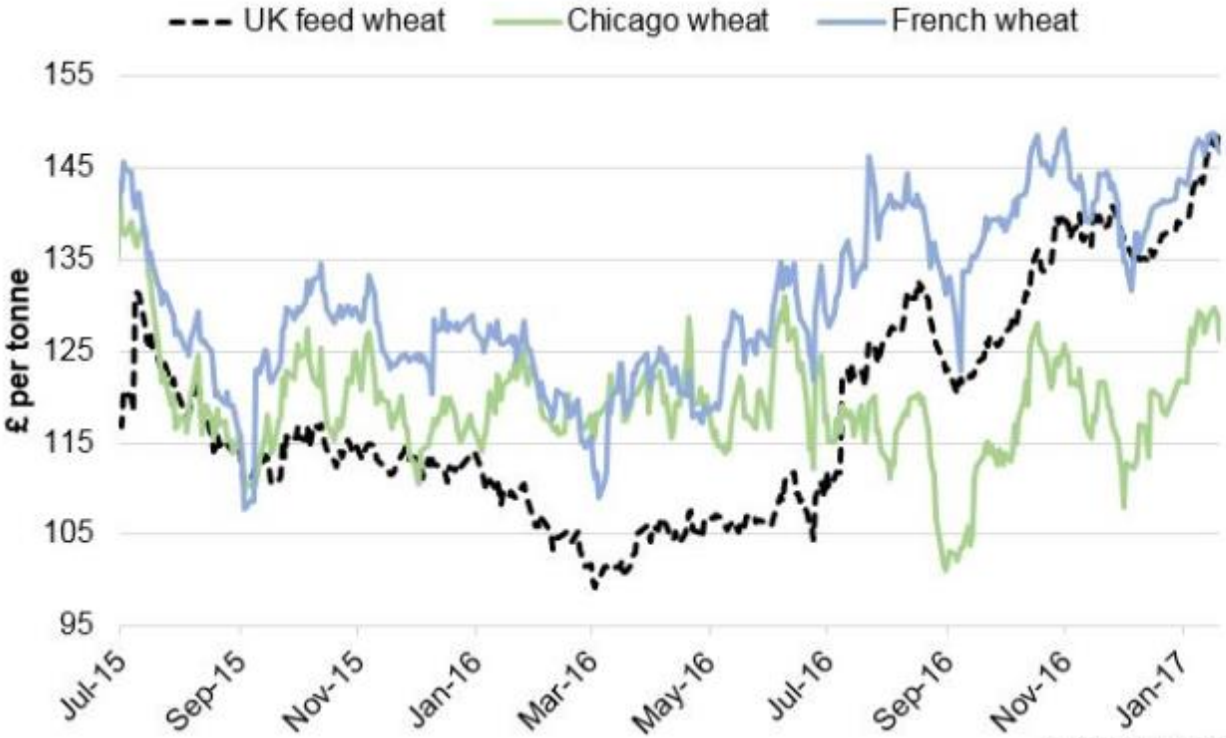
# Questions from the Floor

## Chaired by Tom Allen-Stevens

NFU supported by

NFU Mutual

## Figure 1 International wheat futures, nearby




Source: AHDB

# Summary of EU grain import tariffs

| EU import tariffs applicable | | For in quota volumes | Outside TRQ system or once quota limit is exhausted |
|---|---|---|---|
| **Soft wheat** | Low / medium quality *(Origin specific volumes)* | €12/t | €95/t |
| | High quality *(14% protein, 12% moisture basis)* | n/a | Variable rate* currently set at €0/t |
| **Barley** | Malting barley | €8/t | €93/t |
| | Barley | €16/t | €93/t |
| **Oats** | | n/a | €89/t |
| **Maize** | | €0/t | Variable rate ** currently set at €0/t |

*Uses Minneapolis Hard Red Spring futures, a FOB premium and freight costs to calculate an indicative CIF EU price. This is compared against a reference price of €157.03/t (155% intervention price). If the indicative CIF price is lower than the EU reference price, a tariff is applied - which changes if a considerable shift the in gap.

