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# **AGRI-BIP NEWSLETTER**

## **SINGLE FARM PAYMENT TIMETABLE**

Farmers, who have previously undertaken claims for subsidies under livestock or arable schemes, will in the next few weeks receive a communication from the Rural Payments Agency. This will give details of the claims that Defra hold in respect of the reference years 2000, 2001, 2002, for your farm. It will be important that you check your records against what the RPA are saying that their records show. Once agreed, these will form the basis for the historical calculation for the Single Farm Payment for the period 2005-2012. It is imperative that it is right. **If you do not return the form the RPA will assume the data is correct.**

If a farmer's production was affected during the reference period for the Single Farm Payment (i.e. the subsidy claims made during the years 2000, 2001 and 2002) as a result of 'Force Majeure' (and this is defined as an unforeseeable course of events which could not have been avoided despite all due care or an unforeseeable course of events over which the farmer had no control), or exceptional circumstances (**a prime example within this area is the impact of the Foot and Mouth disease outbreak in 2001, TB restrictions or other disease**), then the farmer can apply to have his payment entitlement calculated on a different basis than the reference period.

It would appear that there are likely to be two or three options that farmers will be able to choose to change his individual reference period in these circumstances including: -

- Using one or more calendar years in the reference period, which were not adversely affected.
- If production was affected for the whole of the reference period, then a farmer can apply to have his entitlement calculated on the basis of 1997, 1998 and 1999 production.

Farms in agri-environment schemes can ask to be reassessed either using 97-99 or if under restriction in that period ask for a notional assessment.

Therefore, in order to make the optimum decision for individual farms that have been affected from situations as previously described, it is essential that careful research is undertaken, in order to ascertain which will be the best option to generate **the maximum entitlement** for the individual farm concerned.

I suspect that there will be many questions that farmers will need to ask and I am sure that all the support agencies, the NFU, Farming Crisis Network, Defra's own helplines, and others will be very busy in answering these questions.

I suspect that the Agri-BIP phone lines will also be busy so rather than spending a lot of time probably answering the same questions, it will be more effective to hold a number of short workshops around the region, which will enable your questions to be answered to the best of our ability. Therefore, when you receive your set of forms from Defra, should you consider that there are unanswered questions or areas that you feel that you require some assistance with, do not hesitate to get on the phone and let us know your situation? We will then be able to organise at short notice a number of workshops that will assist you through this process.

It is expected that Defra's response to the cross compliance consultation will be announced on or before 22 July 2004.

The next stage of the implementation procedure for the Single Farm Payment will be the registering of previously unregistered land. The majority of farming land has been registered through the IACS system over a number of years. However, there are many individuals who have for many different reasons, not been required to register their land including sheep producers who have no other enterprise in the lowlands, and land owners who have always let the land out to other farmers who may now wish to give themselves a chance to claim the Single Farm Payment. This process will take place in the late summer/early autumn and again may require some support from projects such as Agri-BIP. Again, if you feel that this is you please give us a call and let us know.

**Stewart Horne  
Manager**

### Milk is Healthy

New research shows that regularly drinking milk can significantly reduce the risk of heart disease and strokes. Research carried out by Professor Peter Elwood from the University of Wales studied the dietary habits of 2,500 men from South Wales (aged between 45 – 59 years old) and also examined results from 9 other studies, which had taken place round the world.

The work within Wales found that men who drank more than a pint of milk each day reduced the risk of heart disease and strokes by 30%, when compared to those who drank no milk.

When the results of all of the studies were taken together, the risk of heart attack was 30% lower in those countries with the highest milk consumption, the risk of a stroke was 17% lower and the risk of either a heart attack or a stroke was 16% lower.

One explanation for the results could be the beneficial effects of dairy products on blood pressure.

Therefore, this good news should be published wide and large by the dairy industry including farmers to encourage the consumption of milk and to correct the impression that milk is not good for you.

### Premises Wanted

We have a client wishing to set up a recording studio somewhere within a 5 – 10 mile radius of Tavistock. The main requirements are that the premises are secure, dry and reasonably priced!

The client would provide soundproofing inside and install some equipment, which would not necessarily involve structural changes to the building.

If any farmers in the locality were interested, then any conversion costs that would be involved would probably fall within the remit for grant assistance under the Rural Enterprise Scheme.

Contact Brian Watson on **Freephone 0800 592872** for more information.



### Suckler Cow Quota

The claim period for the Suckler Cow Premium Scheme opens on the 1<sup>st</sup> July 2004 and claims must be made by the 6<sup>th</sup> December 2004.

The trading period for Suckler Cow Quota opened on the 15<sup>th</sup> June 2004 and again closes on the 6<sup>th</sup> December 2004.

Do not forget that the trading documents must be registered with Defra prior to submitting the claim.

The premium rates for 2004 are approximately £141 per quota unit. Additionally there is expected to be a Beef National Envelope payment of about £23 per animal.

Extensification payments will be approximately £50 per animal (higher rate extensification payments) or £26 (lower rate extensification payment).

