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farm facts 2014

estate & farm management day-to-day management and consultancy. **farm & estate agency** sale and purchase of farms, land, country houses, cottages, barns and rural property, valuations, structural surveys and RICS Homebuyer reports. **letting agency** letting of farms, houses and cottages on ASTs and FBTs. **planning** Agricultural Need Assessments, applications, design and drawings, expert witness at appeal, consultancy, and advice on farm diversifications. **renewables** Wind, solar, anaerobic digestion & biogas, and energy crops. **quota & entitlements** sale and lease of milk quota and entitlements, naked acres, apportionment, landlord/tenant compensation, arbitration and expert witness. **farm rent reviews** AHA tenancies & FBTs, arbitration and expert witness. **agricultural consultancy** landlord/tenant, compulsory purchase, pipeline & easement claims, rent reviews, partnership, insurance, IHT, CGT & probate valuations, grass letting, FBTs, mobile phone mast sites, Environmental Grant Schemes and Single Payment claims. **dispute resolution** mediation, arbitration, expert witness and advocacy.



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GRANTS Environmental Stewardship In 2014 Lowland ELS will only be available on expiring 'classic' agreements (CSS & ESA) which do not meet HLS criteria, or when it is underpinning an HLS agreement. Upland ELS (UELS) and Organic ELS (OELS) will continue to be available. HLS requires an increased level of environmental management in return for additional annual payments and capital works grants. 10yr agreements (5yr break) usually combined with ELS/OELS/UELS/Uplands OELS. In 2014, HLS agreements will also be available for expiring 'classic' agreements, SSSIs and other high priority cases, and to meet Water Framework Directive objectives. Natural England expect that transfers and amendments involving HLS, HLS-ELS, UELS & OELS will continue in 2014 but lowland ELS will not be available to add to agreements. ● **Catchment Sensitive Farming** Capital grants in priority waterway catchments for items that enhance waterway protection & prevent runoff. The Capital Grant Scheme for priority catchments in the 2013/14 scheme is now closed. Likely to be a further round of funding in 2014 but details not yet known. ● **English Woodland Grant Scheme (EWGS)** Although not yet agreed at EU level, the Forestry Commission is planning to accept new applications for the following grants in 2014 (land must be registered on the RLR and have an SBI): Woodland Planning Grant (WPG) – Contribution towards the cost of producing plans for existing woodland which meet the UK Woodland Assurance Standard; Woodland Assessment Grant (WAG) – Contribution towards the cost of obtaining additional information about the woodland in relation to ecology, landscape, historic and heritage assessments; Woodland Regeneration Grant (WRG) – Contribution towards the cost of regenerating woodland after felling; Woodland Improvement Grant (WIG) – Contribution towards the cost of improving the quality of the woodland for social, environmental and economic benefits; Woodland Creation Grant (WCG) and Woodland Management Grant (WMG) are not available in 2014, however a higher level of budget will be available for WIG for one-off investments to recognise that the WMG is not available. ● **New Environmental Land Management Scheme (NELMS)** This will be launched in 2015, it will incorporate elements of Environmental Stewardship, Catchment Sensitive Farming and English Woodland Grants. Likely to include: targeting of geographic areas with the most potential to deliver environmental benefits; graduated "ladder" approach rather than tiers (ELS & HLS) – the more points gained, the higher one goes up the ladder and the higher the payment (the bottom of the ladder will be well above ELS requirements); 10 year agreements with a 5 year break; points uplift for participating in group schemes; focus on water quality, soils and resource protection; No ELS type option (this will be replaced by greening under CAP); end of OELS & UELS; from 2015 onwards, all new agri-environment agreements will have a start date of 1st January, rather than monthly start dates; the claim periods for all current agreements will be realigned to a January to December year. ● **Woodland for Water** Initiative being trialed by Forestry Commission and Environment Agency offering assistance for landowners to plan new woodland schemes. Aims to encourage planting of woodland around watercourses to help reduce flooding and improve water quality. Grants available in trial areas, payment rates TBC. ● **Upland Transitional Payment (UTP)** For land in ESA or CSS. To receive the UTP, Hill Farm Allowance 2010 must have been successfully claimed on the 2009 SP5. Rate for 2014 expected to be similar to 2013. Payments commence in March the year after application. ● **Heritage Management Plan (HMP)** Grants for 50% of the cost of preparing an HMP on exceptional heritage land/property already designated as conditionally exempt from Inheritance Tax. Grants operate from 1st April – 31st March annually. ● **Rural Community Broadband Fund (RCBF)** Grant to communities of up to 50% of total eligible costs to establish superfast broadband in identified "hard to reach" rural areas. 3rd and final round closed 17.07.13. Future European funding programs currently being developed. ● **Rural Economy Grant (REG)** Funding up to 40% (max of £1m) for farm competitiveness, agri-food, tourism, forestry and micro-enterprise support. Applications for the grant have now closed. Future application rounds will be dependent on the availability of RDPE funds. ● **Skills and Knowledge Transfer – The National RDPE Skills Framework** Provides vocational training for rural and farming businesses. ● **Feed-in Tariffs (FITs)** Support for electricity from renewable sources by eligible technology including photovoltaic (pv) cells, wind turbines, anaerobic digesters & hydro-electric plants. Rates depend on the technology used and are inflation linked. Rates are now adjusted automatically in response to application levels. ● **The Renewable Heat Incentive (RHI)** Eligible technologies are biomass boilers, solar thermal units, ground & air source heat pumps, biogas plants and deep geothermal systems. Recipients will be paid up to 8.3p per kWh for biomass boilers, 9.2p/kWh for solar thermal and up to 4.8p/kWh for heat pumps. New Domestic Property Scheme rates mean eligible recipients can expect up to 12.2p/kWh for biomass boilers, at least 19.2p/kWh for solar thermal and up to 18.8p/kWh for heat pumps. ● **Renewable Heat Premium Payments** For domestic installation of renewable heat equipment. Applicants without access to mains gas will be eligible for: £2,300 for a ground source heat pump, £2,000 for a biomass boiler and £1,300 for an air source heat pump. A grant of £600 for solar thermal hot water panels is available for properties with mains gas. ● **The Green Deal** Launched on the 1st October 2012. Low interest loan scheme for energy efficiency improvements and linking repayments for the work to energy bills. ● **Biodiversity Offsetting** For good environmental management & conservation activities. No direct payment. 'Biodiversity Units' can be sold in future to businesses looking to offset environmental impact of their work i.e. housing developments. 'Biodiversity Units' are only allocated where a measurable ecological benefit can be shown. 6 pilot areas running since 2012 come to an end in April 2014 and it is then planned to be rolled out nationwide. ● **Innovation Voucher** Last round of applications open until 22.1.14 – Provides support to pay for outside help for agri-food projects, water, waste or energy production. £5,000 payment allowing access to knowledge (such as farm consultant), or technology that has not been available to the applicant before. Applicants for agri-food grant must show how their research will impact wider farming sector. ● **Conservation and Enhancement Scheme (CES)** Discretionary payment to fund costs of management to deliver favourable conditions for nature conservation on land of outstanding scientific interest. Funding generally only given where there is no eligibility for other grant scheme funding. Budget of £500,000 allocated annually depending on the potential benefit. No application process for funding – Natural England targets and approaches suitable parties.

