

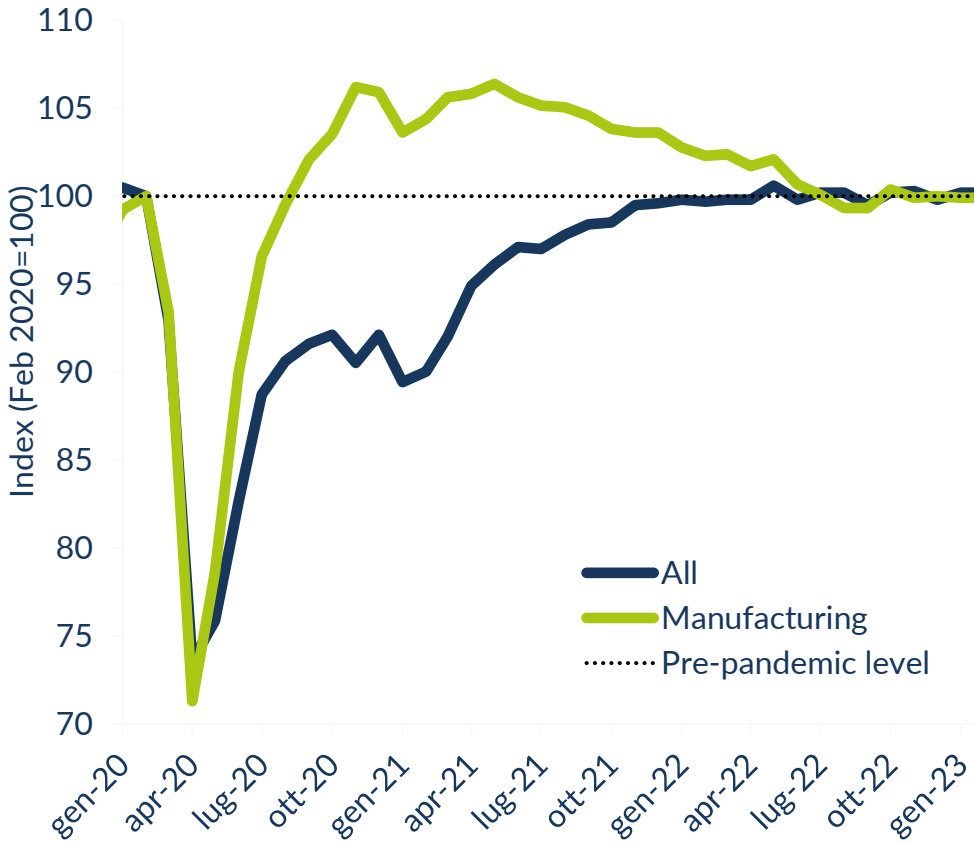
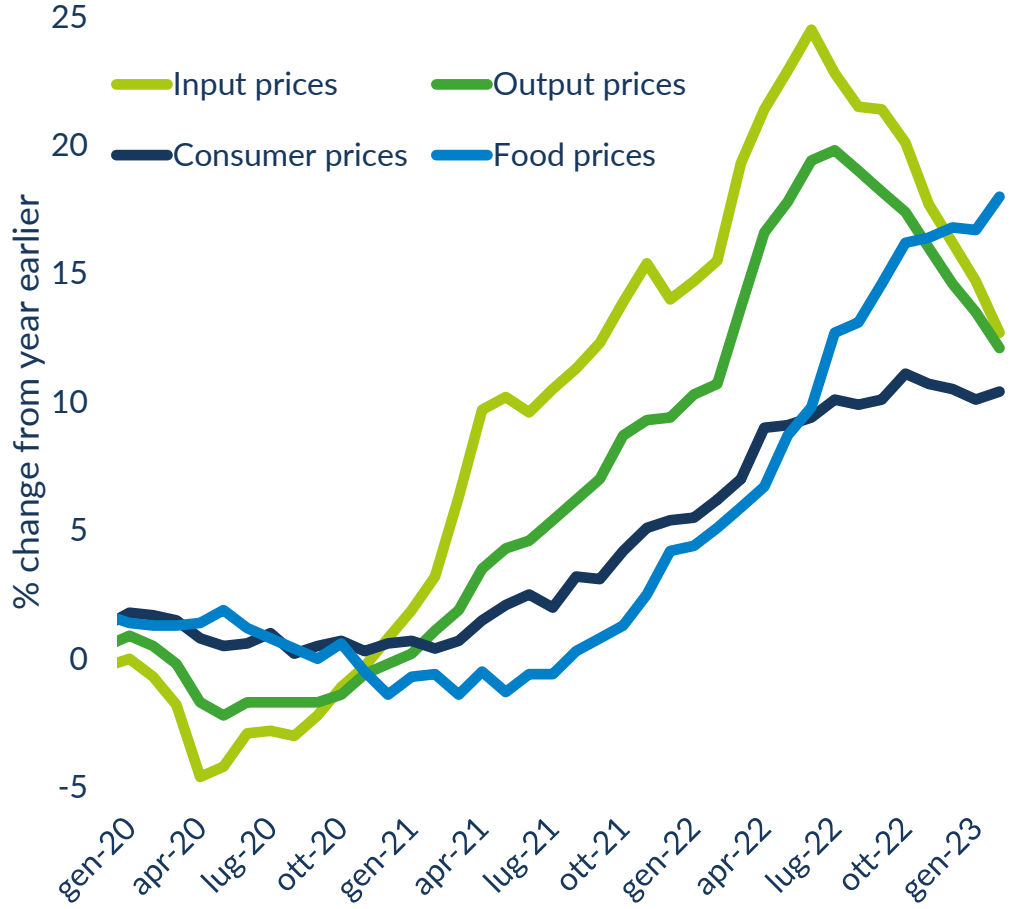


