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# **AGRI-BIP NEWSLETTER**

## **CAP Reform**

A good old British, (English) compromise. The Single Farm Payment system from 2005 will be a hybrid. What will it mean in practice?

For the majority of businesses no great overall change but there will be some winners and losers as the new system is implemented.

### **Winners**

- These are extensive low stocked livestock units
- Farms that have land in severely disadvantaged areas (SDA's) where they have no productive land on the edges of upland areas.
- Land owners with bare land

### **Losers**

- Intensive beef/dairy units
- Cereal growers in SDA's
- Livestock farmers on the fringes of SDA's, where the lower regional figure will be much lower than previous historical payments.

At the moment we still await details on implementation but at least farmers can now start planning for the changes in 2005.

I would suggest that one approach would be to treat the Single Farm Payment as an entirely new enterprise. Most people can now calculate the income they will receive from 2005-2012, except of course the yet to be announced modulation and National Reserve deductions. Of course the new enterprise will have a cost, the need to satisfy environmental and agricultural good practice, audit requirements and the time taken to complete the form required to draw the Single Farm Payment.

It should however, be a profitable enterprise. Existing enterprises on farms such as beef, sheep, dairy and arable will also need to be fully costed to determine if they are appropriate in the new situation. Changes are likely to be required depending on the efficiency of production and the market conditions prevailing at the time.

(Continued overleaf)

One interesting area will be the affect of these changes on short-term tenures, whether that be farm business tenancies or grasskeep arrangements where a particular farmer has accumulated a high historical payment and therefore will be a loser as a move to a regional payment takes place.

The use of the regional average means that the average acreage over the reference years no longer applies, it is the land in the first SFP year (2005) that will determine the historic payment per acre. The historic Single Farm Payment element will reduce over the years; correspondingly the regional payment will increase. These arrangements mean that each individual business will need to react depending on the aspirations of the farmer and his family, to get a clear understanding and to discuss your individual circumstances I recommend that you attend one of our meetings as outlined later in this newsletter.

In conclusion, this new system will allow most farmers to adjust over the next two or three years to a flat rate payment system for environmental good practice. At the same time allowing them to fine tune their farming business and activity free from the constraints of quotas, retention periods, stocking rate levels and all those other control systems that have hampered production over recent years.

Let us look forward to a little more freedom in what we do on our farms.

Stewart Horne  
**Agri-BIP Manager**

### **Get the numbers right – BCMS Statements have arrived**

The arrival of the statement from the British Cattle Movement Service (BCMS) offers an opportunity for the cattle farmer to put the record straight. It is essential that the correct information is held on the BCMS record system. If there records are not correct then the payment of subsidies will be delayed or animals will not be sellable.

If you feel that you need assistance to check and correct the data, then please contact us without delay – remember that there are time limits for this exercise.

Phone David Hinshelwood on Freephone 0800 592872.

### **Milk Quota – No 70% Usage Rule**

Defra have announced that there will be a usage rule for milk quota but there is no minimum level of milk production required as long as there is **some** production during the year. So technically, any dairy farm that produces a very small amount of milk will be classed as a producer. This means that in this situation, the dairy farmer will be able to lease out quota.

However, non producing quota holders will not be able to continue to lease out their entire quota from the end of this production year in March. Therefore, if you are a non-producing quota holder, do not forget that you have to transfer the quota by the end of March.

### **Specialist Computer Software**

It is becoming apparent that accurate and fast record keeping of financial information, movement records, health treatments, cattle passport applications etc are needed to comply both with legislation and insurance requirements.

Computer software can certainly ease the burden, but can seem daunting to those of us who have not travelled down this road before.

If you would like help to set up the appropriate programme on your own computer and be trained in how to use it, or to download information from the BCMS website, then please let us know and we will be able to help you. Telephone us in the office on **Freephone 0800 592872**.

## Courses and Events

Following last months training article in the newsletter, we have had a large increase in the demand for training.

Listed below are a number of events, which we have planned for the next two months.

**If you are interested in any of the following or you have any other training needs, then please call Tim Drew on 0800 592872.**

(Sorry but most of this training is only funded for farmers in Devon, but call to check your eligibility.)

