savills

OCTOBER 2025

Food and Farming Newsletter

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Topical issues

England and Wales

- **On 18 September 2025, the Rural Payments Agency (RPA) started to invite eligible farmers, foresters and land managers to apply for Countryside Stewardship Higher Tier (CSHT) on a rolling basis. Invitations are being sent out in phases, and the RPA will be in contact with anyone who is eligible.**
- The RPA have started to issue Grant Funding Agreements (GFA's) to successful applicants under the productivity, slurry and animal health and welfare themes of the Farming Equipment and Technology Fund (FETF) grant. Applicants must log into the Farming Investment Fund Service to accept or reject the agreement offer. The claim window deadline is midday on 31 March 2026.
- Farmers who applied for Capital Grant funding are starting to receive agreement offers. These are being sent via email and can be accepted or rejected via the RPA portal.
- Following a sharp rise in farm accident fatalities, farmers are being urged to take extra care this autumn and prioritise safety. In response to the increase in farm fatalities, the National Association of Agricultural Contractors (NAAC) has initiated a safety campaign titled 'I am vital to UK agriculture – stay safe', aiming to remind farmers of essential safety practices through visible reminders in machinery cabs.
- Agreena Carbon have confirmed that they have achieved official Verra verification covering the 2023 harvest year. Therefore, carbon payments for harvest 2023 will now be paid.
- Toyota has launched a 'Toyota Hilux Customer Satisfaction Campaign' for certain Toyota Hilux models manufactured before March 2024. Toyota will undertake a free vehicle inspection due to chassis concerns as part of the campaign. To qualify, you must be the legal owner of the vehicle, have owned the vehicle for at least six months, and the vehicle must not be older than 12 years from its first registration date.

Commodity	October 2024	October 2025	
Wheat (feed)	£180/t	£164/t	▼
OSR	£384/t	£393/t	▲
Barley (feed)	£147/t	£145/t	▼
Lamb	641.1 p/kg DW	671.4 p/kg DW	▲
Beef	506.4 p/kg DW	639.8 p/kg DW	▲
UK Milk	41.06 ppl	45.62 ppl*	▲
Pork	208.97 p/kg DW	203.08 p/kg DW	▼
Wheat Straw	£70/t	£81/t	▲
Hay	£75/t	£116/t	▲
Red Diesel	65.40 p/lt	68.6 p/lt	▲
UK Ammonium Nitrate	£338/t	£380/t	▲

*as per Defra's most recently published milk price August 2025.

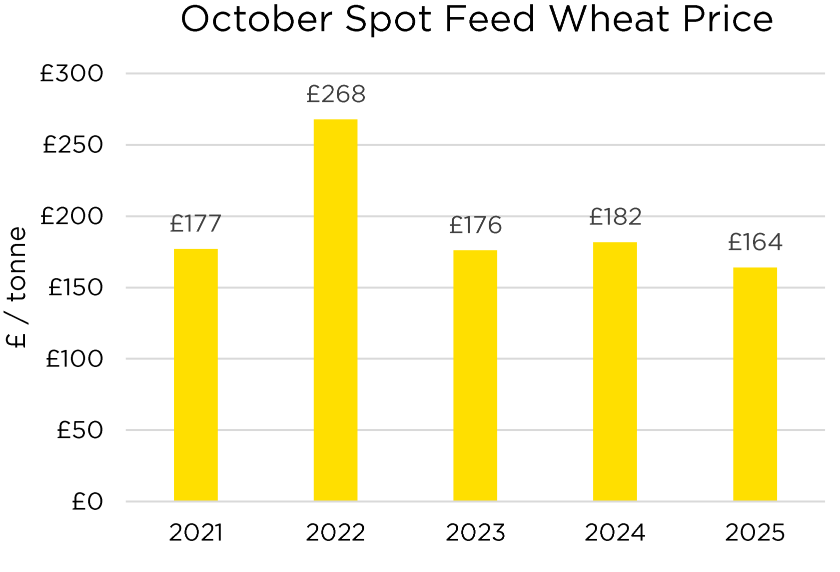
Scotland

- NFU Scotland is urging the government to provide fair and effective funding to support farmers in cutting emissions, while maintaining food security and safeguarding rural livelihoods. The union maintains that progress towards net zero must go hand in hand with protecting the long-term viability of Scotland's farming sector.
- The Future Farming Investment Scheme received 7,500 applications in its first round. Funding will be prioritised in line with the scheme's objectives to improve business efficiency and sustainability. Successful applicants should start to receive notices in October.
- The Basic Payment Scheme payment rates have been published for 2025, which remain very similar to the 2024 rates. The table below shows the difference in payment rates.