**A very similar calculation to high quality wheat but using Chicago maize futures as the base.

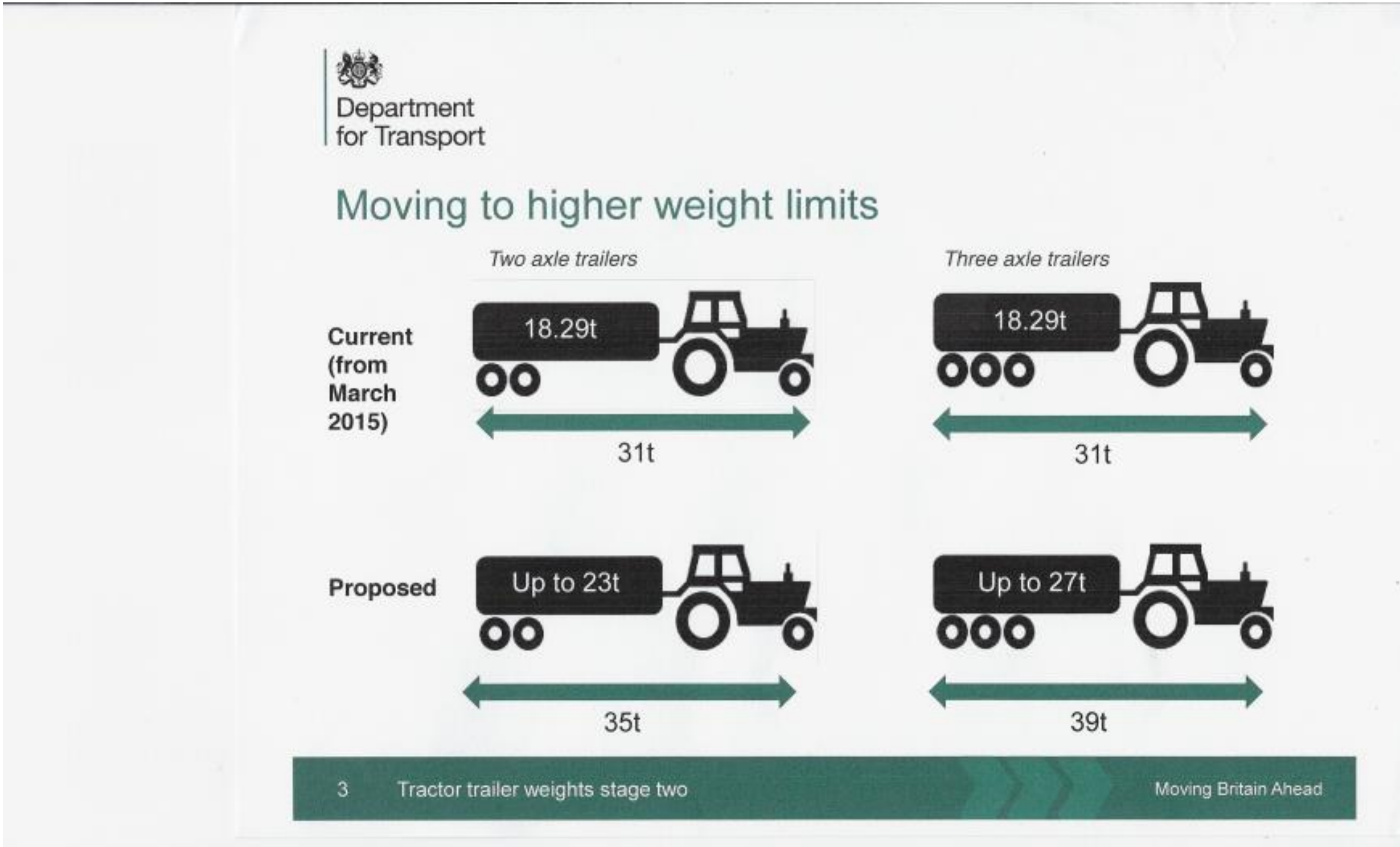
| Ukrainian specific TRQs | Volume (t) | Tariff |
|---|---|---|
| **Soft wheat** | 950,000 | €0/t |
| **Barley** | 250,000 | €0/t |
| **Maize** | 400,000 | €0/t |

