

single payment scheme - apply on line!

The Rural Payments Agency (RPA) is contacting more than 20,000 farmers over the first few months of 2014 to encourage them to submit farming Single Payment Scheme (SPS) applications online. In 2013, around 14,000 claimants submitted SPS applications online for the first time, which was more than half of the total SPS claims.

The RPA will be contacting farmers who use the online Cattle Tracing System (CTS) but not SPS Online, and farm agents that still submit the majority of their claims via paper forms. Local drop-in centres will be closed in 2014, so farmers who use the centres will also be contacted by the RPA and offered help.

RPA Customer Director Justin Chamberlain said: *"The forthcoming reform of the Common Agricultural Policy (CAP) and the new system that will administer the replacement to the*

Single Payment Scheme (the Basic Payment Scheme due for launch in 2015) is being designed as an online service, so moving online is now an urgent priority for farmers".

He added: *"SPS Online is easy to access, faster and more secure, and offers built-in checks and an online receipt. Most farmers now choose the online route because it makes good business sense. Applicants used to paper forms will find the online layout familiar, but with a few extra benefits".*

Farmers can access SPS Online via the 'Start now' link on the GOV.UK website, (www.gov.uk/single-payment-scheme-online). Farmers will need a PIN number in order to register, which can be requested online from the RPA or by contacting the RPA Customer Service Centre on 0845 603 7777. Further help and advice about submitting applications online will be available from

demonstrations at trade shows and events throughout the year.

The RPA has also announced that farmers and agents will be able to view their SPS 2013 Entitlement Statement online, even if they have submitted a paper application form. Farmers and agents who applied for SPS via paper forms should have received a paper copy of their 2013 Entitlement Statement in January. When farmers receive their 2013 Entitlements Statement they should check that it is correct. If they think that the information is incorrect they should contact the RPA in writing as soon as possible.

Read more about submitting SPS applications online at: <http://snipurl.com/28gz5ii>

Read more about accessing SPS 2013 Entitlement Statements online at: <http://snipurl.com/28gz5m0>

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english farmland prices reach record high

The average selling price of farmland in England increased by 11% to reach £6,882 per acre in Q4 of 2013, according to figures published in Knight Frank's Farmland Index. James Prewett, Head of Regional Farm Sales at Knight Frank, commented that good-quality arable land had seen some of the highest selling prices. For example, a block of land in the East Midlands sold for £9,200 per acre, while 150 acres in the west of England was sold at £9,000 per acre, under a five-year £250 per acre sale-and-leaseback arrangement. Bidders for these two pieces of land included farmers, adjoining landowners and institutional investors.

Mr Prewett said these two examples demonstrate the level of demand for

high-quality land. *"The fact that a farmer buyer was prepared to accept a sale-and-leaseback arrangement also highlights how keen people are to get their hands on land when it becomes available,"* he added.

There is considerable regional variation in land prices and demand, with large blocks of arable land in good locations predicted to continue increasing in price, while prices for land in less popular, marginal areas are forecast to remain static.

According to the Farmland Index in Q3 of 2013, investor demand was a key driver of rising prices. Tom Raynham, Head of Knight Frank's Agricultural Investments Team, said: "We are seeing a steady increase in the number of enquiries from



individuals and funds, both in the UK and overseas, looking to diversify their investment portfolios." He added that demand was particularly high for land with the potential for additional income from renewable energy or a diversified farm business.

Read more at:

<http://snipurl.com/28gzkho> and <http://snipurl.com/28gzkj3>

new pesticide regulation – 'costly' failure to comply

Farmers have been warned that failure to comply with new pesticide rules coming into force between 2014 and 2016 could lead to penalties in the future. The new rules are coming into force in the UK under the Sustainable Use Directive (SUD). Farmers are being warned that non-compliance could result in their income from the Single Farm Payment Scheme (SFPS) being reduced by 2019.