# UK COUNTRY REPORT

Agrievolution Economic Committee

18 April 2023

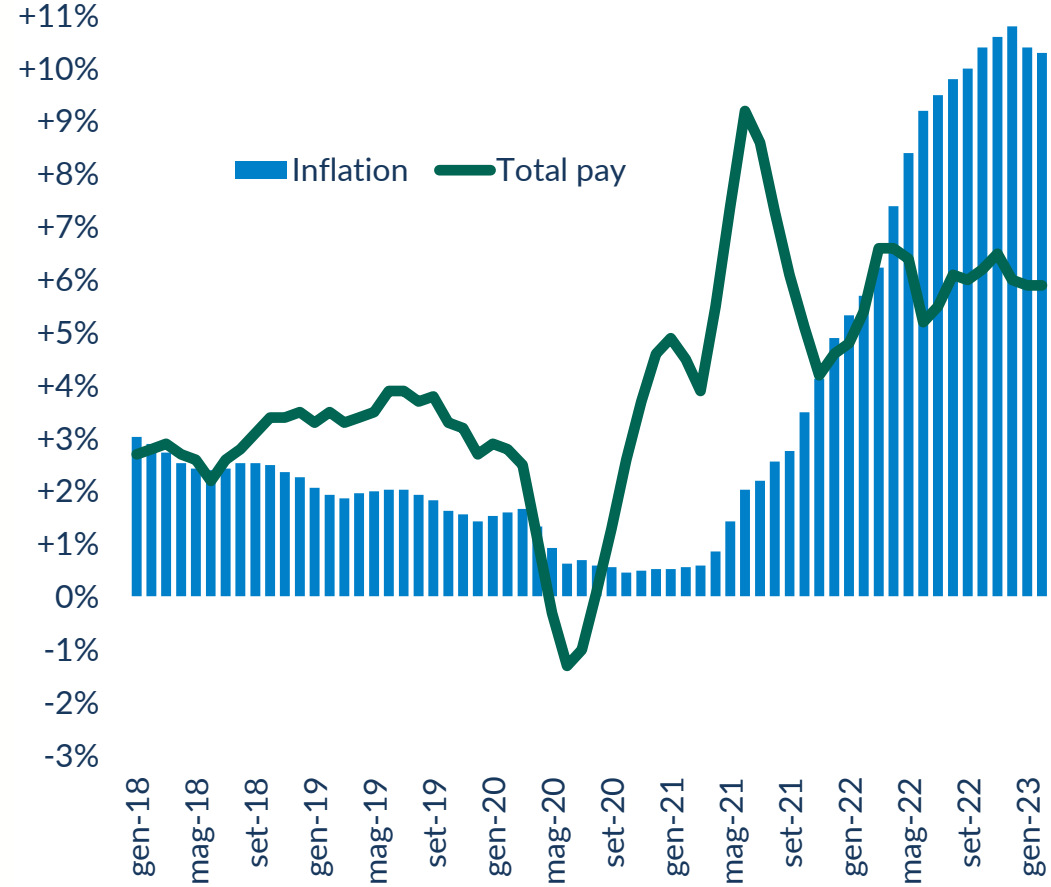
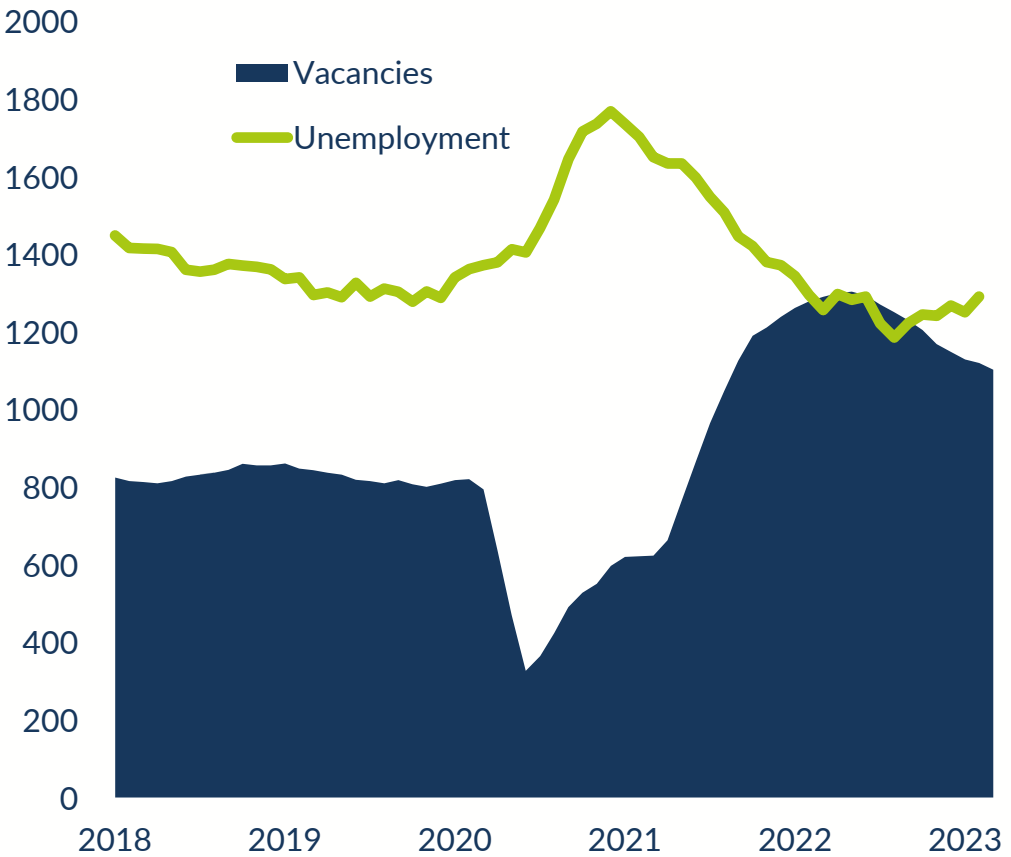
# UK inflation may have peaked but not come down much yet and economy showing no sign of growth



Left Chart: UK monthly Consumer and Producer Price inflation rates  
 Source: Office for National Statistics  
 Right Chart: UK monthly GDP - whole economy & manufacturing  
 Source: Office for National Statistics



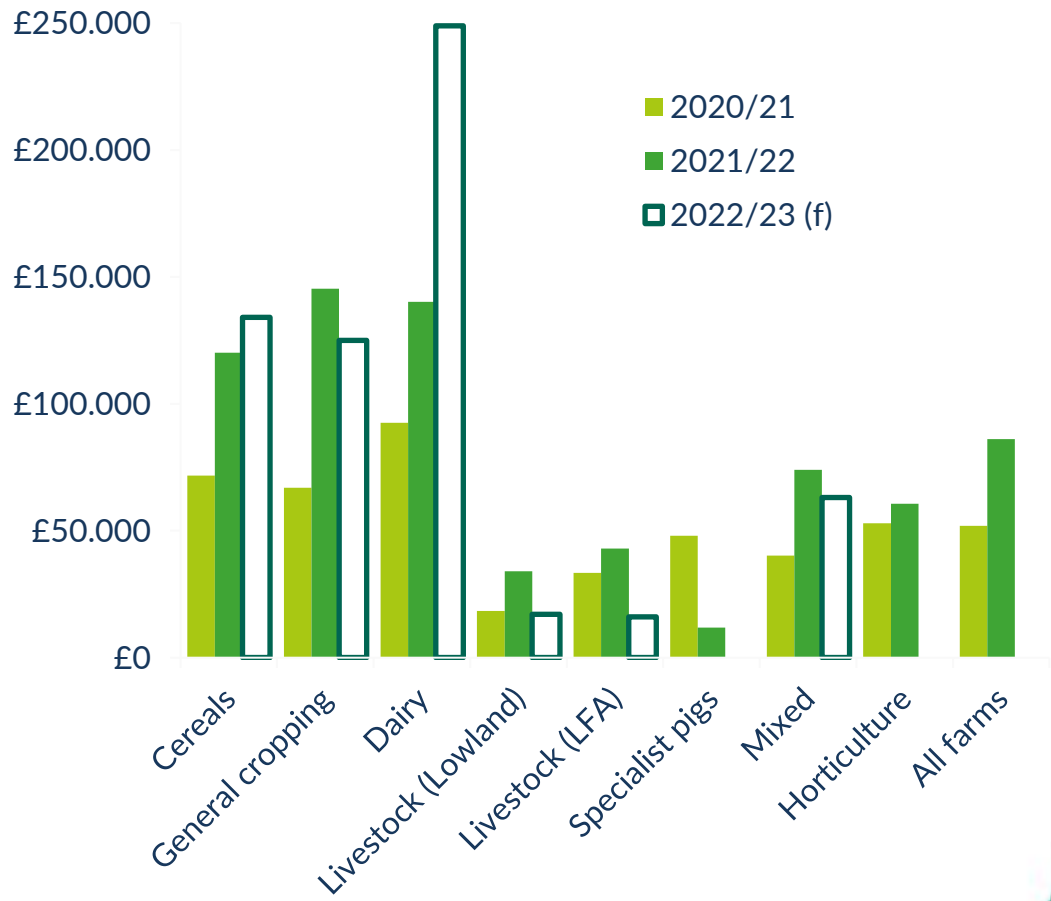
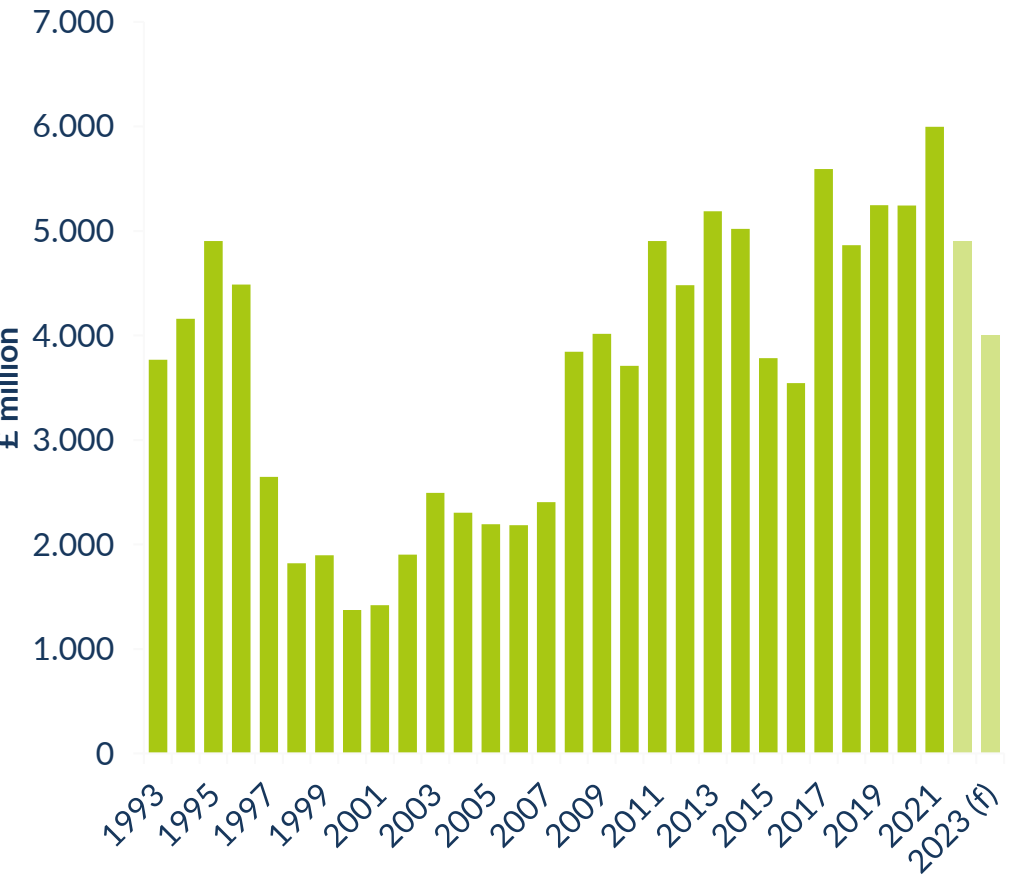
# Job vacancies still high and unemployment low but pay rises remain below inflation