FORESTRY Establishment Cost: Conifers - Lowland £2k-4k/ha, - Upland £1.8k-3.8k/ha; Broadleaves £4k-8k/ha. ● **Fencing:** Rabbit £4.20-6.00/m; Stock £4.05-4.95/m; Deer £5.00-6.50/m; Deer & Rabbit £6.50-8.00/m. ● **Guards:** Spirals & canes (750mm) £24-30/100; Plastic tubes (1,200mm) £85-110/100; Stakes £45-55/100.

LAND PRICES AND RENTS AHA Average rent in England & Wales for bare land: Arable £77/acre; Pasture £63/acre. ● **FBTs** Average rent in England & Wales for bare land without entitlements: Arable £140-180/acre; Pasture £109/acre. Rents for AHA & FBTs are continuing to rise with some AHAs over £100/acre & FBTs with entitlements up to £300/acre. ● **Land prices** England & Wales: Including residential component £8,742/acre; Bare land £7,441/acre.

SPORTING RATES Annual rents: Wildfowling and rough shooting on property with limited sporting potential £0.50-2.00/acre; With good topography & woodlands £5-10/acre (excludes cover crop payments). ● **Charges for a day's shooting** (ex. VAT): Driven pheasants £20-28/bird; Driven partridge £22-30/brace; Duck £18-22/bird; Driven grouse £120-180/brace; Walked-up grouse £80-120/brace. ● **Cost of putting a pheasant down** £13.