From 1st January 2014, farmers should only use pesticides in a way that complies with Integrated Pesticide Management (IPM) principles. The principles focus on managing pests and diseases in an environmentally friendly manner in order to avoid overreliance on chemicals and minimise the risks

to wildlife, and prioritise non-chemical methods of pest control such as crop rotation and anti-resistance strategies.

From 26th November 2015, farmers using professional pesticides will be required to hold a recognised Certificate of Competence. Although this requirement already applies to most professional pesticide users, anyone born before 31st December 1964 has been exempt under 'grandfather rights'. Specialist courses are available for farmers who are currently exempt from holding a certificate of competence under these rights. The courses are the City and Guilds NPTC Level 2 award in Safe Use of Pesticides Replacing Grandfather Rights and the Level 2 qualification

PA1 and PA2 for ground crop spraying or PA1 and PA6 for hand-held applications. By 26th November 2016, all equipment used to apply pesticides must be tested by a suitably qualified person and must have a National Sprayer Testing Scheme (NSTS) certificate.

Farmers will be required to keep records of pesticide applications for at least three years, and must include information specifying the product used, the rate of application, the area sprayed, the name of the operator and the weather conditions.

Read more about the changes at: <http://snipurl.com/28gzjv8> and <http://snipurl.com/28gzka2>

in brief...

Changes to livestock movement rules will save £70 million

Changes to rules regulating livestock movement will save farmers £70 million from 2016 to 2026, according to Environment Secretary Owen Paterson. The changes, which were announced on 7th January 2014, will phase out Sole Occupancy Authorities (SOAs) and Cattle Tracing System (CTS) links, and relax current reporting requirements regarding the movement of farmed sheep and temporary grazing. The phasing out of CTS links and SOAs is intended to support the control of bovine tuberculosis (TB), which resulted in the slaughter of 305,000 cattle from 2002 to 2012 and is being predicted to cost the taxpayer £1 billion by 2023 if left unchecked.

<http://snipurl.com/28gzl4r>

Environment schemes can no longer be transferred to new owner

Until rural development rules are confirmed by the Government, Environmental Stewardship schemes can no longer be transferred to new occupiers when land is sold. In guidance published on its website, Natural England has said that agreements for Environmental Stewardships cannot be passed from seller to buyer when land changes hands. However, a transfer notice must still be submitted to Natural England even though it cannot be processed until the rural development rules are finalised (expected to be February 2014). Craig Hodgson, Agribusiness Consultant at Savills, has recommended that in the short term, the previous landholder retains the Stewardship agreement, but any income on it should be passed to the new occupier, who will carry out the environmental management required under the scheme.

<http://snipurl.com/28gzlsy>

Dairy farm numbers fall across England and Wales

The number of dairy farmers in England and Wales fell by 241 to reach 10,430 in January 2014, compared with 10,671 in January 2013, according to research by DairyCo. Some of the regions that saw the biggest falls were the East, Midlands and the South of England. The number of dairy producers has fallen steadily over the past decade from a high of more than 17,000 in 2003. A report by DairyCo in 2012 attributed this downward trend to the falling wholesale price of milk on the global market, which has significantly reduced profit margins for producers.

<http://snipurl.com/28gzl6s>

New business structures key to farming sector future

The farming industry must embrace new business structures in order to continue to grow and overcome future challenges, a report commissioned by the Oxford Farming Conference has urged. The 'Opportunity Agriculture' report indicates that while there are many strengths to the traditional UK farm structure, the industry must be more open to changes in land management, for example, share farming (an agreement between two parties jointly farming the same land) or partnering with external investors. Report author Ian Ashbridge said: *"Farming has so few operational structures for the combination of land, labour, capital and enterprise. One of the things this research has identified is that there is a need for new and innovative structures – models that align interests more effectively, particularly in light of some of the major changes in farming likely to be seen in the next decade."*

<http://snipurl.com/28gzlflk>

New biomass subsidy regulations to be introduced

From April 2014, new regulations will require farmers to prove their biomass feed-stocks meet sustainability criteria in order to receive subsidies under the Renewables Obligation (RO) or the Renewable Heat Incentive (RHI). The exact details of how the regulations will be implemented are yet to be confirmed, but Paul Thompson, Head of Policy at the Renewable Energy Association (REA), said the burden of reporting would fall largely on suppliers. A list of registered bioenergy suppliers is set to be introduced by April 2014 and, although farmers growing bioenergy crops do not need to register, it is likely that registration will become necessary in order to access the bioenergy market as a trusted supplier, and to prove the sustainability of their supply chain.

