

Town & Country



There are rumours the Government may be considering a modification to its unpopular inheritance-tax rules for farmers, potentially with full relief offered of up to **£5 million per person** (£10 million for a married couple), where farmland or business assets form at least 60% of an estate

Volatile milk prices are a further blow to farmers dealing with the fallout of a dry summer and funding uncertainty

Milk price cuts leave dairy farmers reeling

COUNTLESS dairy farmers across the UK have fallen victim to the latest round of price slashing from milk processors. Arla Foods dropped its October milk price by 1.7p/litre to 45.34p/litre; Parkham Farms' November price will be 8p/litre (18%) lower at 35.5p/litre; and other processors to confirm reductions include Muller and First Milk, the principal reason being global oversupply.

Truro-based Irwin Morrow, who sells the milk from his 500 cows to Arla Foods, tells COUNTRY LIFE: 'Prices are very volatile and this is becoming a trend. Farmers want their businesses to run smoothly without too many ups and downs, but that's not how it seems to be in the dairy industry any more. The milk price for the past 18 months has been reasonably good and farmers have invested in things such as machinery using finance, but now, with prices going down, they still have to pay the financing companies. It annoys me that we are taking price cuts, but the forecast for food inflation

is 5.2% and prices never come back down in the supermarkets, so why do they come down for farmers? Everything comes back to Government policy.' (*Agromenes*, page 85.)

The situation has prompted Liberal Democrat MPs, including Anna Sabine, MP for Frome and East Somerset, and Wera Hobhouse, MP for Bath, to call for a single regulatory body rather than the current two—the Groceries Code Adjudicator and the Agricultural Supply Chain Adjudicator. Ms Sabine says: 'Having two separate bodies coming from different perspectives makes for an ineffective system that's not protecting our farmers. The Lib Dems would like to see a new coherent body that would properly oversee the entire supply chain, from farmers to point of sale, and ensure that producers are properly taken into account and protected in regulations made with supermarket chains. Most farmers in [my] area are affected by plummeting milk prices as just one of many hardships they have to navigate.'

NFU Dairy Board chair Paul Tompkins says: 'Behind these numbers are real farming families now facing financial distress, with confidence already low due to the impact of a dry summer, the family-farm tax and uncertainty over environmental schemes.' He added that, under the new fair-dealing regulations, all milk contracts must set out the factors used to determine milk prices. 'Any dairy producer concerned about a lack of transparency with their contract that remains unresolved following engagement with their buyer can approach the new Agricultural Supply Chain Adjudicator.'

In a rare bit of good news for farmers, in excess of **5,000** Countryside Stewardship Mid-Tier agreements that were due to expire in December have been extended, thanks to Defra's 'one-off investment of up to **£70 million**'

Capturing fields, folds and farming life

AN exhibition of 70 photographs by Yorkshire-based documentary, travel and portrait photographer Valerie Mather shares candid moments from a year in the lives of upland farmers in Bransdale, a valley and surrounding moorland in North Yorkshire. It is being hosted at the National Trust's Old Mill at Hardcastle Crag until December 31 (www.nationaltrust.org.uk). 'Fields, folds & farming life' seeks to portray the hard work and determination of the people at the heart of the farming community,' said Ms Mather.

Smiles in the show ring, captured by Valerie Mather

