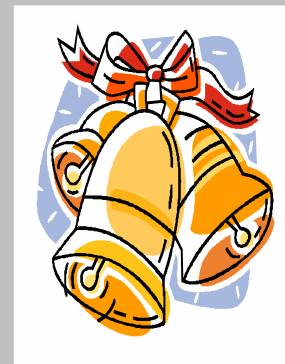




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# AGRI-BIP NEWSLETTER

## Latest News

It is hard to believe that 2005 is almost complete and with it the first year of the Single Payment Scheme, that seems a little surreal given that the payments are unlikely to arrive for at least another two months. However, we are told to expect a statement sometime in January, which will detail the number and level of entitlements that individual farmers will be eligible to receive under the scheme, which lasts from 2005 until 2012, budget agreements permitting.

Instead of a Christmas card this year you can expect to receive from Defra a further four booklets to land on your doorsteps between now and the New Year. They really thought about the postmen when deciding to post it in what is the busiest time of year for the post service! The Set Aside handbook, the Cross Compliance handbook and Soil Management handbook are updates of the 2005 editions but it is important that you read them, as there are a number of significant changes. The new piece of regulation comes in the fourth publication, the **Cross Compliance Soil Protection Review**. It is a requirement under the Single Payment Scheme that all farmers will undertake this review in 2006 and act upon any issues contained within it in 2007. We have been expecting this for some months now but it has finally been published.

The review, although at first glance daunting, is straightforward once you have an understanding of the issues behind Soil Management. The review will have to be undertaken by all Single Farm Payment applicants in 2006 and completed by September 1<sup>st</sup> at the latest. Agri-BIP are currently running Soil Management workshops to cover the requirements of Soil Management Plans under ELS and OELS and now these workshops will cover the Soil Protection Review. The workshops consist of a half day session in the classroom covering the basics of Soil Management, and this is followed by an hour or so on a local farm to try and put the theory learnt into practice, enabling farmers to go away and complete their own Soil Management Plans and Soil Protection Reviews. All participants leave with a number of useful templates that will enable them to comply with the requirements of the schemes. A number of events are scheduled in January 2006 including two in the East Devon ANOB area which thanks to support from the East Devon ANOB's, Sustainable Development Fund can be followed by a one to one session with one of our trainers on the attendee's farm.

Given the pressures on farmers during the Spring and Summer I would suggest that if you want some assistance having read the Cross Compliance Soil Protection Review document, that you get in contact with us as soon as possible after the New Year so that we can arrange a workshop in your area before you disappear off into the fields for the summer and the 1<sup>st</sup> September comes around before you know it



Stewart Horne  
 Manager

## **Single Farm Payment Scheme**

As stated in the previous article, the first year of Single Farm Payment has almost past. How has the Single Farm Payment affected your business so far? Have you made any major changes to the enterprise mix on the farm or have you been as I guess the majority of farmers have, taking a 'steady as you go attitude'. I suspect, if it is the latter then you will be anxiously awaiting the arrival of the Single Farm Payment. Subsidy payments from the old livestock and arable schemes would have started to arrive well before now.

With input costs ever increasing, especially fuel and fertiliser, and market prices for farm products maintaining their low level, the Single Farm Payment may not be enough to cover expenditure that has already taken place. The simple test would be to examine your current bank balance without any subsidy payments against the bank balance that you would have had twelve months ago. Add in your anticipated Single Farm Payment to determine whether you are better or worse off than twelve months ago. If you are better off that is progress, if you are worse off then now is the time to examine where you are going with the business.

With agricultural enterprises fully de-coupled, it does not make sense to carry on with a loss making enterprise given the Single Farm Payment will arrive regardless of production. Recent figures from the University of Reading on farm incomes for the 2004 harvest year, has shown that farm profits have plummeted by two thirds to an average of £5,521 per farm. That average hides a wide range of profitability, from large dairy units producing profits in the region of £30,000-£40,000, to cattle and sheep farms in less favoured areas, recording average losses of £13,700. With every farm being individual with differing levels of overheads and differing needs of investment, averages are very misleading. New Year is often a time of reflection, I would suggest that everyone examines their current position to determine where they might go with their farm business in the future.