Do not forget that Suckler Cow Quota will have no value after 2004.

### Changes

Isn't it amazing how time goes by? It is five years since I joined the West Devon BIP / Agri-BIP Project. There have been many changes and challenges over the period including some that we would all rather forget (Foot and Mouth Disease). These changes continue with the advent of the Single Farm Premium, more of this later, and Agri-BIP continues to change too. Changes in funding mean that old projects finish and new ones start. However, the core aim of Agri-BIP continues (to provide farming and rural businesses with the information, support and training to enable them to improve their businesses). Those of you in Devon who were part of the ESF Training Scheme will have received Exit Training Needs Analysis forms which served as the final part of activity for that programme. So where now?

Agri-BIP has developed a partnership with the South West of England Land Based Colleges Vocational Training Scheme Programme. One of the differences between the previous projects and the VTS funded programme is that the activity will be undertaken in small groups. Some one to one activity can take place using other projects in West Devon, Torridge, North Devon and South Hams areas, including the Rural Enterprise Facilitation Scheme.

An advantage of the new project is that the boundaries are expanded to include the whole of the South West region; further the range of activities that will take place is also much wider including more technical and core on-farm activity that previously was more difficult for us to undertake. Technical awareness sessions could include enterprise discussion groups for beef, sheep, arable and the dairy sector. Perhaps new technology, use of diet feeders, renewable energy production, or adding value. How to develop websites to market farm produce?

The core business development activity, that Agri-BIP has been well known for continues and we shall be running workshops based around CAP Reform, to business analysis and book-keeping, enterprise costings including benchmarking under the Red Meat Industry Forum Programme, budgeting and cash flows, meeting market demands, skills to meet cross compliance, environmental opportunities, diversification and business planning. All sorts of activities will be able to be undertaken throughout the South West region under this new programme. If there is anything that is not currently mentioned above and you feel that it would help you improve your business, please let us know and we will do our best to provide it either in-house or from the wide network of contacts that we have.

Let us look forward to the next five years of Agri-BIP continuing to provide an up-to-date and reactive service for land based businesses.

## Dairy Premiums and the Additional Dairy Payment

You will all be aware that as part of the reform of the E. U. Dairy Regime dairy farmers will receive direct payments in 2004. This Dairy Premium Payment consists of two parts: -

- A dairy premium which is linked to milk quota held on the 31<sup>st</sup> March and
- The additional dairy payment which can be paid more flexibly.

You will be aware that Defra have announced that the additional payment will be paid as a straight top up to the dairy premium in the UK. This means that this additional dairy payment will again be paid on the volume of milk quota held on the 31<sup>st</sup> March 2004.

The overall payment will be in the region of .83p per litre (before any deductions are made) and the payment should be received by farmers between the 1<sup>st</sup> December 2004 and the 30<sup>th</sup> June 2005.

The premiums themselves will increase in 2005, (which should be worth around 1.7p.p.l before deductions) and again in 2006 when they should be worth approximately 2.5 p.p.l. All the above are estimated at a euro value of 68 pence.

These dairy premiums will be decoupled from production following 2005. Therefore, it is the amount of milk quota which is held on the 31<sup>st</sup> March 2005 which will dictate the level of dairy premium (litres of quota) which will be paid with the payments increasing in 2006 to take into account the above increase in payment rates.

## **The Digital Age reaches all parts**

Farmers have embraced the digital age with varying degrees of enthusiasm; many of you will have modern tractors with on board computers either as engine management systems or to aid accuracy and monitoring of work rates. Very few agricultural engineers can service tractors or combines without a laptop these days. Defra also is attempting to do more of its business on line and with the recent news that the Cattle Movement service does not have accurate records for one in seven cattle, the push for greater on line transfer of data is sure to get greater. It was interesting to see the press interpretation of this story, 1.2 million cattle lost! I don't think farmers are so careless as to misplace 15% of their cattle, however the use of handwritten data does lead to mistakes both on the farm and at the BCMS.

I suspect that Government's reaction to this episode will be more draconian penalties for farmers who get it wrong rather than rewards for those who get it right. If you are thinking of using on line submission of data to BCMS but have yet to take the plunge give Agri-BIP a call and we can set up a demonstration training session.

Whilst on the subject of on line activity, Defra will be launching the Whole Farm Appraisal in September 2005 and is currently piloting an on line version of the programme with 5000 farmers, volunteers wanted! This system will be voluntary but has many benefits (we hope) in reducing paperwork considerably, incorporating digital mapping, IACS information, census information, waste management plans etc. in one format.

Also due to be launched in Autumn 2004 is a piece of software called PLANET4FARMERS which allows accurate prediction of the fertiliser needs of individual crops and fields aimed at reducing the leaching of nutrients to watercourses this will help farmers target the use of expensive fertilisers more effectively. When the software is launched Agri-BIP will put together a training programme if farmers require it.

The use of the above systems will have the added benefit of demonstrating to DEFRA farmers are meeting the needs of cross compliance.

## **DISCLAIMER**

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