Left Chart: Number of job vacancies and unemployment in the UK, three months ending  
 Source: Office for National Statistics  
 Right Chart: Annual growth in average weekly earnings (including bonuses etc.)  
 Source: Office for National Statistics



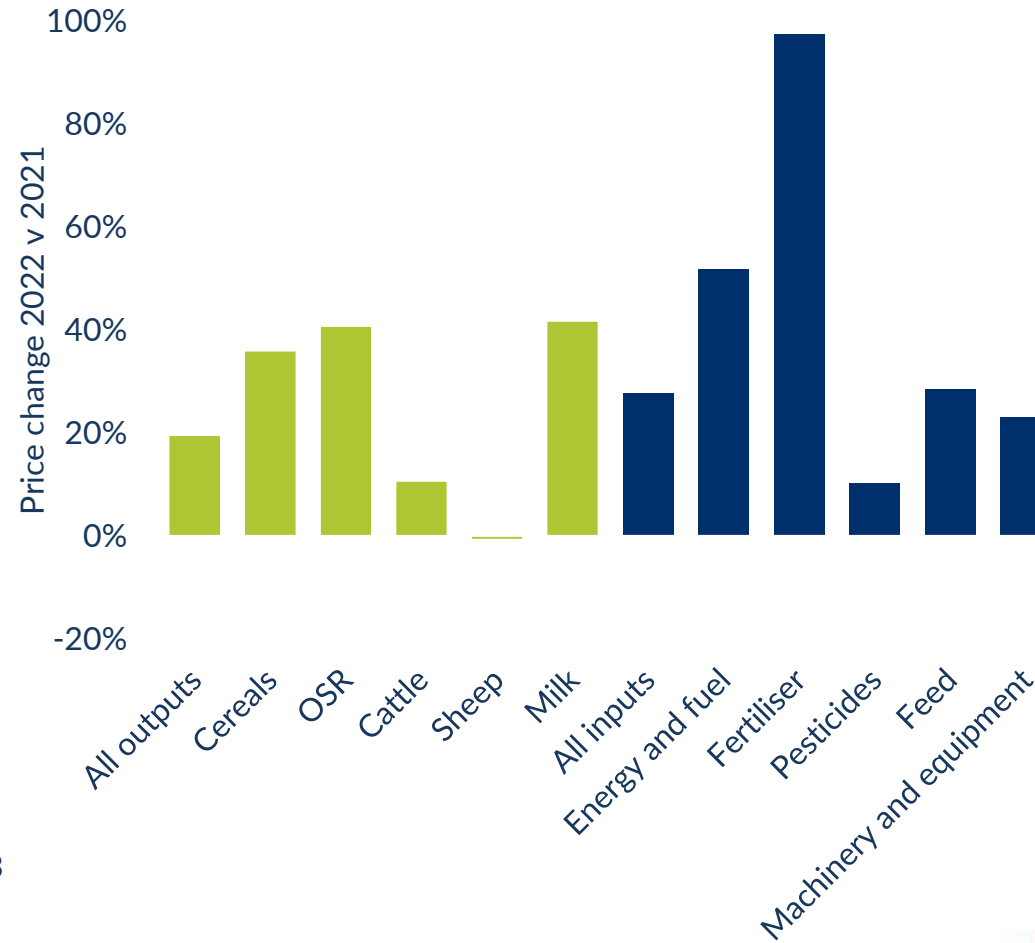
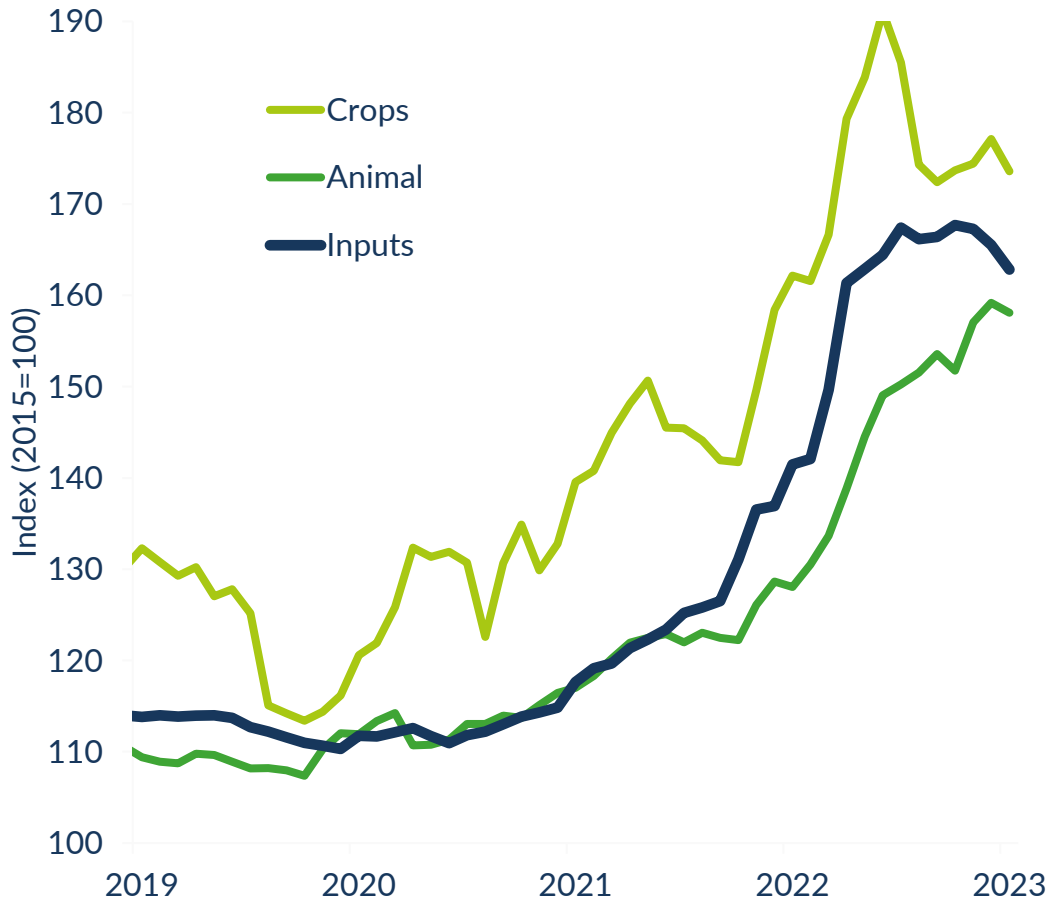
# Farm incomes high in 2021, 2022 ok but 2023 looking tough – cereals/dairy better than other sectors



Left Chart: Actual and projected Total Income From Farming (i.e. net profit of UK agriculture)  
 Source: DEFRA/Andersons  
 Right Chart: Farm Business Income in England (i.e. average profit of English farms)  
 Source: DEFRA