CAP REFORM In England – SPS entitlement rollover confirmed into the Basic Payment Scheme. ● **Payment rates** Non-SDA & SDA to be paid at an equal rate per ha. Uplift in SDA rate and small reduction in Non-SDA rate. Uplift in SDA-Moorland likely and announcement due by August 2014. ● **Modulation for 2014 & onwards** England 12%; Wales 15%; Scotland 9.5%; Northern Ireland 0%. ● **Minimum Claim** in England increased to 5ha. ● **Active Farmer Test** Definition of the income test and instead applicants must meet the minimum "agricultural activity" criteria (to be established by Member States). Introduction of 'negative list' of businesses no longer eligible to claim payment (subject to appeal). ● **Greening Crop Diversification** - 2 different crops where arable land is 10 to 30ha (1 comprising no more than 75% of arable land), 3 different crops if >30ha (1 comprising no more than 75%, and 2 no more than 95% combined of arable land). Winter and Spring varieties to be viewed as separate crops. *Permanent Grassland* – no conversion and no ploughing of designated environmentally sensitive grasslands in Natura 2000 sites (Special Area of Protection or Special Area of Conservation). Overall national ratio of permanent grassland to agricultural area cannot fall by >5% compared to the baseline. *Ecological Focus Areas* - Only to apply where eligible arable land is >15ha and on 5% of this area. Member states may choose land-use types to count towards EFA requirements from EU list. Exemptions; organic systems; where 75% of eligible area is in permanent grassland & arable land is <30ha; 75% of arable land is in production of grass or laying fallow & remaining arable land <30ha. ● **Capping** Reduction of 5% for payments > €150,000. ● **Young Farmers Scheme** Required for all Member States. Eligibility criteria: must be an individual, <40 years old who has set up as a farmer in last 5 years. Payment equivalent to 25% of Basic Payment.

RECENT CASES Tenancy Deposit Scheme Superstrike Ltd v Rodrigues [2013] EWCA Civ 669. ● **Agricultural Property Relief Revenue and Customs Commissioners v Joseph Nicholas Hanson (Trustee of William Hanson 1957 Settlement)** [2013] UKUT 0224 (TCC). ● **Dissolution of a farming partnership Ham v Ham** [2013] EWCA Civ 1301. ● **Compulsory purchase acquisition: management time Lancaster City Council v Thomas Newall Ltd** [2013]. ● **Responsibility for flooding Cornwall Council v Vernon Knight Associates** [2013] EWCA Civ 950.

LABOUR National Minimum Wage From 30.9.13 Apprentice = £2.68/hr, <18 = £3.72/hr, 18-20yrs = £5.03/hr, >21yrs = £6.31/hr. ● **Agricultural Wage Order** Contracts commenced before 30.9.13 remain valid unless contract amended. ● **Arable Standard Man Days (SMDs) per hectare:** Wheat & Barley 1.15/1.75 (early ploughed/in/harvested); OSR 1.00/1.10 (Spring/Winter); Field Beans 0.95/0.90 (Spring/Winter); Straw Potatoes 5.50 (exc. casual harvest labour); Maincrop Potatoes 9.25 (exc. casual harvest labour); Silage 1 cut 1.60, 2 cuts 2.80 (reseeded + 0.60). ● **Livestock SMDs per head:** Dairy cows 4.00; Bulls 3.50; 18-month beef 1.60; Ewes (lowland) 0.50; Ewes (upland) 0.45; Store Lambs 0.30.

BULLS Wildlife & Countryside Act 1981 – Farmers are prohibited from keeping bulls on land crossed by public rights of way, excluding when the animal is: <10 months, or not a recognised dairy breed & in any field or enclosure with cows or heifers. (Recognised dairy breeds: Ayrshire, British Friesian, British Holstein, Dairy Shorthorn, Guernsey, Jersey and Kerry)

FIELD DRAINAGE Installation costs per metre (cost of operating a trenching machine, supplying and laying the pipe and backfilling with soil): 60-80mm diameter £4.80-5.50; 80-100mm £5.20-5.80; 100-120mm £6.00-7.00; 120-150mm £6.70-8.30.

FARM BUILDING COSTS Dutch Barn 20ft to eaves, no floor or walling = £6.50-7.43/sq ft; ● **General Purpose Building** 16ft to eaves, steel/concrete frame, AC/steel roof and AC/steel/limber side cladding on gable ends with door and concrete floor, blockwork walls, electrics and RW disposal, 98ft long = £19.05-22.30/sq ft; ● **Dairy Cubicle Housing** Portal frame, including cubicles and all internal services and with internal feed stances, cattle standing area and tractor passage = £21.40-26.00/sq ft; ● **On-floor Grain Store** Portal framed building, thrust walling to 10ft, on floor drying with ducts & below ground laterals = £21.40-24.60/sq ft.

