

Unseasonal Weather Impacts the Agricultural Community

Summer 2023 will be remembered as one marred by unseasonal weather, causing havoc among harvest and haymaking plans. Aside from the logistical difficulties volatile, wet summer weather brings, it is putting pressure on already tight gross margins. Locally, winter wheat was being harvested mid-August with a moisture content of between 21-22. Running drying facilities at their maximum capacity has caused an increase in kerosene usage which has fuelled rising prices per litre since July, further accentuating financial and budgeting problems.

The weather has brought challenges to livestock farmers too, with decisions on when to cut grass for haymaking being a gamble. Farmers were working quickly to bale, stack and cover hay before rain fell.

July 2023 was reported to be the sixth wettest July in the UK on record and, generally speaking, August failed to produce sufficient dry and warm spells required for optimal haymaking.

In stark contrast to July and August, September has been a shock to the system bringing bright sunshine and high temperatures. Saturday 9 September was the hottest day of the year in the UK with temperatures soaring to 32.7 degrees Celsius which marked the sixth consecutive day of heat above 30 degrees, breaking records for the longest September heatwave.



Making hay while the sun shines
Childrey, Oxfordshire – 24 August 2023



The Henley and District Agricultural Show, sponsored by Adkin

In a rural context, the weather makes for uncomfortable working conditions for farmers and additional tasks to factor into their already busy days; one local beef farmer has been moving his cattle throughout the day between two adjacent fields to provide them with shade from a boundary hedge due to the heat. Some arable farmers who drilled oilseed rape in July or August have seen an increase in crop loss due to the cabbage stem flea beetle thriving in the warmer weather and are therefore deciding whether to redrill, which would be a costly and disheartening exercise.

It is not only work that is affected by the warmer temperatures. Agricultural shows and events have been impacted by the unprecedented heatwave, for example the Henley and District Agricultural Show on Saturday 9 September was forced to alter the show programme due to safety concerns for both animals and people.



DEFRA and Rural Payments Agency Technical Problems and Delays

Farmers and land agents have been left frustrated following technical problems, delays and a lack of clear guidance from DEFRA and the Rural Payments Agency (RPA) in August about Countryside Stewardship (CS) Mid-Tier and the Sustainable Farming Incentive (SFI) schemes.

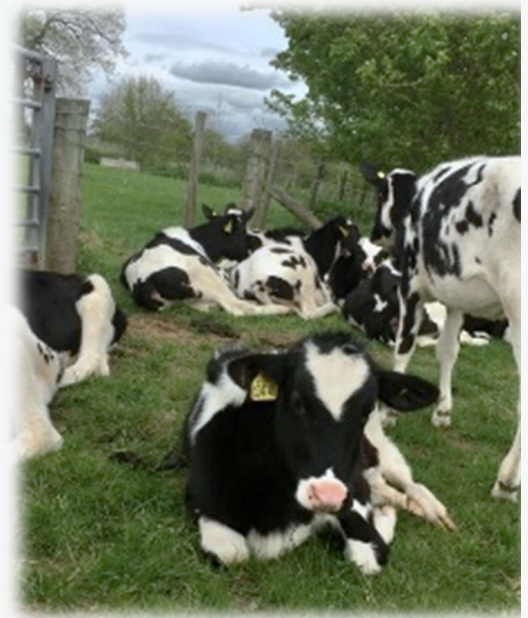
Following technical problems for many applicants, and a delay in some pre-approval option visits, the deadline for CS Mid-Tier applications was **extended** from the 18 August 2023 to the **15 September 2023**. Thousands of applications had already been submitted by the time the extension was announced, with the surge in applicant numbers apparently attributing to the need for an extended deadline as the RPA grapple with the volume of applications to process.

The National Farmers Union (NFU) expressed its disappointment at the technical problems and delays for Mid-Tier applicants but reminded members to submit their applications in accordance with the extended deadline.

In addition to problems and delays to CS (Mid-Tier) applications, DEFRA has only managed to partially deliver on their promise to open SFI to applications this summer, instead changing the application process with brief guidance released on 30 August 2023. Farmers and agents were sent email links inviting their Expression of Interest to the scheme which we are told is part of controlling the roll out of SFI, presumably in an attempt to prevent the RPA becoming overwhelmed by applications as it has been for CS Mid-Tier applications.

The uncertainty, technical problems and delays in relation to CS Mid-Tier and SFI applications are another source of worry for farmers who had hoped the schemes could replace the loss of BPS amid greater reductions to payments this year. With this in mind, it is no surprise that the RPA have been overwhelmed by applications to CS Mid-Tier and are attempting to control applications to SFI due to the likely volume of farmers trying to balance their books. In response to the delays, Minette Batters, president of the NFU, has asked DEFRA to slow the reduction of BPS to “bridge the gap it has created by [removing] one set of payments and not delivering replacements on time.”

We are informed that SFI applications for 2023 will begin from **18 September** therefore we recommend clients keep a careful eye on their email inbox and their “spam” or “junk” folders at this time in case of notifications or invitations to apply to SFI. Please get in touch with us if you would like to discuss an SFI application; the scheme handbook, released in June 2023, can be found via the following link: <https://www.gov.uk/government/publications/sfi-handbook-for-the-sfi-2023-offer>.



ADKIN AUTUMN SEMINAR 2023

**PROPERTY UPDATE
TUESDAY 17th OCTOBER AT 4PM**

Loyd Lindsay Rooms,
Ardington
Wantage OX12 8PS

(See separate flyer sent with this Bulletin for further information)

Housing Market Update



The UK housing market continues to experience a period of uncertainty and lower consumer confidence as the Bank of England interest rates remain at 5.25%. The Nationwide House Price Index reported a fall in house prices by 5.3% in the year to August 2023, the biggest decline in prices since 2009 and mortgage approvals remain far below their pre-pandemic level. Experts appear divided as to whether the recent drop in prices will transpire to be a gradual dip or a significant fall in the long-term.

Locally, South Oxfordshire, West Oxfordshire and West Berkshire all saw a monthly change in sold house prices by -3.4%, -1.2% and -2.1% respectively to May 2023, with the Vale of White Horse recording just 0.3% house price growth. The data is likely to continue to show a

downward trend in growth as the figures are published by the Land Registry; there is typically a three-month delay between transactions and the publishing of Land Registry house price data.

For purchasers, a borrowing rate between 6.15 to 6.65% can be expected for a 25-year mortgage with a 10% deposit, with asking prices remaining high on Rightmove despite sold prices contracting somewhat. For existing homeowners or buy-to-let landlords coming to the end of their fixed-rate mortgage agreements, the Bank of England warns to expect an average monthly increase of £220 in repayments as the cost of borrowing and renewing a fixed-rate deal climbs to 6.7%.

The private rented sector continues to grapple with soaring demand amidst a declining supply as would-be buyers struggle with affordability of purchasing a home, so are forced to rent, and landlords sell their properties due to rising costs, mortgage repayments and the Renters Reform Bill set to ban no-fault evictions.

Basic Payments Scheme - Update

The first BPS payments were made on 1st August with the next payments due in December.

Adkin Staff Update

We welcome Camilla Kilgour to the team, as a new Assistant Surveyor.

Camilla joined Adkin earlier this month having graduated from the Royal Agricultural University with an Honors degree in Rural Land Management. Camilla will be supporting both Kerry Holbrook-Bull and Emily Ham in a wide range of professional work and Estate Management. Outside work her time is spent with her horses and cooking.

Our Property Manager, Paul Harris, has moved on to pastures new and we wish him every success in his new endeavours.