# Input prices rose faster than many outputs in 2022, led by fuel & fertiliser, but have started to reduce recently



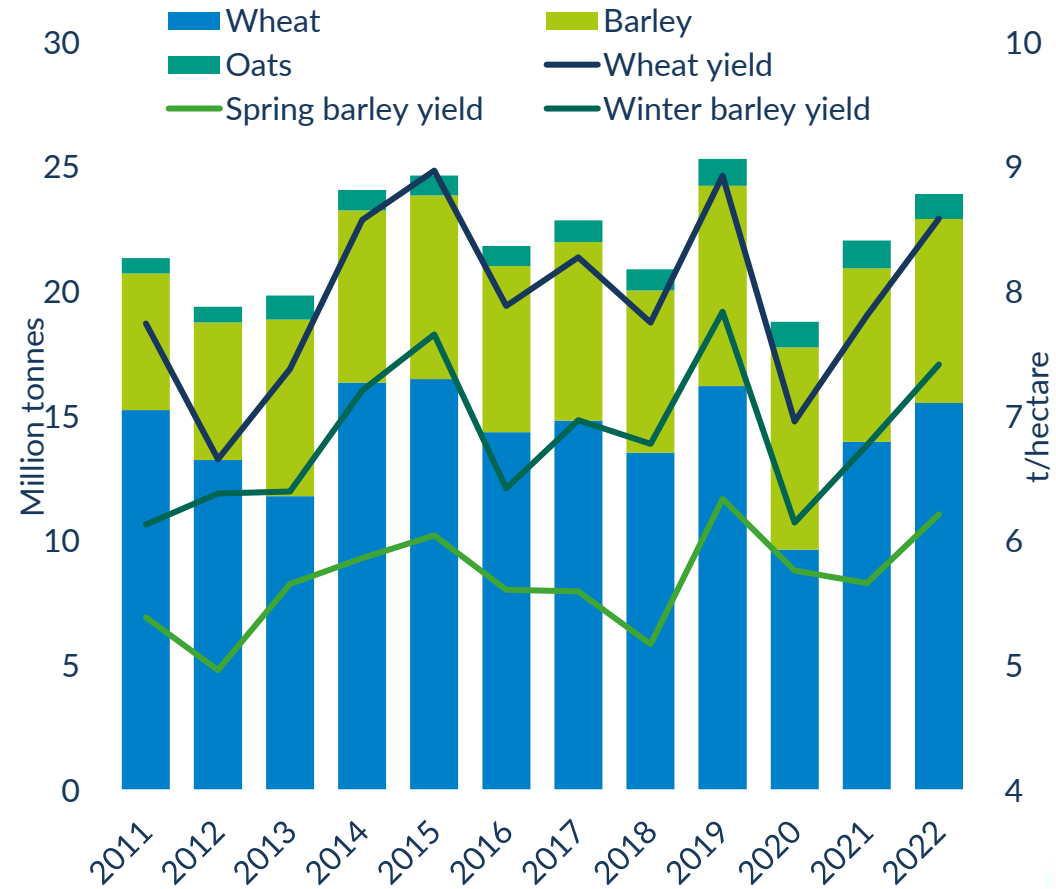
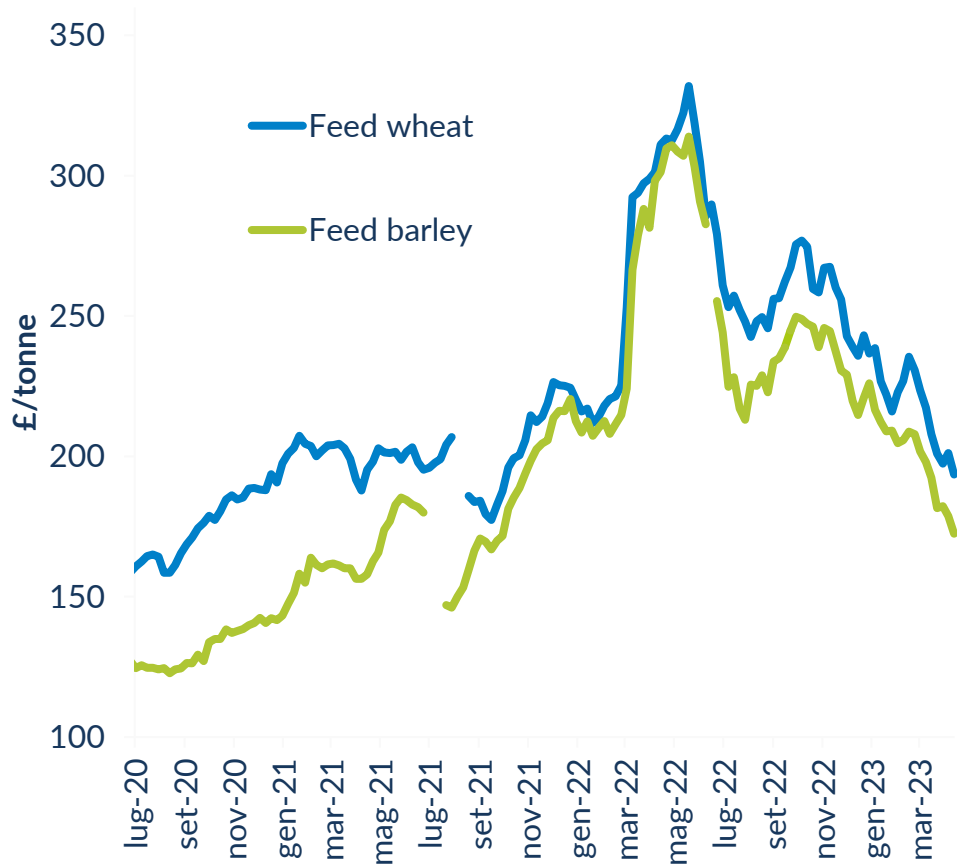
Left Chart: Agricultural price indices

Source: DEFRA

Right Chart: Change in prices for selected outputs and inputs, 2021 - 2022

Source: DEFRA

# Domestic grain prices at lowest for over a year but still historically high, despite good UK harvest in 2022



Left Chart: UK ex-farm prices for selected cereal products

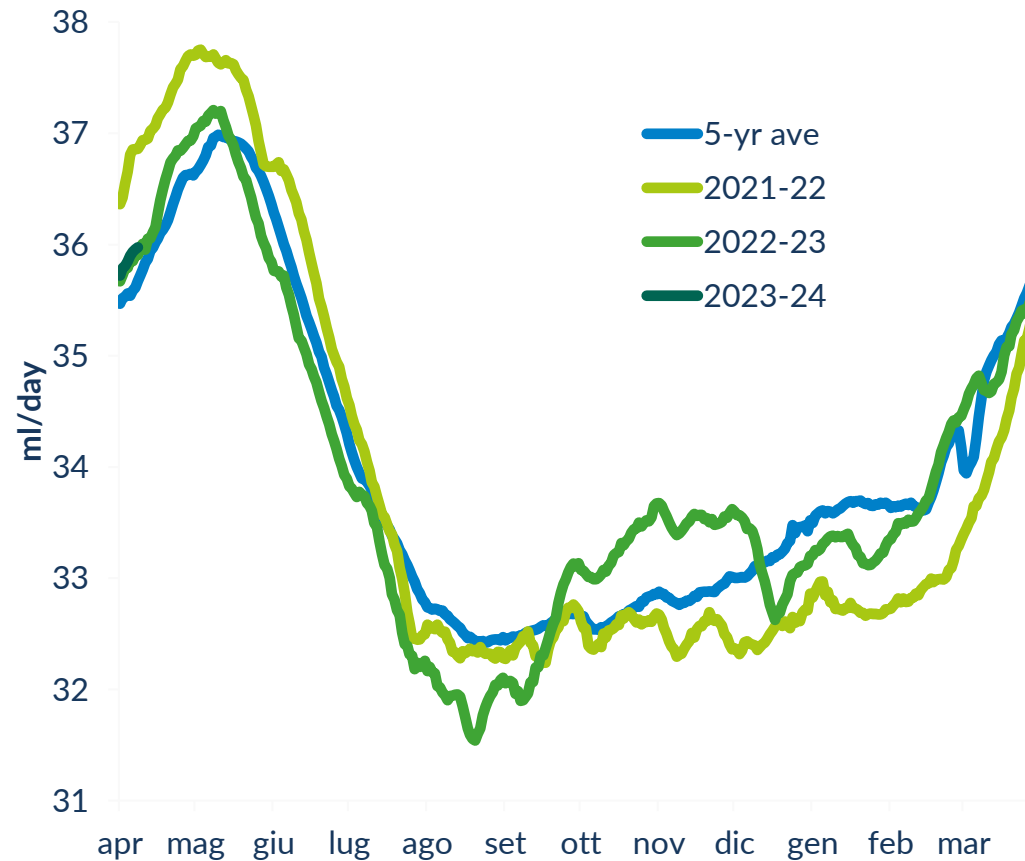
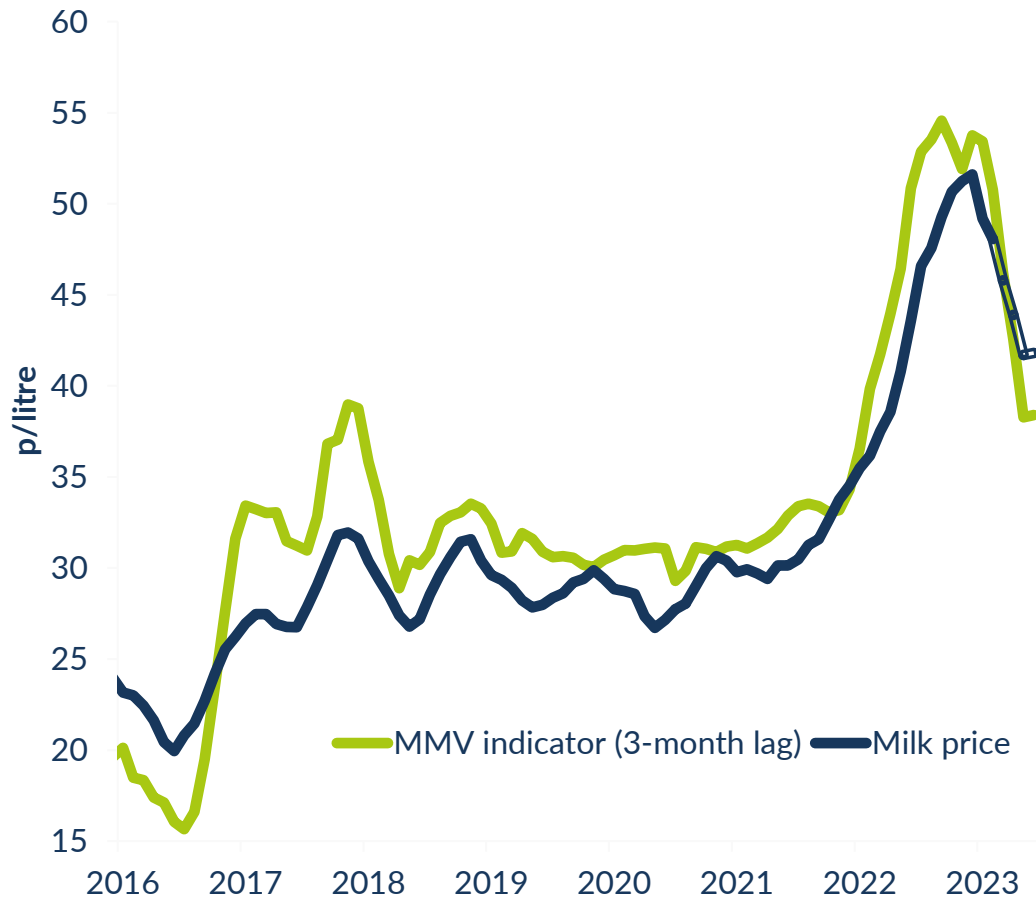
Source: AHDB Cereals & Oilseeds (Corn Returns)