DILAPIDATIONS Traditional wooden gate 3.66m = £105. ● **Tubular steel gate** 3.66m = £93. ● **Post & 3 rail fence** nailed posts every 1.8m = £16.00/m. ● **Stock fencing** posts (every 3m), stock netting, 2 rows barbed wire, strainer per 50m = £6/m. ● **Stone walling** 1.40m high = £75-110/m². ● **Ditching** = £2.25-£3/m. ● **JCB hire** including operator, fuel and transport to site = £26/hr. ● **Hedge cutting** Flail hedge trimming (5-6m reach) = £28-38/hr. ● **Hedge laying** including stakes, clearing up & burning brush = £12.50/m.

TENANT-RIGHT (AHA 86) & ROUTINE IMPROVEMENTS (ATA 95) Tenant-right AHA The value of growing crops, or harvested crops if no right to sell or remove; the reasonable cost of acts of husbandry e.g. sowing seeds, cultivations; compensation for tenant's pasture; the value attributable to acclimatisation, hefting or settlement of hill sheep on hill land; compensation for the residual fertility, value of the sod for excess 'qualifying leys' on the holding. ● **FBT Routine Improvements** Residual manurial values, acts of husbandry, growing crops.

GRASSLAND NITROGEN LIMITS WITHIN NVZs & STEWARDSHIP NVZs: Livestock manure 170kg N/ha/yr (Derogation: farms with grazing livestock and >80% of their area under grass may work to a higher limit of up to 250kg of N/ha provided a successful application is made in advance each year [deadline 31st Dec for derogation the following year] and certain conditions are met); Other organic manure 250kg N/ha in any 12-month period (not including manure deposited by grazing animals). Closed spreading periods for organic manures: Grassland 1st Sept – 31st Dec (sandy/shallow soils), 15th Oct – 31st Jan (all other soils); Arable

land 1st Aug – 31st Dec (sandy/shallow soils), 1st Oct – 31st Jan (all other soils). Closed spreading periods for manufactured nitrogen fertiliser: Grassland 15th Sept – 15th Jan; Tillage land 1st Sept – 15th Jan. ● **Stewardship:** ELS Low Input Grassland: N/year as inorganic fertiliser = 50kg/ha; total N/year = 100kg/ha. Very Low Input Grassland: FYM per year = 12.5 tonnes/ha

REVIEW OF NVZs IN ENGLAND NVZ Area Boundaries of NVZs were changed in 2013 which has resulted in some previously undesignated land being included, however the total area of land designated as NVZ fell by around 3%. ● **Changes in 2013** From 17.5.13 new allowances have applied: If growing grass for production of high protein fodder more nitrogen can be applied; Can use compost containing up to 1,000kg of nitrogen in any 4yr period as mulch in top fruit orchards; Can use compost containing up to 500kg of nitrogen in any 2yr period as mulch or worked into soil; Can use precision spreading equipment within 6m of watercourses; If operating low intensity farm certain fertilisation records not required ● **Changes from January 2014** Medium or heavy land designated as NVZ now has extended closed period to 31st January. When growing horticultural crops: Must comply with new N max values; Must assume more nitrogen is available in pig and cattle slurry; Maximum of 30 cubic metres per ha of slurry can be spread at one time over 4-week period between end of closed period and end of Feb. ● **Changes from 16th May 2014** Field heaps must occupy as small surface area as is practically required, >30m from surface water if land is steeply sloping. ● **Changes from autumn 2015** If land designated NVZ in 2013, must calculate storage requirements (6 months for pig and poultry slurry, 5 months for all other livestock slurry) by 1st January 2014 and ensure compliance with storage capacity requirements in Regulations from autumn 2015.

CROSS COMPLIANCE RULES COMMONLY BREACHED IN ENGLAND : GAEC 1 (Soil Protection Review [SPR]) - A.2 - You must keep your SPR 2010, including 2014 continuation sheet, available for inspection. ● **GAEC 14** (Protection of hedgerows and watercourses) - A.1 - You must not cultivate or apply fertiliser or pesticides to land within 2m of the centre of a hedgerow, watercourse or field ditch. ● **GAEC 19** (No spread zones) - B.1 - If applying organic manure you must produce and keep a map of your holding showing all surface waters and land within 10m of them, and of all springs, wells and boreholes within 50m of your boundary. ● **New for 2014 GAEC 20 (former SMR 2)** (Groundwater) - The European Groundwater Directive on which SMR 2 was based has been repealed. Groundwater rules are now covered by GAEC 20. SMR 9 (Restrictions on the use of plant protection products (PPPs)) - Due to European legislation changes some restrictions no longer apply to Cross Compliance. If land is in the Rural Development Program for England then changes do not apply. ● **Penalties:** For one off breaches the penalty is generally 3% of your SPS (range of 1% to 5% depending on severity); for repeated breaches the minimum will be 15%.