Agri-BIP can assist through a number of its projects by way of workshops, individual training and support, whatever you require to take stock to review the current position and to determine a way forward. With the future of the Single Farm Payment after 2012 looking decidedly bleak if we are to believe the mutterings from Defra and the UK Treasury, unless significant improvements can be found for farm businesses in the next couple years, the future, for some may be difficult. There are always exceptions and a proportion of farm businesses continue to thrive.

## **Cross Compliance**

You will shortly be receiving your 2006 Cross Compliance Booklet from Defra. Again there are some changes from 2005 in the main relating to new reporting systems for animal diseases. Our experience to date with Cross Compliance is that there are two main areas where farmers are likely to be caught out under Cross Compliance. Firstly, around animal records, more specifically the issues discovered when receiving a tag inspection. With tagging and animal movements being part of Cross Compliance any late reporting of animal movements etc., will be reported through to the RDA who will then impose a Cross Compliance Single Farm Payment penalty. Their recent guidance has been issued which shows how these penalties will be applied. Where the offence is minor then a 1% penalty or even a warning letter may be deemed sufficient. Where a number of breaches of Cross Compliance occur then the penalties can become quite heavy. We have heard of cases of up to 12% on occasions.

The other area of difficulty with Cross Compliance is the 2 Metre Rule. Driving around the countryside it is clear that there are a number of interpretations of the 2 Metre Rule and again these can trip you up.

Agri-BIP workshops on Animal Records and Cross Compliance are being run regularly and these offer free templates for some of the record keeping required. Similarly the NVZ requirements for record keeping falls under Cross Compliance and here inspections from the Environment Agency are finding a lack of record keeping on occasions, which again will trigger a penalty.

If you need any assistance with record keeping give us a call and we will help you get set up so that you will not lose any of your Single Farm Payment.

## Events Page

### Environmental Stewardship Scheme

If you are undecided about making an application, want to know more about the schemes and how they would fit your farm and business, and want assistance in putting together applications, we are running a number of workshops across the region. We will help with the completion of the forms, maps and points calculation. These workshops start at 11.30am.

### ELS Awareness and Form Filling Workshop

Tuesday 17<sup>th</sup> January – West Devon BIP, Okehampton

Wednesday 1<sup>st</sup> February – Cotleigh Inn, Wambrook, Near Chard

Other workshops which are taking place during January and early February: -

### Soil Management Planning Workshops – practical sessions – 11.30am – 3.30pm

Thursday 12<sup>th</sup> January – West Devon BIP, Okehampton

Wednesday 18<sup>th</sup> January – Hawkchurch Village Hall, Hawkchurch

In conjunction with the Cycleau project and part funded by East Devon ANOB's Sustainable Development Fund

Thursday 19<sup>th</sup> January – The Crown and Sceptre, Holsworthy

Wednesday 25<sup>th</sup> January – Charmouth (Venue to be confirmed)

In conjunction with the Cycleau project and part funded by East Devon ANOB's Sustainable Development Fund