Right Chart: UK production and yields of wheat, barley and oats by season

Source: Defra, AHDB Cereals & Oilseeds



# Milk prices coming down fast but still high as milk production returns to normal



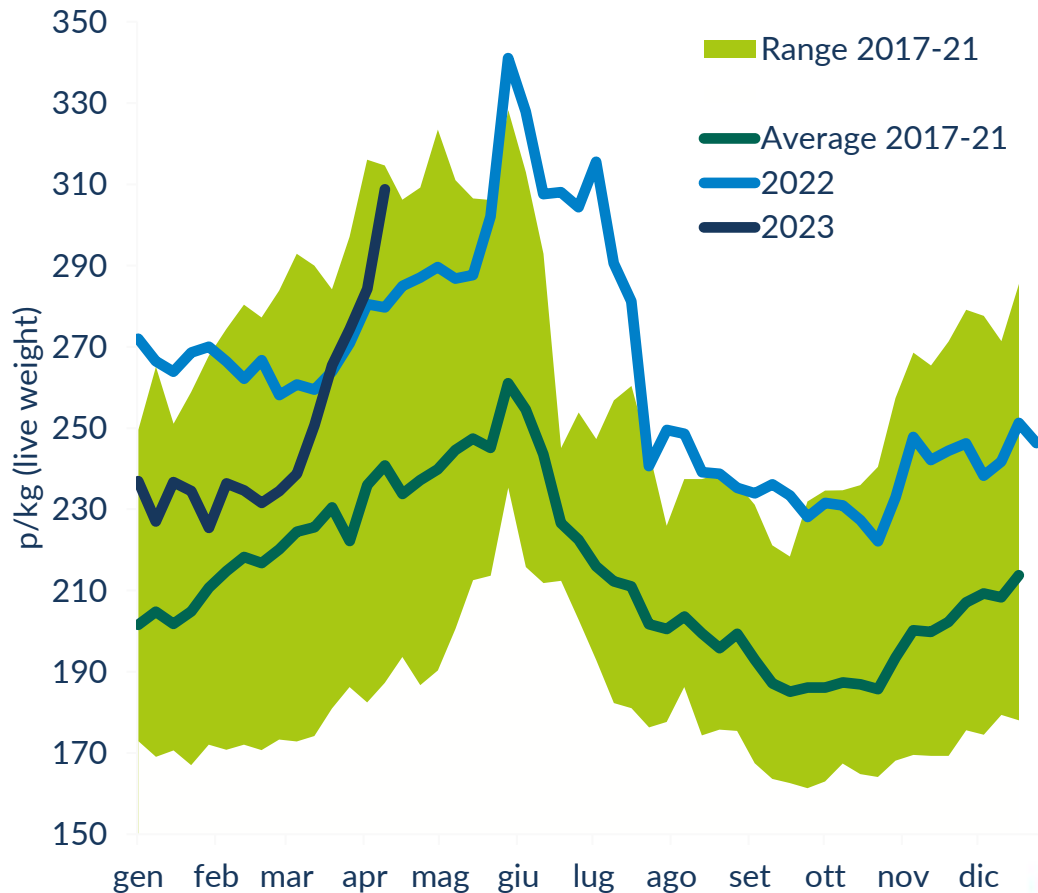
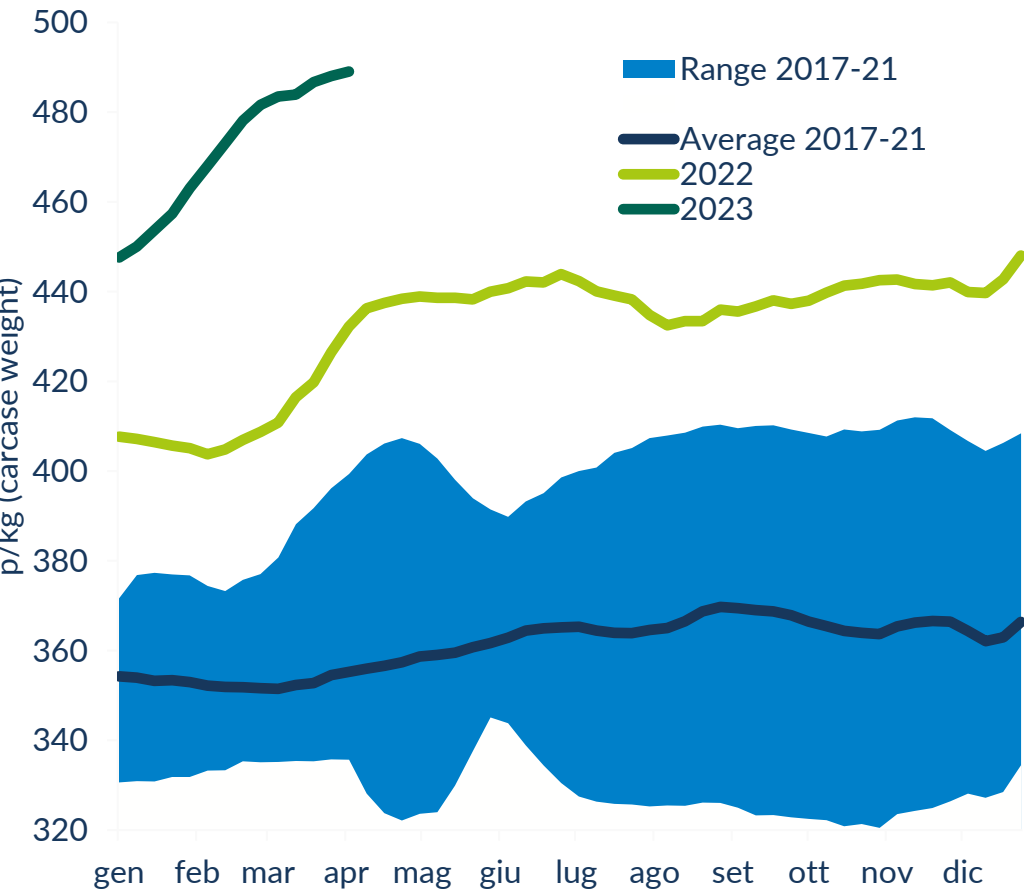
Left Chart: Average UK farmgate milk price (actual and projected) and Milk Market Value indicator