ENTITLEMENT TRADING 2013 average entitlement sales Non-SDA £213/ha; SDA £190/ha; SDA-Moorland £40/ha; Welsh 1.9 x € value; Scottish 1.6 x € value. N. Irish 1.3 x € value. ● **2013 SPS payment rates** Non-SDA before Modulation (M): €323.97/ha = £270.86/ha; After M & Financial Discipline (FD): £214.01/ha (£86.61/ac); SDA before M: €260.29/ha = £217.62/ha; After M & FD: £171.95/ha (£69.59/ac); SDA Moorland before M: €45.47/ha = £38.02/ha; After M & FD: £30.05/ha (£12.16/ac) (based on 2013 exchange rate of €1 = £0.83605, 19% M & 2.453658% FD).

RPA FORMS SP9 - Agent Authorisation Form. **SP11** - Entitlements Declaration Form. **SP13** - Payment Assignee Details Form. **SP19** - SPS Entitlements Statement. **CREG 01** - Customer Registration Form. **CREG 08** - Customer Payment Redirection Form. **CREG 10** - Registration Amendment Form. **RL1** - Entitlements Transfer, Registered Land Transfer, Land Registration & Boundary Changes Form. **IACS 26** - Separate Business Questionnaire, informs RPA you have >1 farming business or are splitting 1 business into 2+. The information provided will determine whether RPA consider you as 1 or more businesses. If a person(s) who is involved with 2+ businesses & they (jointly or singly) have a majority shareholding, RPA usually consider both as 1 business (subject to other tests). **IACS 27** - New Business Questionnaire, confirms changes to business structures including splitting/merging businesses.

DUAL USE The most common scenario is where one party is claiming SFP and another is claiming under an agri-environment scheme on the same land. ● **In England & Northern Ireland** this is allowed provided the land is at the disposal of the SPS claimant while the agri-environment scheme agreement holder has 'management control' of the land and the obligations under both schemes are set out in writing to the other party. ● **In Wales** it is not allowed for land in Glasir and the Organic Farming Conversion scheme. ● **In Scotland** it is not allowed.

ENERGY PERFORMANCE CERTIFICATE (EPC) Residential properties: EPC must be displayed when marketing all properties that are built, sold or let. Exemptions include: listed buildings, buildings that are rented for <4 months of the year and temporary buildings intended to stand for <2 years. ● **Business properties:** EPC required when premises are built, sold, let or if fixed heating, air conditioning or mechanical ventilation systems are provided or extended. EPC must be displayed on the premises if the useful floor area is >500m²; it is frequently visited by the public and an EPC has already been produced for the building's sale, rental or construction.

RESIDENTIAL TENANCY DEPOSIT PROTECTION (Only applies to ASTs which commenced after 6.4.07) Landlords must place deposit into a Government-backed scheme within 30 days. At end of tenancy, once amount to repay is agreed, deposit balance must be returned within 10 days. Specialised landlord insurance is an alternative.

HOUSES IN MULTIPLE OCCUPATION A property will be an HMO if at least 3 tenants live there, forming more than 1 household and the people living there share basic amenities (e.g. bathroom and/or kitchen). For HMOs the landlord must ensure that: fire safety measures are in place, annual gas safety checks are carried out, the electrics are checked every 5 years, the property is not overcrowded, there are adequate cooking and washing facilities, communal areas are clean and in good repair and there are enough rubbish bins for everyone in the house. ● If these rules are not followed tenants can contact the environmental health department of the local council requesting an assessment under the Housing Health and Safety Rating System, which looks for specific hazards and allows them to take action against landlords whose properties are dangerous. ● The landlord must also register the home with the council as an HMO if it is at least 3 storeys high, 5 or

more unrelated people live in it, and there are 2 or more separate households living there. ● The landlord is responsible for the following repairs in an HMO: the structure and exterior of the house, water and gas pipes, electrical wiring, basins, sinks, baths, toilets, radiators and water heaters.

SQUATTERS RIGHTS Squating in residential buildings in England and Wales is a criminal offence. The maximum penalty is 6 months in prison, a £5,000 fine or both.

THE PROPERTY MISDESCRIPTIONS ACT 1991 Was repealed because it duplicated more recent EU legislation, the Consumer Protection from Unfair Trading Regulations (CPU) 2008. CPU covers a broader area than was covered under PMA.