<http://snipurl.com/28gzlqi>

Farmers start 2014 with a more positive outlook

Six in ten farmers believe their business is in better shape than it was 12 months ago indicating growing confidence in the industry, according to a survey carried out by 'Farmers Weekly'. The survey, which polled more than 1,000 farmers, found that 20% of farmers believe their farm is financially worse off than it was a year ago, and 20% felt that it was about the same. The findings reinforce those of a similar survey by the NFU in December 2013, which revealed that business confidence was up across all farming sectors, but farmers' greatest concerns for the future were the effect of burdensome red tape, high input costs and the implications of CAP reform.

<http://snipurl.com/28gzld1>

new rent rules to impact on commercial landlords

New rules to protect commercial tenants will restrict the actions that landlords, such as farm owners, can take to recover rent arrears. The new Commercial Rent Arrears Recovery (CRAR) procedure replaces the common law right to 'distress for rent'. The new statutory procedure comes into force across England and Wales on 6 April 2014.

Under the old 'distress' procedure, a landlord could enter a defaulting tenant's premises to seize and sell their property, without notice and without going to court. Landlords could exercise this right as soon as a tenant defaulted on a payment.



Under CRAR, commercial landlords must serve defaulting tenants with a notice of enforcement at least seven days before entering the commercial premises to seize property. (This seven-day period excludes Sundays and bank holidays). Rent must be overdue by seven days or more before CRAR can be used. Under the new rules, the amount landlords can recover is limited to rent owed up to the date of the enforcement notice.

Senior surveyor Naomi Game of Bruton Knowles said: "Landlords will be particularly concerned regarding the prior notice requirement, which

could give a tenant the opportunity to move any items of value to a secure location or to dispose of them, restricting the usefulness of CRAR."

She claimed that CRAR was not welcomed by the commercial property sector: "The old regime was generally regarded by landlords as a quick and efficient method to recover rent arrears. The new procedure is narrower in scope and is likely to be less useful."

Read more about the new rent arrears rules at:
<http://snipurl.com/28gzkq8>



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CAP funding allocations announced

In December 2013, the Department for Environment, Food and Rural Affairs (Defra), the Welsh Government and the Scottish Government announced how their shares of CAP funding are to be allocated over the next seven years. In England, a modulation rate of 12% has been set from 2014/15 to 2017/18, meaning 12% of funding will be transferred from direct payments (Pillar One) to rural development (Pillar Two), rising to 15% from 2018/19 to 2019/20. In Wales the maximum of 15% will be transferred from direct payments to rural development from 2014/15 to 2019/20 and in Scotland 9.5% will be transferred over the same period.

In England, most of the funding allocated to rural development (87%) will be allocated to environmental schemes, including the existing agri-environment scheme agreements and, from 2016,

the New Environmental Land Management Scheme (NELMS). Local Enterprise Partnerships (LEPs) are to receive 5% of the funding in order to promote rural economic growth, 4% is to be invested through LEADER in order to create jobs and growth in rural areas and the remaining 4% is to be allocated to farming and forestry competitiveness schemes.

Responding to a consultation on CAP reforms in December 2013, Defra has predicted that the average farm business income (FBI) in England will decrease by almost 4% in 2014 and by around 7% in 2015. This is mostly due to the cuts in the Pillar One budget and the change in the modulation rate.

Read more at:
<http://snipurl.com/28gzjo5> and
<http://snipurl.com/28gzjpi>