Source: DEFRA/AHDB Dairy

Right Chart: GB daily milk deliveries to dairies (rolling 7-day average)

Source: AHDB Dairy

# Cattle prices remain at historic highs as demand strong and lamb prices rising around Easter/Ramadan

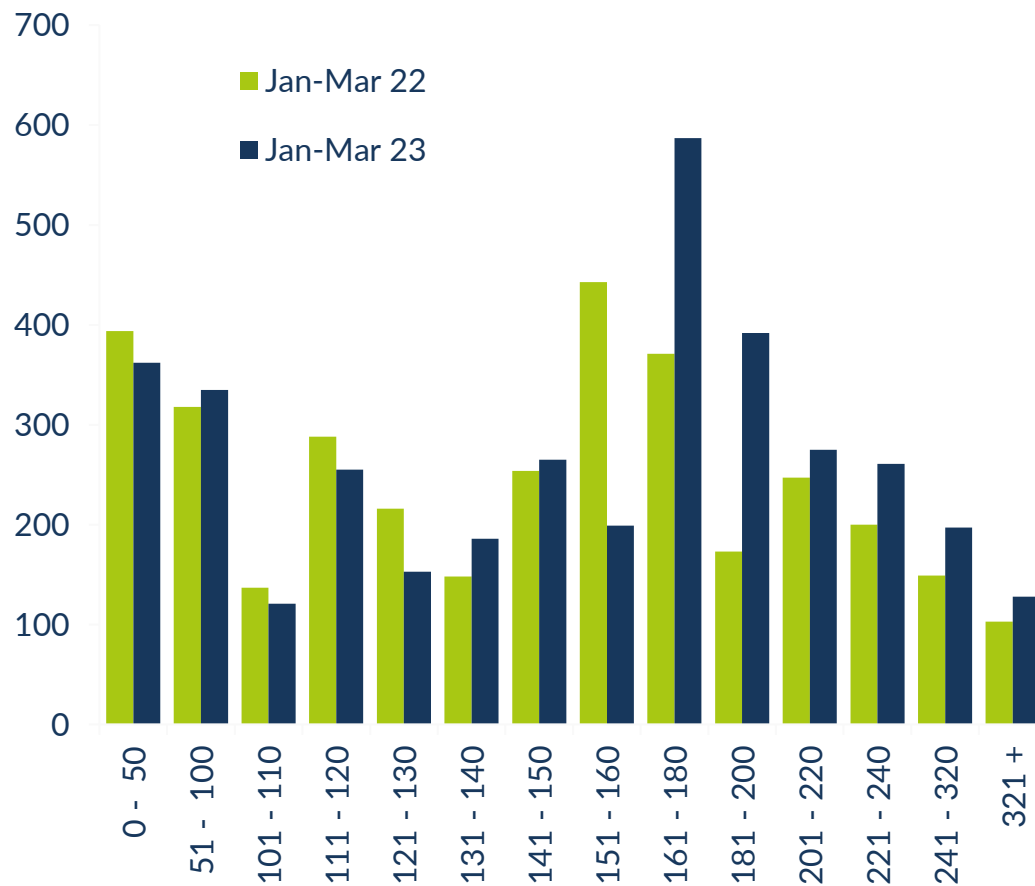
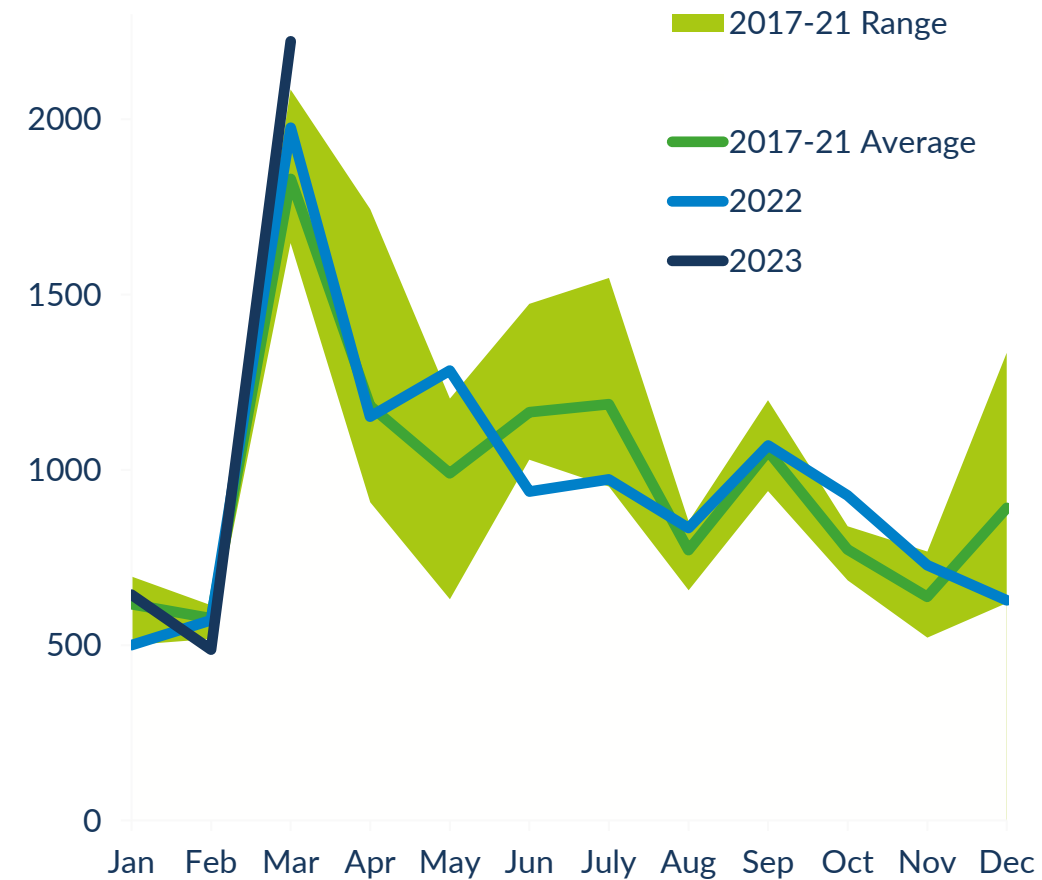


Left Chart: Average GB price for prime cattle (deadweight/carcase price)  
 Source: AHDB Beef & Lamb  
 Right Chart: Average GB price for lambs (live weight)  
 Source: AHDB Beef & Lamb





# Tractor registrations started 2023 above average, with most growth for high-power machines



Left Chart: Monthly UK registrations of agricultural tractors (over 50hp)