Region	2024 (£/ha)	2025 (£/ha)	Change
1	£223.38	£223.01	-£0.37
2	£45.38	£45.27	-£0.11
3	£13.75	£13.72	-£0.03

Arable

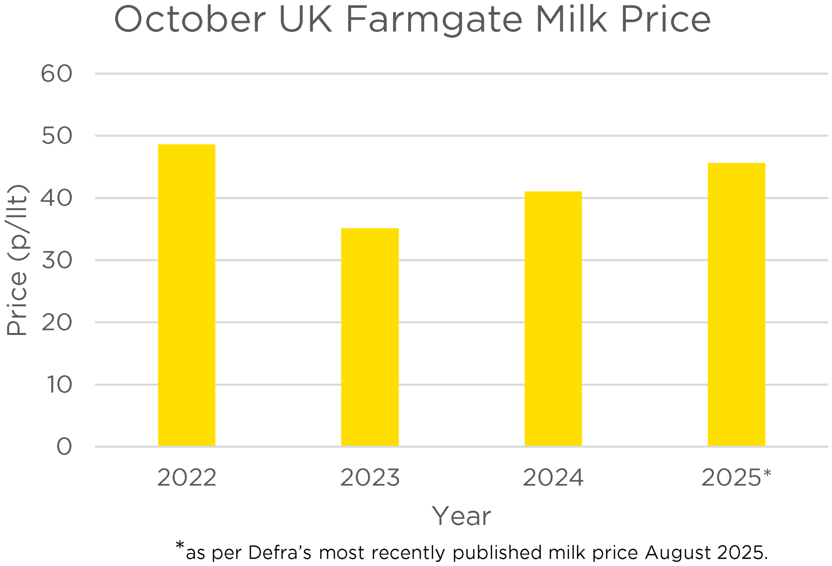
- Harvest 2025 was challenging for many growers, resulting in yields that varied considerably. The quality of most crops has generally been good; however, low yields and price declines throughout the course of the year are starting to significantly impact profitability and cash flow on arable farms.
- In Scotland, the malting barley harvest has been poor. High screening levels and poor quality grain have meant some crops have failed to make malting quality, leading to widespread rejection from buyers.
- The International Grain Council has forecast global grain production for the 2025-26 crop to be up 3.5% on the previous year. This will likely further restrict UK wheat exports and prices in the coming months.
- One of the two UK bioethanol plants has been forced to close due to a lack of regulatory and financial support from the government. The plant was a vital market for domestic wheat, purchasing up to one million tonnes annually from more than 4,000 UK producers. This closure will therefore have a serious impact on local wheat growers and the wider industry.
- The oilseed rape market has recently seen an uplift in prices driven by a 10% duty imposed on Ukrainian rapeseed exports and fewer farmers growing the crop. Despite the smallest planted area in over 40 years, improved harvest yields have resulted in a larger UK rapeseed crop than last year.
- Straw yields this season are hugely variable. Some regions have seen very small swaths, whilst others have reported a higher hectarage being baled this year.



UK feed wheat prices continue to trend lower than previous years.