AHDB CEREALS & OILSEEDS

NFU supported by NFU Mutual

NFU CYMRU

NFU

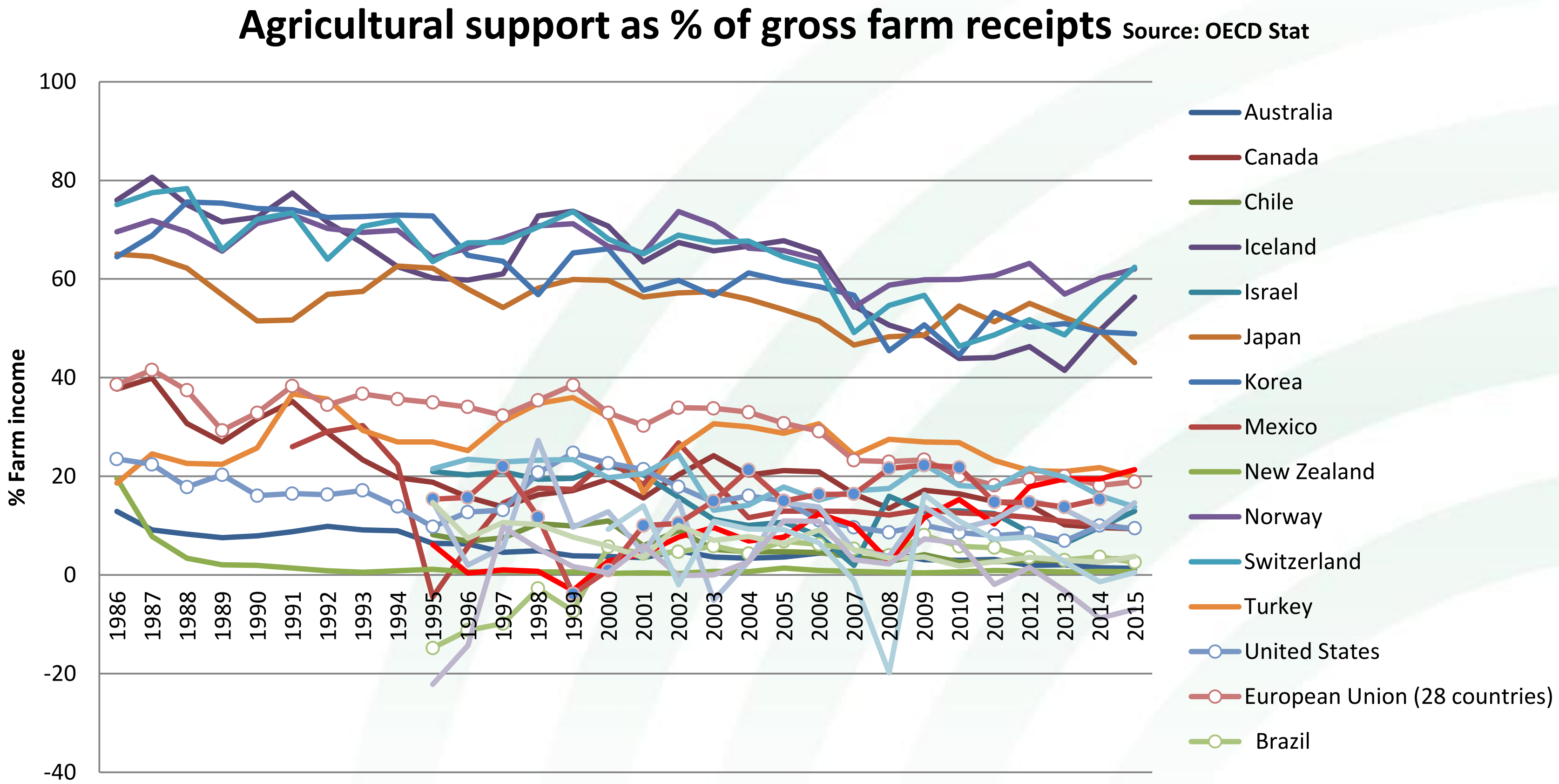



**UK max 31mT**

**Germany max 40mT France max 38mT**

3) Total estimated costs and benefits at full axle weights

| Trailer type | Trailer weight limit, tonnes (currently 18.29) | Benefits, 2016 prices, £m | Costs, 2016 prices, £m | Annual net, £m |
|---|---|---|---|---|
| Two-axle | 22 | 15.3 | 21.4 | -6.1 |
| Three-axle | 27 | 8.4 | 3.0 | +5.5 |
| **Total** | | **23.7** | **24.4** | -0.6 |




NFU supported by NFU Mutual