



**West Devon Business Information Point**  
**Bridge House**  
**Rooms 2 & 3**  
**25 Fore Street**  
**Okehampton**  
**EX20 1DL**

**www.bipwestdevon.biz**  
**team@bipwestdevon.biz**

# **AGRI-BIP NEWSLETTER**

## **Help with Environmental Stewardship Applications?**

The vast majority of single payment scheme claimants 2006 will have received their part or complete payment. You will have noticed the increase in modulation this year, 10%, this is set to continue rising to **17% in 2007 and 19% by 2009.**

Modulation is being used together with Treasury funding under the new Rural Development programme to part fund environmental stewardship and other grant streams. The programme is currently being appraised by the European Commission, a process that could take until the end of 2007. It is likely that funding will be available for vocational training, farm diversification, co-operation, adding value, farm modernisation etc, but until the fine details are available nothing can be certain. Keep your eyes on the press later in the year if you have ideas that might attract support.

Meanwhile we already know how **84%** of the money is being spent, Environmental Stewardship, which includes ELS, OELS and HLS. Many of you will have already joined one or other of these schemes, in Devon almost 3,000 farmers have applied. However this leaves the vast majority of farmers (11,500) who either have not showed any interest in the schemes or who have asked for the application forms and not submitted them.

I am given to believe that there are thousands of application packs sitting on mantelpieces and kitchen tables which will be filled in "one day"! I think that the main reason for this situation is farmers being uncertain about the scheme, being fed up with form filling, and not wanting to open the door to any more inspections. Personally I can understand these thoughts, but I do know that although £12 per acre (ELS) is not much these days, when profits are hard to come by any income is welcome. Don't forget it is your modulation that's going to increase next year and this is one way of getting it back.

Agri-BIP are seeking funding to assist farmers with their application forms and understanding of Environmental Stewardship, but this will not be 100%, therefore what would you be willing to contribute to get an application accepted into the scheme? Given that a 150 acre farm would receive £9000 over five years would £300 be acceptable?

<b>Farm size in acres</b>	<b>Cost of assistance £</b>	<b>Annual ELS payment £</b>	<b>5 year income £</b>
100	200	1200	6000
150	300	1800	9000
200	400	2400	12000
400	500	4800	24000

Cont ...

Please e-mail Stewart at [stewart.h@bipwestdevon](mailto:stewart.h@bipwestdevon) with your thoughts and consider ...

1. Would you contribute to receive help making an application to ELS or OELS?
2. Would a sliding scale based on farm size be best?
3. Do you intend to apply "one day" and would assistance help?

If you are going to apply it is probably best to do it ASAP because Natural England are looking at making ELS more difficult to join in the future after they have completed a consultation process over the summer.

### **Do You Have a Redundant Building?**

Would a grant help you to restore or convert it?  
Need help with the next step?

Then contact Devon Renaissance and ask about the Redundant Buildings Grants. These are designed to help to create new business premises and support job creation and now cover Mid Devon, East Devon, and Teignbridge

Grants are available for:

- Space for manufacturing, service or creative industries and office premises.
- Facilities supporting tourism and leisure, including licensed establishments, tearooms, cafes, museums, craft centres, but not accommodation.
- Warehousing and distribution.
- Sole traders, partnerships, limited companies and co-operatives.
- Applicants who are owner-occupiers, owners proposing to lease out the premises for eligible business proposes or fixed term tenants.

#### **Funding available:**

Grants cover up to 25% of eligible costs which can include those associated with building works, installation of services, ICT infrastructure, access and parking and professional fees. Grants between £5,000 and approximately £136,000 (€200,000) are available. This project is funded by SWRDA.

For more information contact **Devon Renaissance** on 01837 658643, e-mail [hilary@ruraldevon.org](mailto:hilary@ruraldevon.org) , or visit the website [www.ruraldevon.org](http://www.ruraldevon.org).

### **! Freebies!**

Have you noticed that many of the processors/ buyers of beef, lamb and milk have schemes to support their suppliers? I suspect this is a way to ensure supplier loyalty which given recent low prices have been tested recently.

ABP and Sainsbury's are offering beef farmers free laptops, Farmplan software, and training for a cost of £100. St Merryn has free health plans for organic producers and Tesco's are seeking 850 dairy farmers to become exclusive suppliers in return for an enhanced milk price.

Good news for producers that have connections with these processors / retailers, but it leaves many out in the cold. I suspect we will see more of this, especially in the dairy sector as prices rise. Looking ahead, contracts are likely to become common.

If, like the Waitrose Dorset Lamb Scheme they offer a sensible contract price, they will ensure a profitable future. However, if you are offered a contract, check the fine print and for how long you are tied in.



## Weather Woes

It never rains but it pours, that's certainly true this year! Just when farmers need high quality forage the weather has turned against farmers struggling to make silage and hay. Concentrate prices are due to rise this winter not just because of increases in cereal prices but the ban on importing GM maize and distillers grains will make formulating compounds very difficult this year.

Is there anything that can be done to offset these increases in costs? There are a number of ideas that could be used- it's not too late for the planting of forage crops to extend the grazing season. The odds are that before too long we will have an extended dry spell because the weather is tending to come in blocks these days. For beef finishers quick finishing with high levels of cereals/ compounds are more cost effective than extended supplementation at lower weight gains. Current prices for beef are not encouraging given the good predictions made last winter as to prices this summer. One bit of news that could help matters is that the EU is looking hard at the standards of Brazilian imports which, according to many reports, fall well below EU levels. Many countries have already banned this beef and the EU could be about to follow suit, this would take some product out of the catering and manufacturing sector, which can only help support beef prices.

## Wet Fields, Set Aside and Cross Compliance

Current weather conditions mean any harvest activity could lead to ruts and soil damage, normally this could mean a breach of cross compliance has occurred. However the RPA have dispensed with this rule to allow harvesting to take place. This change is valid until 31<sup>st</sup> July 2007 when conditions will be evaluated. Because it has been difficult to access grazing in some areas the RPA are also allowing grazing and cutting of set aside, in this case it is imperative that you inform the RPA that you are intending to take advantage of this change. If you cut set aside you must not sell the produce it is for your use only.

One point to remember is where damage to soil takes place this should be noted in your soil protection review together with any actions you intend to take to repair the damage.



## ☆ Complete a Snapshot and win cash ☆

Meet the Agri-BIP team over the next few months and enter our prize draw by completing a red meat industry forum snapshot (sheep, suckler cow or beef finisher).

We will be attending the Okehampton Show but if you are unable to meet us and would like to enter the draw before the closing date of the **1<sup>st</sup> October 2007** please request a snapshot from the office.

### The Prizes

**1<sup>st</sup> prize: £250**

**2<sup>nd</sup> prize: £150**

**3<sup>rd</sup> prize: £100**

**There will also be a mini draw at each show with prizes. All prizes courtesy of Schering –Plough Ltd**

### **DISCLAIMER**

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