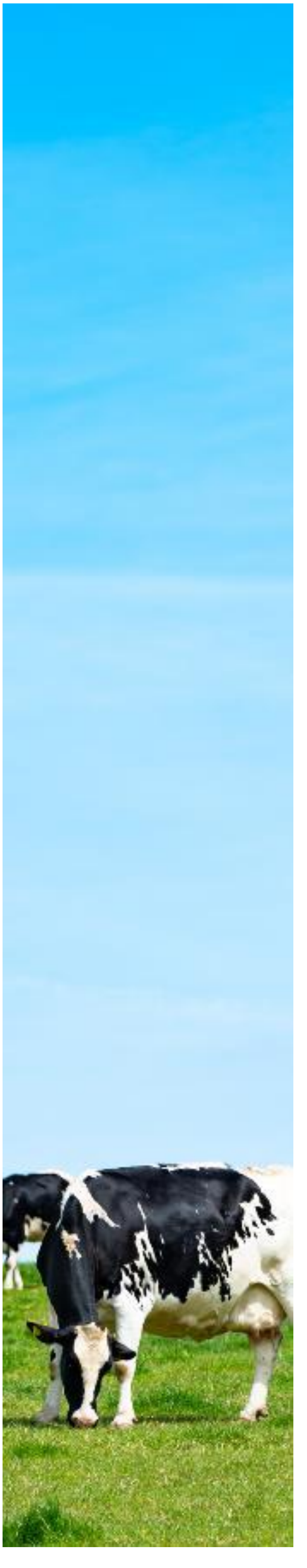
Dairy

- **UK milk production remains elevated, with daily milk deliveries up 5% on the previous year, the fastest growth since 2014.**
- Farmgate milk prices held firm for much of the summer; however, some dairy commodity markets have now eased back, prompting several processors to cut prices.
- There is currently an oversupply of milk in the UK. This is because British milk producers are able to offer relatively stable year-round milk supplies, meaning they were able to respond quickly to global price signals by increasing milk production quickly in the spring. This has prompted Arla Foods and Muller to invest significantly in their processing facilities. Once these new facilities are fully operational, consistent growth in milk supply will be required, meaning that the current oversupply will likely be a temporary issue.
- AHDB are running nationwide events to help farmers tackle Johne's disease, offering practical advice, case studies and expert insights on herd health, calf hygiene, biosecurity and using milk recording data. Farmers and vets will share experiences to help refine disease management plans and boost farm resilience.
- The AHDB Milk Forecasting Forum (MFF) recently met to discuss the factors impacting the future of GB milk production. These included:
    - Concerns regarding the cost of labour and availability
    - The forage shortage influencing breeding decisions and cow numbers
    - The impact of Blue Tongue Virus on dairy herd and milk production.



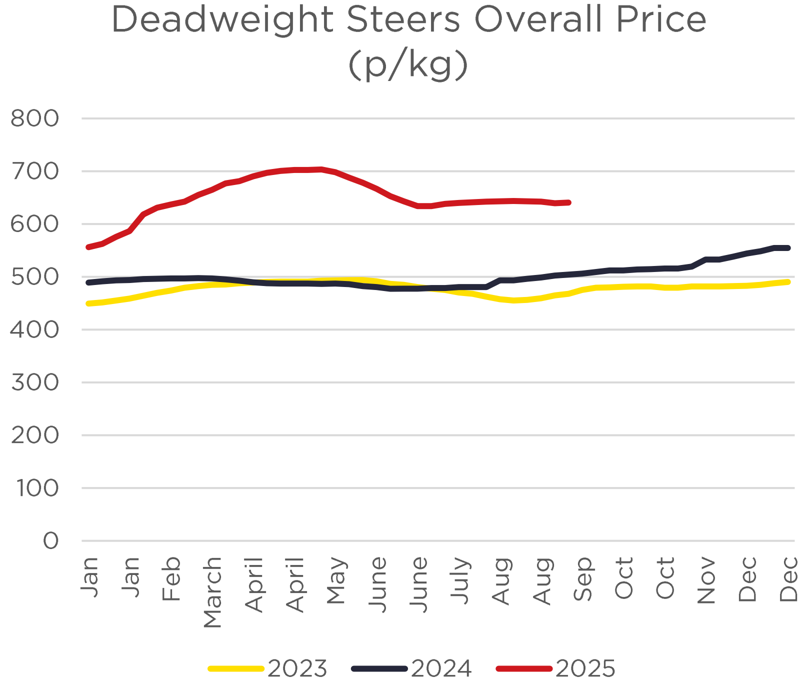
*as per Defra's most recently published milk price August 2025.

