

FARMING AND PROPERTY BULLETIN – JANUARY 2016

BPS Payments Update

The RPA were still advising that it was on track to meet its commitment to pay more than half of eligible claimants in England by the end of December. Further payment runs were expected on the 23rd and 31st December.

There has been an issue with some payments where there have been entitlement transfers. A number of RLE1s have been missed and therefore not processed. This means that claimants may have been paid based on the wrong number of entitlements. Anyone who has transferred entitlements but has not yet received confirmation should chase this up with the RPA and also check the payment received (if you have had one) extremely carefully.

Entitlement Transfers

There has been an update on the 'Active Farmer' declaration in respect of entitlement transfers. The person receiving entitlements must be an 'Active Farmer'. Previously, it had been thought that, where a farmer completed the 'Active Farmer' test for the 2015 application, this would last for the entire year, i.e. until 31st December 2015. Any transfers with an effective date of transfer up until this date would be possible, but transfers made after this date would need a new 'Active Farmer' declaration. However, the RPA has now confirmed that the 2015 declaration will continue until 16th May 2016 as long as there has been no change in circumstances.

If there has been a change in circumstance between 1st January and 16th May 2016 it should be possible to complete a standalone Active Farmer declaration to requalify. This stand-alone declaration can be used for any new claimants for 2016. A paper form will be made available and possibly an online declaration.

From February, it should be possible to lease and permanently transfer entitlements online. If it works, the new online tool should make the process quicker and easier with confirmations expected to be instantaneous. You should be able to see the number of entitlements held, select the number to be transferred and enter the recipient's details.

Entitlement Statements will not be sent out until February so it may be best to wait until then to undertake a transfer so the number of entitlements held is known. If a transfer needs to be undertaken before then, you should be able to work out the number held by firstly checking the number of entitlements that may have been lost in 2015 due to the excess entitlements rule (compare claimed area to entitlement numbers) then account for any entitlements that may have been transferred in or out since the 2014 claim. Also check for any which may have been leased or reverted back to the lessor.

Entitlement Usage Rule

A reminder that the "excess of entitlements" rule only applied to BPS 2015 and applies where a farmer declared insufficient eligible land to match the number of entitlements he held on 15th June 2015. There was no requirement that the entitlements had to be "used" (claimed) just that enough eligible land was declared on the 2015 BP5 form to match them. Any excess of entitlements over and above the area of eligible land declared in 2015 will now have been irretrievably lost.

The usage rules have changed under BPS compared with SPS. There is still a 2 year usage rule, but the key difference is that a farmer must claim all of the entitlements he holds in a single Scheme year once every 2 years. For example, if a farmer held 50 entitlements and claimed all 50 for BPS 2015, those entitlements should now have a use by year of 2017. That farmer may then choose to claim only 25 entitlements for BPS 2016, but he would then need to claim all 50 again for BPS 2017. It is therefore no longer possible to rotate entitlements and claim only part each Scheme year

Cross Compliance

The RPA has published the Guide to Cross Compliance in England 2016. It is only available digitally. As 2016 is the first year that farmers will not have been sent a paper copy, everyone is encouraged to ensure that they are aware of the key changes. The rules apply from 1st January 2016.

ADHB Beef and Lamb Farmer Innovation Grant

AHDB Beef and Lamb is offering funding via Farmer Innovation Grants (FIGs) to groups of beef and sheep farmers (minimum of three farmers) wanting to evaluate best practice or try new technology. The funding is usually capped at £5,000 (£1,000 for novel equipment) and is available for a one year period. Applications for 2016 FIG can be submitted now and the closing date is 7th February 2016. Further information is available on the AHDB website.

Right to Rent Checks

The Government has published a reminder for landlords about their new obligations to check the immigration status of tenants and all adults living in a rented property in England, which will apply to all tenancies starting on or after 1st February 2016. The Government reminder can be found on the GOV.UK website.

Adkin Report on 2016 Auction Sale of Hay and Straw

The Adkin Annual Sale of Hay & Straw held at Ardington, Oxfordshire on Tuesday 12th January 2016 saw a good company of buyers from across the country and beyond. The trade varied considerably but in general exceeded expectations and resulted in much better clearance rates than had been reported recently. The regular buyers once again contributed significantly and together with one or two new faces and realism from vendors with reserves resulted in a very satisfactory conclusion.

What was totally apparent was that the strong demand was for the best quality hay and for wheat and barley straw in big bales. The best hay sold to keen bidding and strong prices whereas the second and third quality hay was a struggle.

The principle prices were:

HAY

Big Bales (90% Clearance)

Meadow Hay

Claas 2100 bales Organic Meadow Hay to £24.50 per bale (Marcham Farms Ltd)

Seeds Hay

MF2140 bales to £40.00 per bale (Napper Farm Services)

Conventional Bales (66% Clearance)

Meadow Hay to £3.05 per bale (Mrs C Ackrill)

STRAW

Big Bales (88% Clearance)

Barley Straw

Krone 1290 bales to £23.50 per bale (Gale Partnership)

Quadrant bales to £20.50 per bale (Woodhouse Farm Partnership)

Claas 3200 bales to £20.33 per bale (Delafield Brothers)

Wheat Straw

Krone 1290 bales to £20.00 per bale (Gale Partnership)

Conventional Bales (100% Clearance)

Winter Barley Straw to £1.42 per bale (Bitmead Cholsey Partners)

Winter Wheat Straw to £1.00 per bale (Bitmead Cholsey Partners)

Adkin will be pleased to receive enquiries for any of the few unsold lots. We also have available a quantity of round baled silage and further round baled straw for sale privately.

Please contact Philip Pocock or Jenna Wald on 01235 862888.