TAX Income Tax 2013/14 Personal Allowance: £9,440 (£1 withdrawn for every £2 of income >£100,000); 2014/15 Personal Allowance: £10,000; Rates & levels 20% for £0-£31,865, 40% for £31,866-£150,000, 45% >£150,000. ● **Capital Gains Tax 2013/14** individuals 18% or 28% & Entrepreneurs Relief 10%. Individuals Annual Exemptions for £10,900 & Trustees £5,450. Business Rollover Relief 12 months before & 3 years after disposal. ● **Inheritance Tax 2013/14** 40% above threshold of £325,000, exempt spouse/civil partner transfer; £3,000 annual exemption, small gifts £250. Taper Relief: reduction of tax payable on sliding scale from 100% chargeable <3 yrs from a Potential Exempt Transfer (PET) to 0% >7 yrs from a PET. Business Property Relief: 50% or 100%. Agricultural Property Relief: 100% relief if 2 years ownership if owner occupied or 7 years ownership if let - 50% of agricultural value for agreements pre-1.9.95. ● **Stamp Duty Land Tax Rates and thresholds: Residential Freehold:** 0% for <£125k; 1% on £125k - £250k; 3% on £250k - £500k; 4% on £500k - £1m; 5% on £1m - £2m; 7% on >£2m. Leasehold: 0% for <£125k; 1% on >£125k. **Non-residential Freehold:** 0% on <£150k; 1% on £150k - £250k; 3% on £250k - £500k; 5% on >£500k. Leasehold: 0% for <£150k; 1% on >£150k. ● **Capital Allowances** Businesses receive a 100% initial allowance on the first £250k of expenditure (will be reduced to £25k from 1.1.15). ● **Zero-rated VAT construction costs** Construction costs traditionally zero-rated for tax purposes provided planning doesn't prohibit separate use of or disposal of dwelling. HMRC has now adopted a stricter line of what is considered to be to prohibition, denying relief on a greater number of projects. New build farmhouses could be subject to VAT if they fail to meet all of the eligibility criteria required.

WATER RIGHTS TRADING Background Licences can be sold or leased between parties sharing the same water resource. All trades must be approved by the Environment Agency which will depend on the water resource availability where the parties are located. ● **The Process** The vendor must either apply to reduce the volumes on their licence or revoke their licence completely. The purchaser must make an application for a new licence or to vary the existing licence. ● **Costs** The purchaser must pay a £135 application fee and a £100 advertising fee if applicable. No fee applies for the vendor. ● **Future key aims** - Increase amount of water that can be used by systematically linking access to water, to water availability; Incentivise abstractors to manage water efficiently; Help abstractors trade available water effectively and reduce waste water; Develop more effective licence reviews; Incentivise abstractors to manage risks from future pressures on water resources.

CATTLE MOVEMENTS Notify BCMS of movements within 3 days and apply for passports within 27 days of birth. ● **Standstill period** is 6 days if cattle, sheep, goats or pigs are moved onto the holding. ● **Update farm records** within 36 hours of movement. ● **Pre-movement TB testing** for cattle moving from high to low risk areas within 60 days prior to movement, subject to exemptions. (Fact Sheet available on request)

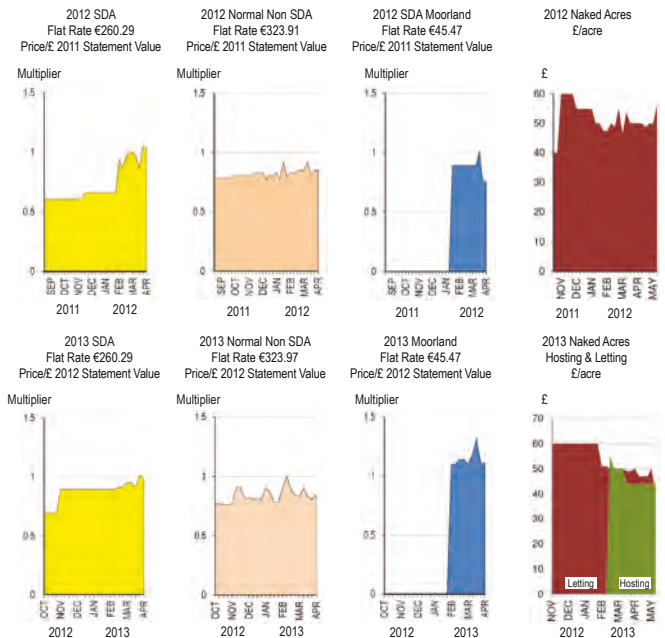
CHANGES TO TB RULES AS OF 1ST JANUARY 2014 Late or missed regular interval tests will now face financial penalties under Cross Compliance with fines taken from direct payments & calculated on the length of time that the test is overdue. ● DEFRA is consulting on other changes including: Removing pre-movement test exemptions for cattle moving on & off common land; No longer allowing TB restrictions to be lifted on part of a restricted holding; Untestable cattle can be culled 'in exceptional cases as a last resort'; Making the location of TB restricted herds available. (TB Fact Sheet available on request)