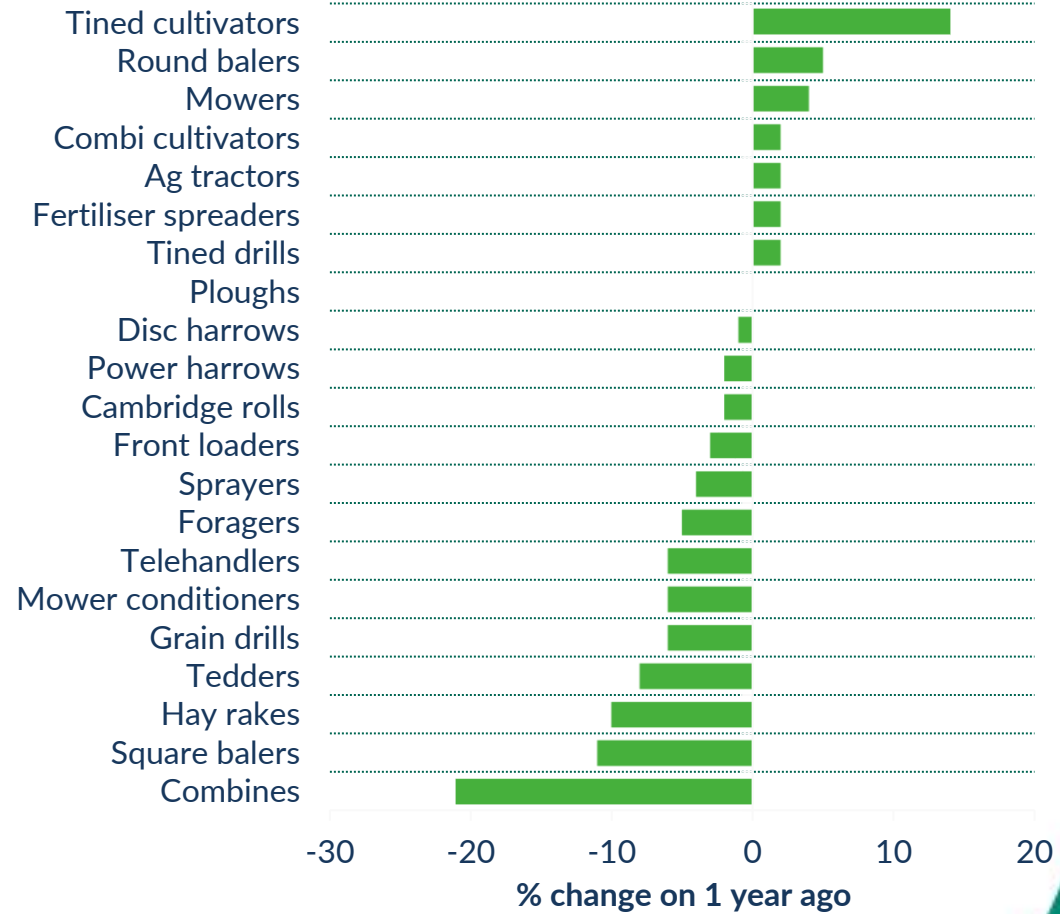
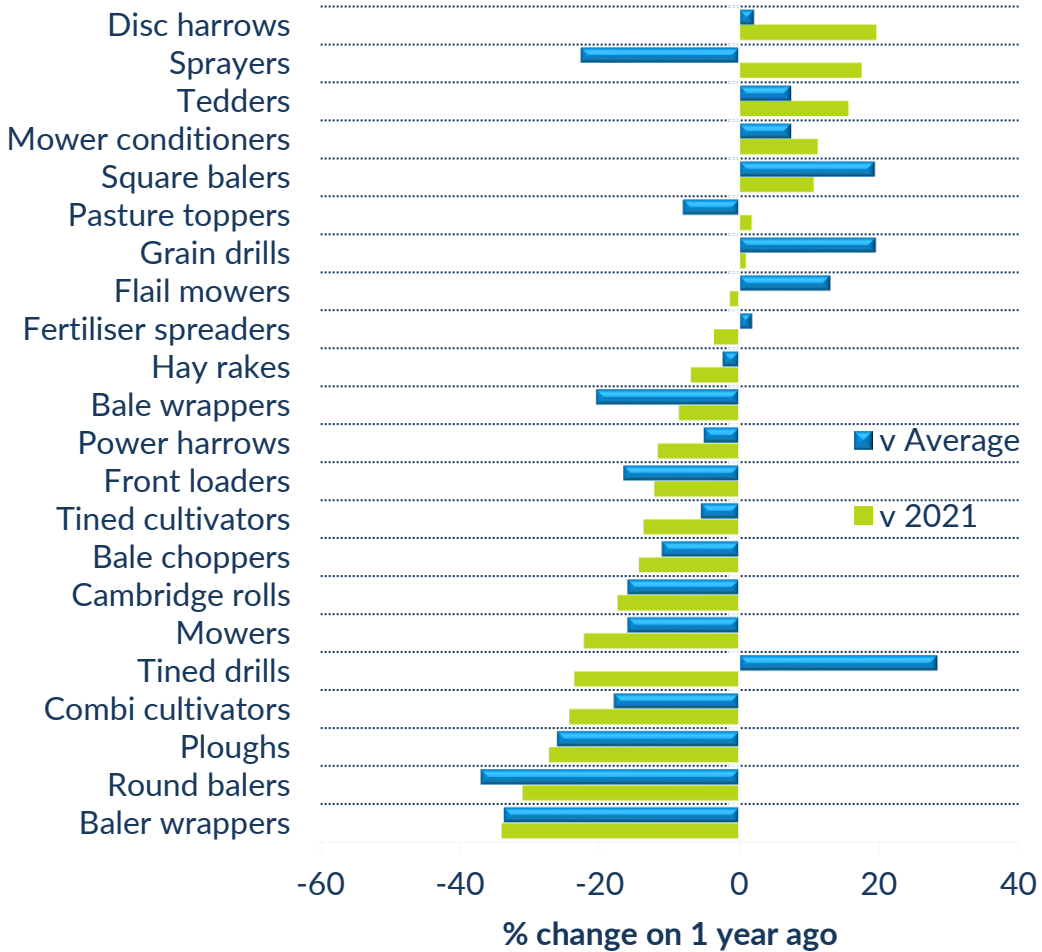
Source: AEA/DVLA

Right Chart: UK registrations of agricultural tractors by power band

Source: AEA/DVLA



# Machinery deliveries in 2022 slightly down on both 2021 and average; similar trends projected for 2023



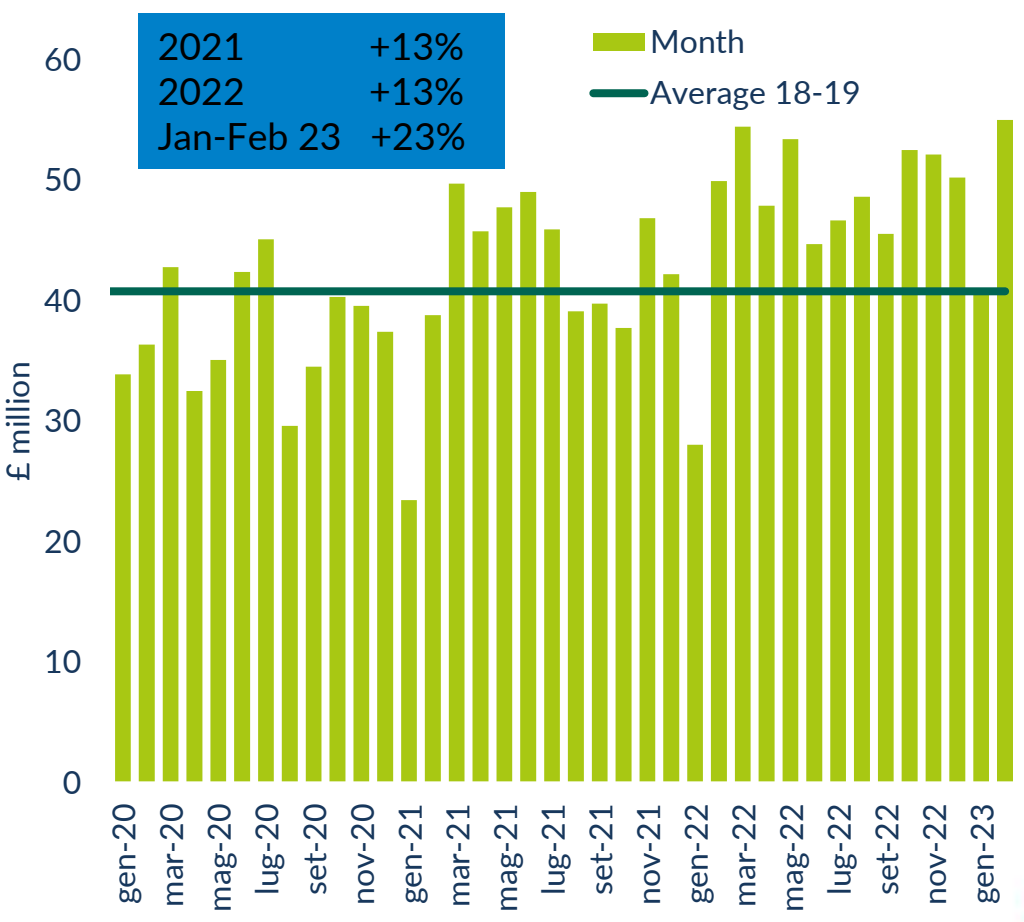
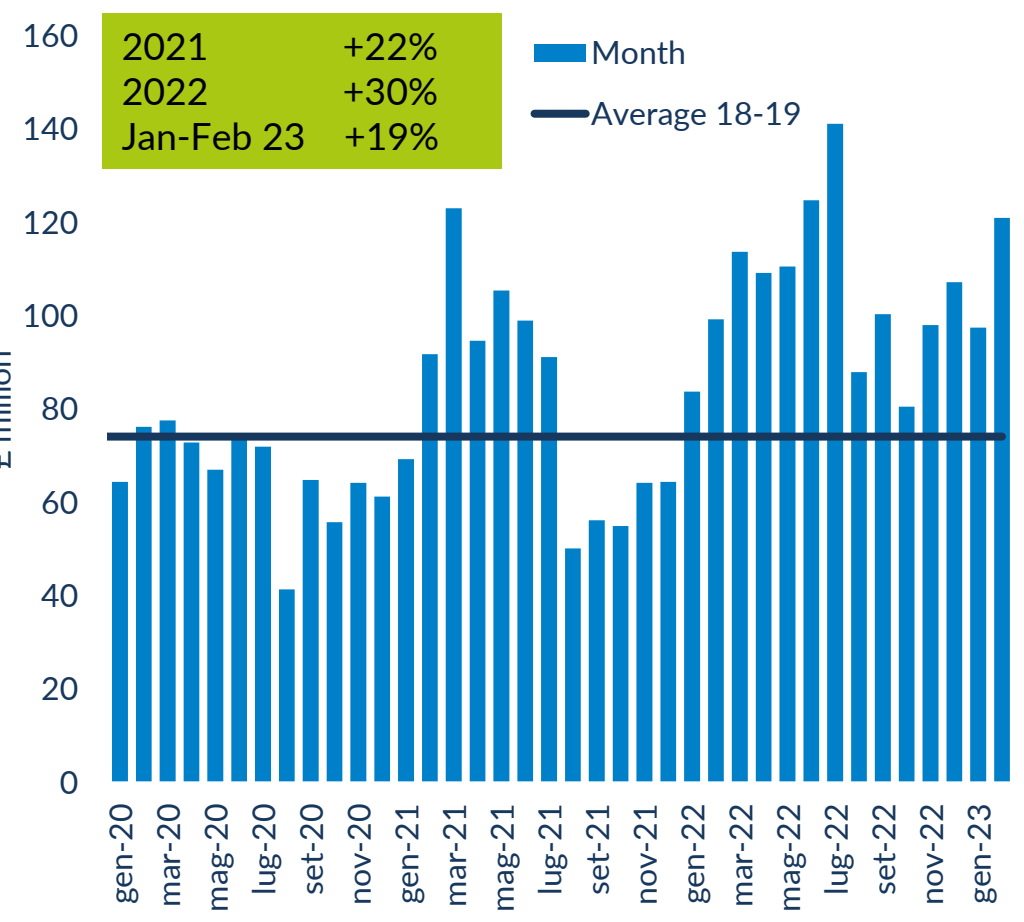
Left Chart: Annual change in deliveries of agricultural machinery 2022 v 2021 & 5-year average

