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# AGRI-BIP NEWSLETTER

## Fuel Prices

Last month I focused on the effect high gas prices were having on the cost of fertiliser. Recently gas oil prices have reached 30p per litre, an increase of 66% over the last year or so. For individual farmers using 2,000 litres or so annually, the cash increase, as a proportion of total cost is not that great, but spare a thought for the contractors and haulage firms who use thousands of litres each week. After capital and labour, fuel (and spares) is a major cost; they will inevitably need to increase prices to remain in business. When undertaking a farming operation what factors should you consider when deciding whether to undertake it yourself or use a contractor?

Firstly, as with all things in life, the cheapest is not necessarily the best. Timeliness, standard of job and the quality of the end product all matter. Take a simple thing like grass cutting, for either silage or hay; a cut, conditioning and spread mower costs more to buy and run than a simple disc or drum mower, but the speed of wilting is considerably enhanced. For hay, this means less turning and therefore less fuel and labour requirements; for silage, higher dry matters are achieved which lead to higher intakes and therefore improved animal production. So actually, it is not the cost of the mowing that is critical, it is the quality of the conserved fodder and subsequent animal performance, that really affects the bottom line of your farm business.

Similarly flail hedge trimming. Many environmentalists advocate trimming every other year and claim that this leads to cost savings, however hedges with woody species can put on a tremendous growth in two years, the trimming operation is slower and harder on the hedge. Ultimately in many cases an annual trim is just as cost effective and certainly more pleasing to the eye. The establishment of cereal crops by minimal till operations, are seen by some as a way of reducing costs, including fuel. Soil structure, weed burden and rainfall are important factors to consider when deciding whether to ditch the plough. In the right situations min-till will reduce costs without reducing yields.

Whatever technique you use to reduce the amount of fuel used on farm, either by purchasing new equipment or through the use of contractor, don't forget the cross compliance requirements under the SFP. Contractors have another job to do next year when undertaking farming operations, making sure their activity does not put the farmers SFP at risk. It will be important for farmers to have a good relationship with their contractor.

Returning to the subject of fuel prices, it is likely they will remain high for the foreseeable future. It is probable that bio diesel and biomass generated power will eventually become an economically viable enterprise. It would be good to see farms self sufficient in fuel in the future. Did you know that in Sweden, boilers burning oats heat farmhouses? With oil at 30p/litre, this values oats at £150 /tonne. Have you checked your electricity supplier recently, there are significant differences between suppliers, [www.uswitch.com](http://www.uswitch.com) an independent website ranks suppliers by price.

**Stewart Horne - Manager**

### Single Farm Payment Questions

Agri-BIP staff have continued to deliver workshops around the Single Farm Payment throughout October. Common questions have been:

- Is the flat rate/historical payment tied to the area of land farmed in the reference years?
- Is there a minimum stocking rate?
- What is the definition of permanent grass?
- Who should claim the Single Farm Payment in grass keep situations?
- What are the fruit, vegetable, and potato authorisations?
- When will I get paid?
- Can I spray under electric fences?
- What land must be set aside?

If you are unsure about any of the above questions book in for a SFP workshop, these can be scheduled to meet demand.

The following points have required clarification following earlier workshops.

1. **Q:** Is maize included as arable land for set-aside?  
**A:** *Yes if arable aid was paid on it in the past. Where this land was not eligible for AAPS the position is still unclear.*
2. **Q:** Can Stewardship land be used for set aside as in the past?  
**A:** *Yes, providing it complies with the arable definition.*
3. **Q:** Does new set aside **have** to be in 6 – 10 metre strips?  
**A:** *No, but it can be, the management guidelines are awaited.*
4. **Q:** Are smaller fields excluded from 2m strips for cross compliance?  
**A:** *Still to be clarified.*
5. **Q:** Will I have to fence off set aside from grazing animals between January 15th and August 15th?  
**A:** *Yes, but the management guidelines are awaited.*

### Beef and Sheep Profitability Training Days-help wanted!

Agri-BIP would like to offer a number of workshops on the profitability of sheep and beef enterprises, following the introduction of the Single Farm Payment. We would like to run these on farms in the region (excluding Cornwall). If any of our readers with a beef or sheep enterprise would be happy to host a workshop on their farm, which can be a morning or an afternoon event, please contact Stewart at the office.

In return for the use of your farm facilities we will offer the host farmer an in depth review of his business performance, which will be invaluable for the new trading conditions next year. We will also be able to fund the provision of refreshments etc.

If you are a beef or sheep farmer and would like to attend a workshop as outlined above please contact the office to register your interest.

### Thinking of growing MISCANTHUS as an alternative crop?

We can now offer workshops on the economics of growing this crop which can be grown on set aside land, please call if you would like to attend an on farm event in the next few months.

### **STOP PRESS: Bookkeeping/Farm Records**

**With enterprise costing so important in the future, now is the time to take a fresh look at financial record keeping. We have just been offered free software for clients wanting to computerise their records, to take advantage of this we will provide background training on the principles of bookkeeping together with specific training on the software. For details speak to David Hinshelwood on 0800 592872**

## **Congratulations on Obtaining Grant Funding**

We should like to congratulate John Huxtable and his partner Vicki Zeale on two events that will have of great impact upon their lives.