PLANNING Permitted Development Rights - Class M Until 30.5.16 - rules relaxed for change of use of farm buildings. It will allow buildings up to 500m² that were classified as in agricultural use on 3.7.12 to change use to the following: Class A1 (shops); Class A2 (financial & professional services); Class A3 (restaurants & cafes); Class B1 (business); Class B8 (storage or distribution); Class C1 (hotels); Class D2 (assembly and leisure). Where the cumulative floor space which has changed use under Class M does not exceed 150m², the following information must be provided to LPA: Date the site will begin to be used for the flexible uses (listed above); Nature of the use; Plan indicating the site and buildings changing use. Where the cumulative floor space of the buildings is between 150-500m² apply to the LPA for a determination as to whether the prior approval of the authority will be required as to: Transport and highways impacts of the development; Noise impacts; Contamination risks on the site; Flooding risks on the site; and Provision of further information where requirement for prior approval is confirmed. It must be noted that these rules apply only to change of use and do not cover any requirement for carrying out building works.

USEFUL CONTACTS Agricultural Land & Drainage Tribunal 0845 100 2614 ALDGeneralEnquiries@hmcts.gsi.gov.uk. ● Central Association of Agricultural Valuers (CAAV) 01594 832979 enquire@caav.org.uk. ● CLA 02072 350511 mail@cla.org.uk www.cla.org.uk. ● DEFRA 0845 9335577 www.gov.uk/defra. ● Department of Agriculture and Rural Development (Northern Ireland) 0300 200 7852 dardehpline@dardni.gov.uk. ● Environment Agency 03708 506506 enquiries@environment-agency.gov.uk. ● Environmental Impact Assessment (EIA) 0800 0282140. ● Forestry Commission (England) 0117 9066000 fe.England@forestry.gsi.gov.uk. ● GOV.UK (replaces Direct Gov & Business Link) www.gov.uk. ● NFU 02476 858500 www.nfonline.com. ● Natural England 0845 6003078 enquiries@naturalengland.org.uk. ● RICS 024 7686 8555 contactrics@rics.org. ● RPA 0845 6037777 www.rpa.gov.uk. ● The Scottish Government 0131 556 8400 ceu@scotland.gsi.gov.uk. ● Upper Tribunal (Lands Chamber) (formerly Lands Tribunal) 020 7612 9710 lands@hmcts.gsi.gov.uk. ● Welsh Government 03000 603300 wag-en@mailiuk.custhelp.com.

TOWNSEND CHARTERED SURVEYORS WILL NOT BE HELD RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION CONTAINED WITHIN THIS LEAFLET, WHICH IS DESIGNED AS BROAD GUIDANCE AS AT 10.1.14, AND SHOULD NOT BE RELIED UPON WITHOUT FURTHER PROFESSIONAL ADVICE.

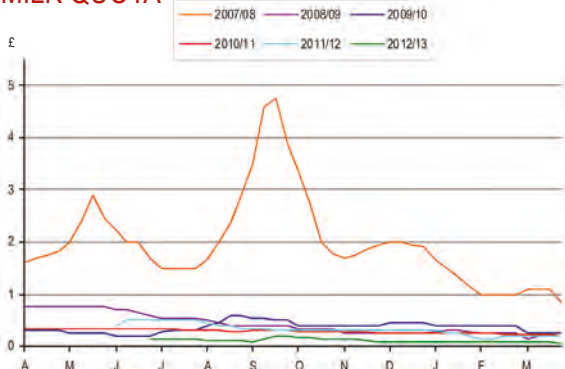
ENGLISH ENTITLEMENTS & NAKED ACRES



The multipliers used in these graphs vary depending on the specific entitlement values and number of units/hectares being sold. These graphs represent averages and are for illustrative purposes only. Prices of traded entitlements are expressed in £s. Exchange rates used were those set for the previous payment year. Naked Acres rental prices are gross of letting fees with no VAT charged. For historic entitlement and naked acre price graphs please see www.townsendcharteredurveyors.co.uk/entitlements and follow the link. If you would like a formal written entitlement valuation, please contact us. Fact Sheet on all SPS regional payments available on request.