Thursday 26<sup>th</sup> January – Beambridge Hotel, Wellington

Tuesday 7<sup>th</sup> February – Axewater Equestrian Centre, Kilmington

### Cross Compliance Workshop – 11.30am start

Tuesday 10<sup>th</sup> January – The Dartbridge Hotel, Buckfastleigh

Tuesday 24<sup>th</sup> January – The George Hotel, South Molton

### Sheep Profitability Workshop – 11.30am – 3.30pm

Wednesday 8<sup>th</sup> February – Dartmoor Lodge, Ashburton

### Red Meat Marketing

Thursday 2<sup>nd</sup> February – West Devon BIP, Okehampton

### Beef Profitability Workshop – 11.30am – 3.30pm

Thursday 9<sup>th</sup> February – Axewater Equestrian Centre, Kilmington

### NEW CLAIT DATES

Wednesday 4<sup>th</sup> January – West Devon BIP, Okehampton

Wednesday 11<sup>th</sup> January – West Devon BIP, Okehampton

Wednesday 18<sup>th</sup> January – West Devon BIP, Okehampton

Wednesday 1<sup>st</sup> February – West Devon BIP, Okehampton

Wednesday 15<sup>th</sup> February – West Devon BIP, Okehampton

Friday 6<sup>th</sup> January - Teignbridge Business Centre, Heathfield, Newton Abbot

Monday 9<sup>th</sup> January – Teignbridge Business Centre, Heathfield, Newton Abbot

Thursday 19<sup>th</sup> January – Teignbridge Business Centre, Heathfield, Newton Abbot

Thursday 12<sup>th</sup> January – The George Hotel, South Molton

Thursday 26<sup>th</sup> January – The George Hotel, South Molton

Thursday 16<sup>th</sup> February – The George Hotel, South Molton

### Internet Marketing Workshops

Friday 20<sup>th</sup> January – Increasing Visitor Numbers using the Internet – The George Hotel, South Molton

Monday 6<sup>th</sup> February – Internet Marketing for on-farm products and services – Teignbridge Business Centre, Heathfield

Wednesday 8<sup>th</sup> February – Internet Marketing for on-farm products and services – West Devon BIP, Okehampton

The majority of workshops require a small charge of £10 including VAT to attend.  
For more information or to book a place on one of these workshops, please call the office on  
**Freephone 0800 592872.**

## New measures to control TB announced by Defra

The most radical regulation being introduced under the new regulations is the requirement for pre movement testing, for cattle aged 15 mths + from the 20<sup>th</sup> Feb 2006. Existing routine test results will cover the requirement for a period of 60 days from the date of the test. Testing pre movement will extend to younger cattle from 1<sup>st</sup> March 2007.

There are a number of exemptions to the above rule;

These include cattle going to slaughter, cattle moving under to a sole occupancy holding, cattle requiring treatment by a vet, cattle going to an approved TB fattening unit and others.

In practical terms, movements of store cattle, to other farms with or without the use of a livestock market will require in most cases a pre movement test **paid for by the farmer**, the alternative will severely reduce the marketability of the animal and hence reduce its value.

The other factor, which will affect farmers who have TB reactors, is the change in the compensation mechanism to one, which will be determined by market averages for that particular class of animal. This is likely to cap the levels of compensation.

The trade off is likely to be some action on dealing with the reservoir of disease in the badger population albeit after a 3-month consultation period, listening to the minister Ben Bradshaw the other evening there appears to be a real about turn in Government thinking on this.

Whilst it is important to help clean up the badger population one can only wonder what the general public's attitude to farmers will be if a cull is to take place, given Defra have said farmers that would operate the policy, not Defra staff as in previous years. We will have to await the results of the consultation before the detail is known

The WDBIP team wish all clients, colleagues and friends a very Happy Christmas and a prosperous New Year.



### CHRISTMAS OPENING TIMES



The Agri-BIP office will close on Thursday 22<sup>nd</sup> December and will re-open on Tuesday 3<sup>rd</sup> January 2006.

However the answer phone will be checked during the holiday period for any urgent messages.

### Newsletter Distribution

A big thank you to everyone who has responded to our request for email addresses and fax numbers over the last few months. We would still like more so please keep them coming if you have not already responded.

You can email, fax or write to us at: -

E-mail: [team@bipwestdevon.biz](mailto:team@bipwestdevon.biz) Fax: 01837 659314

Address: West Devon Business Information Point, FREEPOST EX 1119, Okehampton, EX20 1YZ

### **DISCLAIMER**

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