

# News from the Farm Advisory Service:



## Agribusiness News Audio

Did you know you can listen to Agribusiness News online?

Agribusiness News helps you to scan your horizon, prepare for industry changes and keeps you abreast of the latest research and policy updates. Along with our regular monthly updates on policy briefs, cereals, beef, sheep and milk we also supply a variety of guest articles on topics including environment, finance and trade.

Find Agribusiness News Audio by scanning the QR code below or by visiting

[www.fas.scot/sounds](http://www.fas.scot/sounds)



### Preparing for Sustainable Farming (PSF) 2023

- Carbon Audits
- Soil Sampling and Analysis
- Animal Health and Welfare Interventions

Claim 2023 works by 29th Feb 2024

Find out more information at:  
[www.ruralpayments.org](http://www.ruralpayments.org)

## Beef outlook for January 2024



**Beef prices in 2023, have seen remarkable price variations. At the start of the year processors increased prices on the back of strong retail demand to 465p/kg/dwt (week ending 21st Jan), with prices continuing upwards throughout spring – peaking at £5.20/kg in May - as demand continued to outstrip supply. Throughout summer trade eased, with a 3-month period seeing a price drop of an average of 60p/kg. For the last 6 weeks of the year prices had improved and remained firm sitting around 499pk/kg/dwt for R4L steers. Tight supplies of finished cattle are currently contributing to price rises of between 2-5p/kg (depending on the processor) with processors keen to get hold of cattle numbers.**

Cattle availability looks to remain tight as we go into 2024, following the volume of cows culled in the second half of 2022 and cow slaughterings in 2023. ScotEID calf registrations highlight the impact of herd contraction, reporting a significant decline of 2.7% in the first nine months of 2023 compared to 2022. Looking forward a reduced calf crop in 2023 will put pressure on availability in 2024, peaking in 2025. However, demand will dictate how much that will impact the beef price.

Cull cow slaughter started in 2023 ahead of 2022 levels, with an increase in demand for mince and a global shortage of manufacturing beef, the cull cow trade reached unprecedented levels, making prime cattle look cheap. Cow prices have returned to more normal levels relative to prime cattle prices and at the end of the year dropped in line with seasonality. Cull cow prices will likely increase in the new year as consumers opt for cheaper meal choices such as mince, following Christmas spending.

Beef producers, although welcoming the strong beef price of 2023, have been challenged with increased input costs, uncertainty over future policy, labour availability and a staggering variance in finished beef prices, which for many are unsustainable.

The decline in the Scottish suckler herd remains a concern for the industry, with beef cow numbers in Scotland now sitting at 394,700. Margins are likely to remain tight for the first half of the year with farmers having to look closely at profit margins as policy changes. Suckler farmers continue to feel the pressure of trying to improve herd efficiency along with the challenges of farming in a nature friendly way. But with challenges, opportunities also arise.

*Sarah Balfour, SAC Consulting*



Agribusiness News  
January 2024

**This article is part of January's Agribusiness News. To read the full article and more, please visit:**

[www.fas.scot/publication/agribusiness-news-january-2024/](http://www.fas.scot/publication/agribusiness-news-january-2024/)

## Free events

At the Farm Advisory Service we run a range of events both online and in-person.

Visit [www.fas.scot/events](http://www.fas.scot/events) to sign up or contact the advice line and we'll help you get booked on.

### Developments on Common Grazings - Finance & Management

**Gairloch, 24th January, 6:30pm - 9:00pm**

All items on a Common Grazing need careful treatment in terms of costs and income. In this meeting, Arthur Macdonald and Finlay Beaton from the Crofting commission, will go through all the considerations to ensure finances run smoothly.

### So You Want to Work with Sheep?

**Stranraer, 27th January, 11:00am - 2:00pm**

Ever wanted to work with sheep, but haven't had the opportunity? This farm workshop will allow you to familiarise yourself with the common tasks associated with handling sheep such as using mobile pens, dosing techniques, lambing pen management, and much more.



### Sustainable Sheep Systems: Low Labour Input Genetics

**Online, 29th January, 7:30pm - 8:30pm**

Join us for a webinar where Daniel Stout, Sheep Specialist from SAC Consulting and Tim White from the Sheep Improvement Group (SIG) will discuss breeding for low labour genetics including lambing traits, worm resistance, tail length, dags and wool shedding.

## Policy update for January 2024



**The next round of the Agri-Environment Climate Scheme opens this month with the targeted support focusing on the Agri-environment, slurry and digestate storage and seeking to double land managed organically. As all farms where livestock slurry is produced will be required to have 22 weeks slurry storage capacity by 1 January 2026; it is important to plan ahead especially with regards seeking planning permission.**

For the 2024 round, funding for heather cutting, chemical and mechanical treatment of bracken, restoring of drystone or flagstone dykes and pond creation and restoration for wildlife (max 2,000m2 per application) will be reintroduced. The option for creation of hedgerows will be increased from 500 metres to 1,000 metres per application.

As part of the Scottish Government's commitment to reducing agricultural emissions by 31% by 2032, the second edition of the Agricultural Reform Route Map sets out the wider land and agricultural change plan for Scotland through to 2032. It is expected that details of the funding allocation for Tier 1 and 2 farm payments will be published in February. Further details will be announced during Quarter 1 & 2 regarding the publication of the Payment Strategy for 2025-27 and guidance for BPS, VCS, and other schemes available in 2025.

Given that Preparing for Sustainable Farming grant uptake for Soil Analysis, Animal Health & Welfare and Carbon Audits was low during 2023; with Government budgets under significant pressure, it is important to think along the lines of 'Use them or risk losing them!'

*Christine Beaton, SAC Consulting*



**This article is part of January's Agribusiness News. To read the full article and more, please visit:**

[www.fas.scot/publication/agribusiness-news-january-2024/](http://www.fas.scot/publication/agribusiness-news-january-2024/)

Scotland's Farm Advisory Service (FAS) is funded by the Scottish Government, providing information and resources aimed at increasing the profitability and sustainability of farms and crofts. Grant support, a full programme of events, a subscription service for crofts and small farms, and a range of articles and publications form the core of this service which is designed to provide integrated advice for farmers and crofters across Scotland.



**National Advice Hub**  
**T: 0300 323 0161**  
**E: [advice@fas.scot](mailto:advice@fas.scot)**  
**W: [www.fas.scot](http://www.fas.scot)**

If you need more advice on any topic, the Farm Advisory Service has a range of support and help available:

### Advice line

For free telephone advice on a wide variety of topics including cross compliance, water framework directive requirements, climate change and other technical issues call us on **0300 323 0161** or email [advice@fas.scot](mailto:advice@fas.scot). The advice line operates between 9am and 5pm Monday to Friday.

### Bespoke Advice and Grants

FAS can also help you to increase the profitability and sustainability of your farming business through Scottish Government grants including Integrated Land Management Plans (ILMPs) – worth up to £1,200.

The ILMP will identify opportunities and cost savings for your business, based on an independent and confidential assessment of your business by an experienced farm business adviser of your choosing. As part of your plan you can choose to benefit from up to two further specialist advice plans.

### Online

Our website contains articles, videos and much more at [www.fas.scot](http://www.fas.scot)



**Scottish Government**  
**Riaghaltas na h-Alba**  
**gov.scot**