Entitlements 2014 prices as at 1st January 2014: Non-SDA £300/ha; SDA Moorland £50/ha. Expected prices: SDA £270/ha; Welsh 1.7 x €value; Scottish 1.5 x €value; Northern Irish 2 x €value. Naked Acres 2014 season expected rental: Non-SDA £50/acre; SDA £40/acre; SDA Moorland £4/acre; Welsh £40/acre; Scottish £6/acre. Hosting rates as at 1st January 2014: £55/acre

UK MILK QUOTA



Sale prices adjusted to 4% b/fat base as at the date the transfer was agreed and includes direct sales quota converted at 3.80% b/f base. No account is taken of uncompleted sales, professional fees and VAT. For historic milk quota sale price graphs back to 1989 please see www.townsendcharteredurveyors.co.uk/milk-quota and click on the link. If you would like a formal written milk quota valuation, please contact us. January 2014 sales of 4% b/f trading at 0.2 ppl.

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KEY DATES

1.1.14 Implementation of Soil Protection Review if 1st year of SPS claim. ● NVZ changes apply. ● Organic manure* may be applied to land on shallow or sandy soils from this date. ● New TB rules apply. 15.1.14 Salmon fishing season opens 16.1.14 Manufactured nitrogen fertilisers may be applied from this date. 31.1.14 Snipe, Woodcock & Inland Wildfowl seasons close. 1.2.14 Pheasant & Partridge seasons close. ● Organic manure* may be applied to land on all soil types from this date. 2.2.14 Candelmas 20.2.14 Wildfowl season (below high water mark) closes. 28.2.14 Post-harvest management rules end ● Quantity restrictions for application of organic manure* end. 1.3.14 Cutting or ploughing vegetation that is not in agricultural production prohibited from this date ● Hedgerows must not be cut after this date but may be laid and coppiced 25.3.14 Lady Day. 31.3.14 Annual bill for water abstraction licence holders. ● Milk Quota transfer deadline. 1.4.14 Burning heather or grass on land, other than upland areas, prohibited from this date. ● Actual abstraction return forms available to holders of winter or all year round water abstraction licences. 2.4.14 UK SPS Entitlement Transfer and Hosting deadline 16.4.14 Burning heather or grass on land in upland areas prohibited from this date. 30.4.14 Must record the number of 'specified' livestock kept on farm for the previous calendar year and the nitrogen produced. Must also record the number and type of livestock in a building or on handstanding during the previous storage period. 1.5.14 Window for hedge-laying or coppicing of hedgerows ends. 14.5.14 'Naked Acre' Letting Deadline. 15.5.14 Whitsunday. ● UK SPS Application Deadline - SPS land must be 'at your disposal' on this date. 16.5.14 New requirements for construction of field manure heaps apply. 31.5.14 Penalties apply to SPS amendments made after this date. 9.6.14 SPS Deadline for Applications & Amendments with Penalties. 24.6.14 Midsummer Day. 1.8.14 Cutting or ploughing vegetation on agricultural land which is not in agricultural production allowed from this date ● Cutting hedgerows permitted from this date ● Start of closed period for applying organic manure* to arable land on shallow or sandy soils except where crops will be sown on or before 15th September. 12.8.14 Grouse, Ptarmigan and Snipe seasons open. ● Lammas. 1.9.14 Start of closed period for applying organic manure* to grassland on shallow or sandy soils ● Start of closed period for applying manufactured nitrogen fertilisers to arable land. ● Partridge & Wildfowl seasons open. 15.9.14 Start of closed period for applying manufactured nitrogen fertilisers to grassland. 16.9.14 Start of closed period for applying organic manure* to arable land on shallow or sandy soils which have been sown on or before 15th September 29.9.14 Michaelmas. 1.10.14 Burning heather or grass on land in upland areas permitted from this date ● Start of closed period for applying organic manure* to arable land on soils which are not shallow or sandy. ● Pheasant and Woodcock seasons open. 15.10.14 Start of closed period for applying organic manure* to grassland on soils which are not shallow or sandy 31.10.14 Actual abstraction return forms available to holders of summer water abstraction licences. ● Salmon season closes. 1.11.14 Burning heather or grass on land other than in upland areas permitted. 11.11.14 ● Martinmas. 30.11.14 Holders of a two part tariff agreement for their water abstraction licence can expect the second part charge from this date. 1.12.14 Annual inventory of sheep must be carried out. ● SPS payment window opens. 10.12.14 Grouse and Ptarmigan seasons close. 25.12.14 Christmas. 31.12.14 All new Soil Protection Reviews/annual updates to be completed. ● Deadline for applications for NVZ grassland derogations in 2015. E&OE. * with a high readily available nitrogen content

AGENCY



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