Source: AEA

Right Chart: Forecast annual change in deliveries of agricultural machinery, 2022-2023

Source: AEA

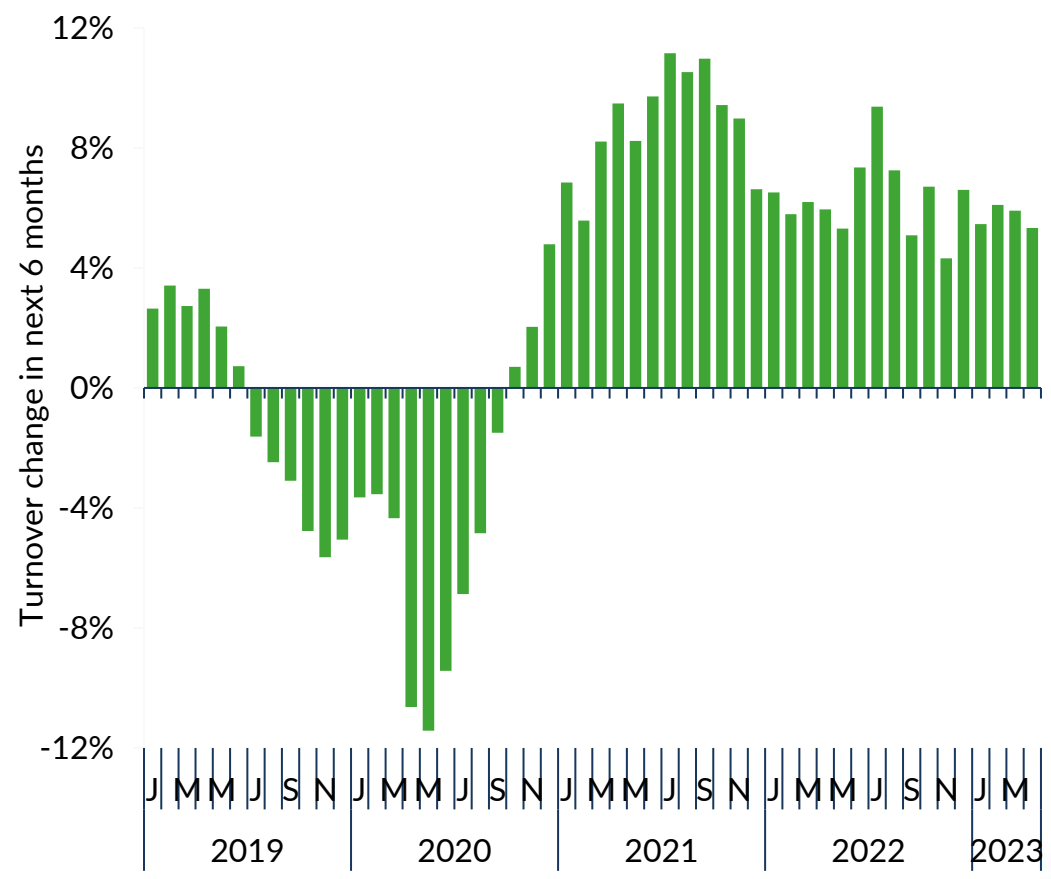
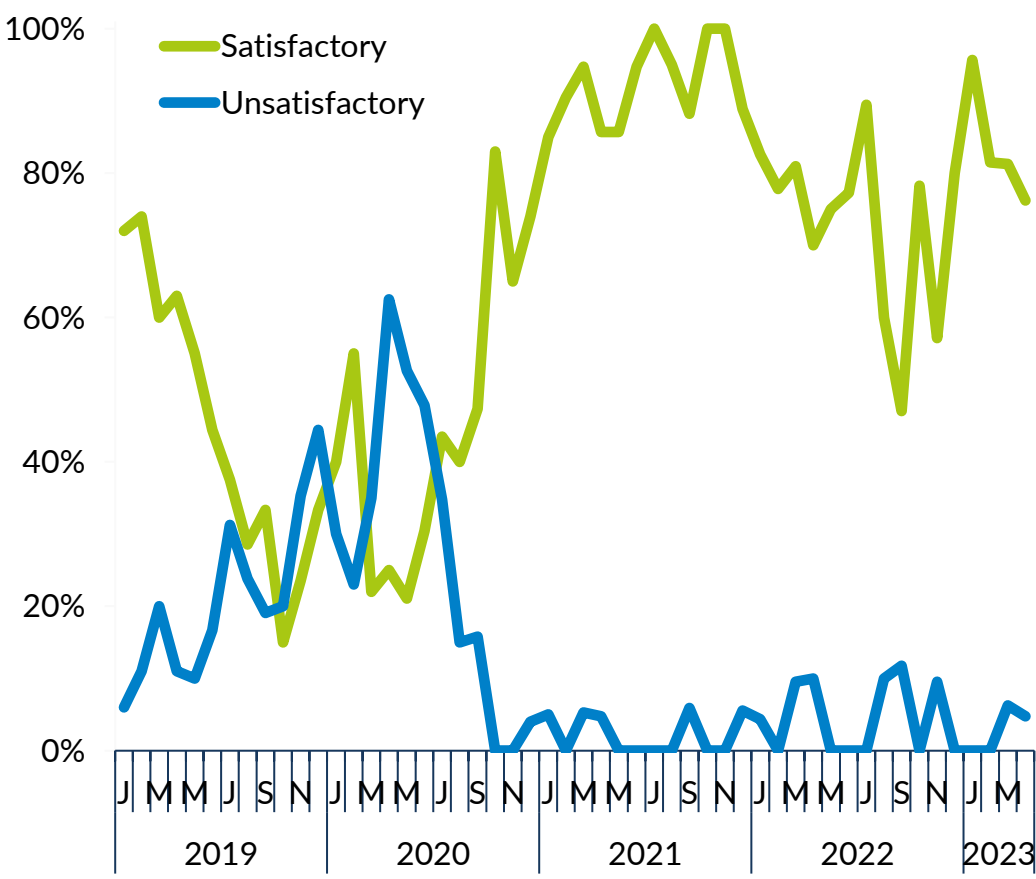
# Value of imports and exports of farm machinery up strongly in 2022 due to higher prices & volumes



Left Chart: Value of UK imports of farm machinery, excluding tractors and engines  
 Source: Office for National Statistics  
 Right Chart: Value of UK exports of farm machinery, excluding tractors and engines  
 Source: Office for National Statistics



# Industry still positive about current situation and expecting turnover growth, driven by higher prices



Left Chart: Assessment of current business environment

Source: AEA Farm Equipment Barometer

Right Chart: Average expectation for annual change in UK turnover in coming 6 months

Source: AEA Farm Equipment Barometer





THANK YOU FOR YOUR ATTENTION

Any questions?