Farmgate milk prices held firm for much of the summer

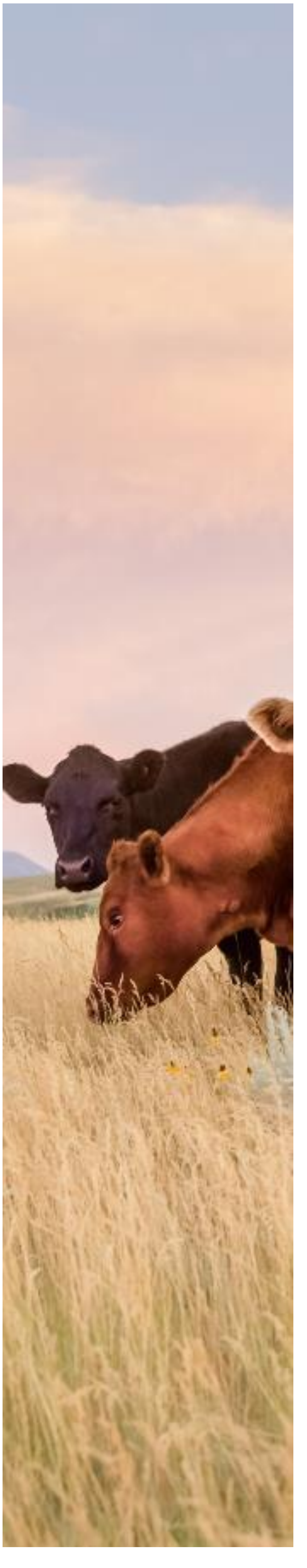


Beef

- **A recent flush of finished cattle has increased weekly GB prime cattle slaughtering, which has subsequently impacted the domestic deadweight prices. However, prices as of 13 September still remain 137p/kg higher than this time last year.**
- Despite the uplift in deadweight prices earlier in the year, the female breeding herd has reduced by a further 1.4% due to sustained input costs, policy changes and weaker long-term margins in the beef industry.
- In Scotland, finishers remain positive as a result of the steady prices. Prices are currently sitting at around 650 – 660p/kg/dwt, mainly driven by tightening supplies.
- Despite firm prices, consumer demand has fallen 7.4% in the past twelve weeks. Demand may rebound post the summer school holidays as it did in mid-September last year.
- Livestock farmers are being urged to plan their winter forage requirements because UK supplies are already tight. Due to geopolitical events, a challenging UK harvest and an exceptionally dry summer, there is likely to be a greater reliance on imports during 2026.
- Funding is available through the Addington Fund's Forage Aid scheme, which directly supports farmers affected by bovine TB outbreaks, extreme weather events or personal crisis, ensuring that essential supplies of forage and bedding area are delivered where they are most urgently needed.



Following a drop in the deadweight steer price earlier in the year, prices have stabilised



Sheep

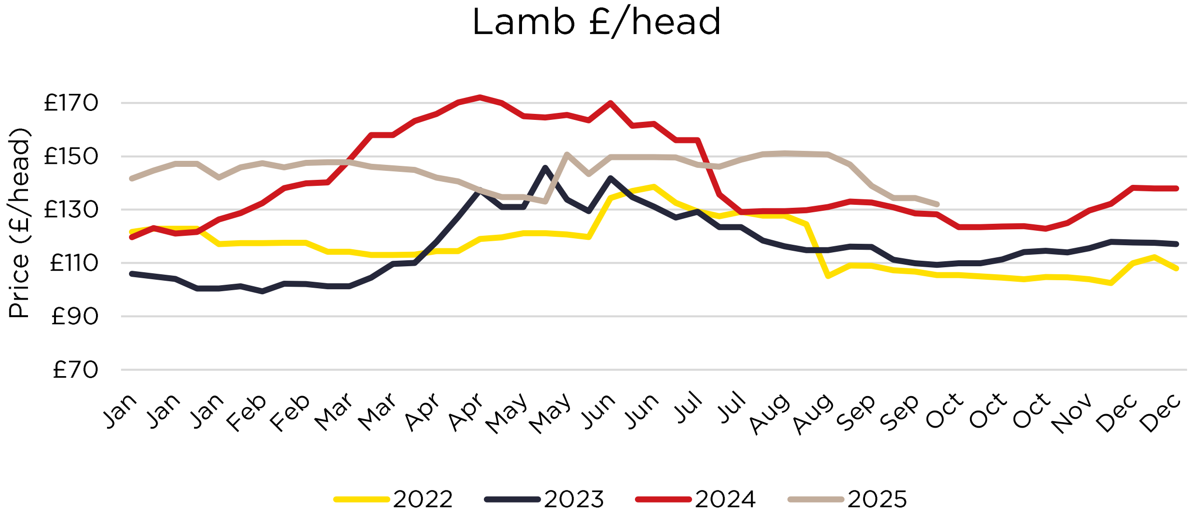
- DEFRA's annual June livestock survey revealed a 3.8% decline year on year in the total English sheep flock, continuing a long-term downward trend. Specifically, the decline in the total female breeding flock is likely due to producers not retaining potential replacements influenced by the exceptionally strong cull ewe trade in 2025.

- Despite tight supplies, store lamb prices have declined due to a decreased appetite for buying lambs to finish because of the lack of available forage.

- The Kelso Ram Sales have broken new records with a rise of almost £800,000 on last year's sales. There was a new average high of £1,427.02 per ram, up £198.84 on last year's best ever sales. Similarly, at the National Sheep Association (NSA) Wales & Border main sale, an average price of £1,022 a head was paid for rams, up 50% on the previous year.

- The application window is now open for the Scottish Upland Sheep Support Scheme (SUSSS), which provides additional support on top of the BPS to sheep producers who farm in Scotland's rough grazing areas.

- On 21 September, there was a reduction in some controls for the movement from a Bluetongue Restricted Zone in England to Scotland, including not having to apply to the Animal Plant and Health Agency for a specific licence.



Lamb prices have seen the usual seasonal decline

Dates for the diary

SFI: Please note that annual declarations must be submitted within the two-month window before the first anniversary of your agreement.

01 OCTOBER ENGLAND: The closed period for applying organic manure with a high readily available nitrogen content to tillage land on soils which are not shallow or sandy in NVZ's begins.

30 NOVEMBER SCOTLAND: The Scottish Upland Sheep Support Scheme (SUSSS) applications close.

Meet the team

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