Date	Duration	Course Title	Venue	Availability
26 <sup>th</sup> Feb	½ day	WiRE - Marketing	Tiverton	Spaces
4 <sup>th</sup> March	½ day	Devon Farms - Benchmarking	Bampton	Full
6 <sup>th</sup> March	1 day	Fencing	Winkleigh	Full
8 <sup>th</sup> March	1 day	Emergency First Aid	Totnes	Full
10 <sup>th</sup> March	1 day	Introduction to Computers	Okehampton	Spaces
16 <sup>th</sup> March	1 day	A T V	Chagford	Full
TBC	3 day	A I training	South Hams	Full
17 <sup>th</sup> March	1 day	Word processing	Okehampton	Spaces
17 <sup>th</sup> March	1 day	A T V	Chagford	Full
24 <sup>th</sup> March	1 day	Internet and Email	Okehampton	Spaces
31 <sup>st</sup> March	1 day	Spreadsheets and accounts	Okehampton	Spaces
31 <sup>st</sup> March	Evening	WiRE – Networking evening	South Hams	Spaces
1 <sup>st</sup> April	1 day	A T V	Tavistock	Full
April	4 x 1 day	Sage Accounts Package	South Hams	Spaces
26 <sup>th</sup> April	1 day	A T V	Tavistock	Full
28 <sup>th</sup> April	1 day	WiRE – Business planning	North Devon	Spaces
TBC	3 day	A I training	TBC	Spaces
TBC	1 day	Strained Wire Fencing	TBC – North Devon	Spaces
TBC	1 day	Marketing your products	TBC	Spaces
TBC	1 day	Telescopic Handlers	TBC – South Hams	Spaces
TBC	1 day	Mig Welding	Duchy College	Spaces
TBC	1 day	Arc Welding	Duchy College	Spaces
Soon	10 x 1 day	Butchery	Dupath Farm	Spaces
	35 hours	1 <sup>st</sup> Line Management Course	At your home	Spaces

<b>Other training available on request</b>	
Introduction to computers	Word Processing
Spreadsheets	Internet and Email
Sage Book keeping	Marketing
Basic Health and Safety	COSHH
Basic Food Hygiene	Risk Assessment
Manual Handling	HACCP
N V Z Training	

### Extensification Payment Scheme (EPS)

Completed declaration forms for the Extensification Payment Scheme (EPS) 2003, must be returned to the Rural Payments Agency by the 29<sup>th</sup> February. If the declarations for all six dates are not returned by this deadline date then the result will be that you application will be rejected and no payment will be made.

The sixth check date, covering the period November / December 2003, is the 1<sup>st</sup> December 2003.

## CAP Reform and Beyond

Defra have now announced the form of payments that will be made as a result of the Mid Term Review. The payments will be part area based and part based on historic subsidy receipts.

**Following the success of the talks that we held last summer, we have been asked to work with you individually to examine how the current information affects your farm.**

During the workshops, we will be able to talk to you individually, about how the payments will be calculated and how they will change over the years, and some of the requirements for the scheme and begin to help you to plan for the future.

**It is important that all farmers get it right in 2005 in order to maximise the effectiveness of the single farm payment for their own business. Actions and decisions taken now could affect your farm profitability for the next decade so start the planning now at one of these venues: -**

Date	Venue
08/03	South Molton – The Old Coaching Inn
10/03	Totnes – Royal Castle Hotel
11/03	Great Torrington – Green Dragon
15/03	Holsworthy – Crown & Sceptre Inn
18/03	Hatherleigh – The Bridge Inn
22/03	South Zeal – The Kings Arms
23/03	Princetown – Plume of Feathers Inn
24/03	Bratton Flemming – Sports Club
30/03	Okehampton – The Plume of Feathers
31/03	Tavistock – The Ordulph Arms
01/04	Winkleigh – The Seven Stars
05/04	Barnstaple – The Ebberley Arms
06/04	Kingsbridge – The Seven Stars
<b>TBC</b>	Woolsery

To book your place at one of these workshops, please contact the office on **Freephone 0800 592872** and ask to speak to Charlotte.

### Deadline Dates for the Transfer of Milk Quota for the 2003 / 2004 Quota Year

The deadline for receiving forms for the temporary transfer i.e. lease of milk quota is Wednesday 31<sup>st</sup> March when they will need to be at the Rural Payments Agency.

The permanent transfer of quota may have a deadline of: -

The 1<sup>st</sup> March 2004 (for permanent transfer by lease of land).

The 31<sup>st</sup> March 2004 is the deadline if the permanent transfer is by the sale of land, at the end of a tenancy, through inheritance or by other means.

The permanent transfer without transfer of land needs to be 10 days prior to the extended days of transfer, meaning an effective last day of the 17<sup>th</sup> March 2004.

#### **DISCLAIMER**

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Sponsored by The European Social Fund, Learning and Skills Council, Business Link, West Devon Borough Council, North Devon District Council, Dartmoor National Park Authority, North Cornwall District Council and working in partnership with LANTRA.