John and Vicki who farm on the edge of Exmoor have recently obtained grant assistance under the Rural Enterprise Scheme (a grant scheme operated by Defra) that has enabled them to expand the horse exercise and livery facilities. The couple have installed an exercise school, horse walker and developed the overall equine business. The next stage in the business development will be the conversion of barns to create specialist tourism accommodation. The overall impact will be to provide a mix of income streams into the farm business that will enable this family unit to be financially profitable over the long term. We are pleased to have been able to help John and Vicki to prepare the business plans and financial forecasts that have shown that the project would work for them and their business and to help them to prepare their grant application.

The other major event that has happened to them this year is that Vicki gave birth to a bouncing baby boy in early September – so congratulations yet again.

Farmers who are considering setting up or developing a diversified enterprise should remember that there is still a possibility of receiving substantial grant assistance from the Rural Enterprise Scheme, and help to prepare and submit applications, depending on your location.

If you are a farmer outside of Cornwall (Cornwall has separate grant funding support available under objective 1) and would like to talk through the possibilities call David Hinshelwood – 0800 592872.

## **Objective One funding in Cornwall**

Contrary to comments heard in Devon, Cornwall is not ‘awash with money free to do with whatever you want’!

Funds are not available for core agricultural requirements such as machinery and buildings but there is help available for farmers wishing to diversify their businesses or add value to products.

Various bodies have drawn down specific ‘umbrella’ funds such as marketing grants. Alternatively, Agri- BIP has experience of large applications made directly to Government Office (e.g. barn conversions for office developments costing in excess of £1 million).

Examples of funding presently available are: -

- **Rural Business Support Initiative** – Action Plans, Business Support, Planning Support + Feasibility Studies.
- **Rural Development Capital Grant Initiative** – Facilitation, Capital works + Pre Investment Support.
- **Cornwall Food and Drink Partnership Scheme** – Capital equipment for processing, new products, chillers, freezers etc. Plus business planning support.
- **Food and Drink Marketing** – Help with making an application and funding for implementation of marketing plans.
- **Tourism Improvement Fund** – Upgrading of existing facilities and funding of innovative new schemes.
- **Rural Access Fund** – New farm/ nature trails, access for disabled etc.
- **Rural Tourism Marketing Grant** – for new websites, brochures and other marketing activity.

If you have a project in mind call us on freephone 0800 592872 for more details.

## **Dartmoor Hill Farm Project**

This project can assist with the Farm Environmental Surveys required for farmers on Dartmoor that have ESA agreements and Country Side Stewardship Agreements that end in 2005. Telephone (01626) 832093 and ask for Cathy Heath.

### November Training Activity

Date	Location	Subject
Monday 8 <sup>th</sup> November	Barnstaple	Appointed Persons 1st Aid
Tuesday 9 <sup>th</sup> November	Holsworthy	Appointed Persons 1st Aid <b>(Full)</b>
Thursday 11 <sup>th</sup> November	Okehampton	Health & Safety (Risk Assessment)
Thursday 18 <sup>th</sup> November	South Hams	Health & Safety (Risk Assessment)
Thursday 25 <sup>th</sup> November	North Devon	Health & Safety (Risk Assessment)

If you are interested in any of the above training and live within North Devon, Torridge, West Devon & South Hams please contact us on **0800 592872**.

### Computer Training

**We are pleased to announce that WDBIP is an accredited CLAIT centre for IT training, if you would like to gain CLAIT qualifications the courses below will provide the underpinning knowledge required.**

Courses	Okehampton Bridge House	North Devon The Venue Bishops Tawton	South Hams Dartmoor Lodge Ashburton	Tavistock Methodist Hall
<b>The Internet and e-mail</b> (IT1 Electronic Communications)	Tues 2 <sup>nd</sup> Nov FULL Wed 3 <sup>rd</sup> Nov PLACES	Thurs 4 <sup>th</sup> Nov	Tues 9 <sup>th</sup> Nov	Thurs 11 <sup>th</sup> Nov
<b>Word Processing</b> (IT1 word processing)	Tues 16 <sup>th</sup> Nov	Thurs 18 <sup>th</sup> Nov	Tues 23 <sup>rd</sup> Nov	Thurs 25 <sup>th</sup> Nov
<b>Web Design</b> (IT1 Web design)	Tues 30 <sup>th</sup> Nov	Thurs 2 <sup>nd</sup> Dec		Thurs 9 <sup>th</sup> Dec
<b>Desktop publishing</b> (IT1 dpt)	Tues 14 <sup>th</sup> Dec	Thurs 16 <sup>th</sup> Dec		
<b>Spreadsheets</b> (IT1 Spreadsheets)	Tues 7 <sup>th</sup> Dec			

### Single Farm Payment Meetings

**4.11.04 - Eberly Arms, Barnstaple, 7.30pm**

**9.11.04 - Bridge House, Okehampton 7.30pm**

**16.11.04 - Woolsery, Bideford 7.30pm**

**Other dates to be arranged please call to register interest for the above meetings.**

### DISCLAIMER

Every effort has been taken to ensure the information contained in these notes is correct, however, West Devon Business Information Point will not be liable for any loss arising from the use of these notes or any omissions or errors contained within.

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