

01392 823935

Exeter Livestock Market EX2 8FD

www.townsendcharteredurveyors.co.uk

UK BPS ENTITLEMENT TRADING UPDATE - 27.1.2020

Prior to the election in December and the final decision on whether Brexit proceeds (in whatever form), there was understandably some reluctance from farmers to proceed with sales or purchases of entitlements. However, following the decisive election result, the newly-invigorated government appears to be focussed on ensuring the UK is ready for any eventuality following Brexit, and as a result the future for agriculture now looks increasingly hopeful.

We have already had confirmation that 2020 BPS payments will be made on “broadly” the same basis as in 2019, but with most of the funds coming from the UK Government purse rather than the EU. In the Agriculture Bill 2019-2020 currently being rushed through Parliament, the Government hopes that, in England at least, from 2021 onwards the direct payments will continue but will be reducing each year until 2027 to be finally phased out by 2028, and with the replacement ELMS scheme starting from 2024 onwards. However the draft Bill currently does include clauses enabling the Basic Payment Scheme to continue for one or more years beyond 2020 if necessary. The news from Wales, Scotland and Northern Ireland is that their governments have already stated they want to continue to pay BPS/direct payments in the same way for both 2020 and 2021 (and maybe longer for Scotland), to give themselves and their farmers more time to prepare the replacement schemes. There is already some speculation that it will be a big ask of DEFRA to be ready to roll out the new “reducing” payments in England from 2021 onwards if the Bill is passed, particularly as that was the date proposed in the original [Agriculture Bill 2017-2019](#) which did not get through Parliament! The NFU and some other agricultural bodies are currently lobbying Government to be realistic about this issue, and to delay starting the new scheme until at least 2022, continuing with the existing one until then. It is also interesting to note that the draft Bill currently rules out any “delinking” of payments from land (to enable a lump sum payment) before 2022.

ENGLAND

Non-SDA

Since Christmas we have seen reasonable demand for entitlements for the new 2020 season, and sales have been agreed at £125-£160 for Non-SDA entitlements, dependant on lot size and whether the seller is Non-VAT. With the expected payment in December 2020

being around £230 per ha (including greening), this represents a great return in less than one year.

SDA

Again, since Christmas we have agreed sales at £200 per ha for some mid-sized lots, with the price so far holding firm compared to Non-SDA (despite SDA attracting a slightly smaller payment than Non-SDA entitlements). We currently have a good availability of SDA entitlements, and the expected payment for 2020 should be around £228 per ha (inc. greening).

SDA Moorland

We have not as yet agreed any sales of moorland entitlements, but currently have some decent amounts available. There is an expected payment of around £63 per ha (including greening) for 2020.

SCOTLAND

Region 1

We have agreed sales at £175-200 for Region 1 since Christmas, and currently have a reasonable supply.

Region 2

We currently have a good supply, and predict sale prices of around £45-55 per entitlement, depending on lot size etc.

Region 3

We currently have a strong demand for (currently) up to 7,500 ha of Region 3 entitlements from various buyers, who may be prepared to pay up to face value (£12.50ish per ha) to secure them. Please contact [Alasdair Squires](#) if you have any to sell.

WALES

There is currently strong demand for Welsh entitlements, which are now all paid at a flat rate, and which are expected to be trading for around £70-80 per unit. The payment in 2019 was approx. £86 per ha (inc. greening) plus the top-up of £92 per ha on the first 54 ha of your claim. We have a number of purchasers looking to buy by private treaty rather than by auction.

NORTHERN IRELAND

After an initial slow start, post-Christmas we have purchasers looking for small and medium sized lots with vendors' starting to come to the table. We expect sale prices to be close to

face value with an average pay out of £294 (inc. greening), being higher or lower depending on the historic element of each entitlement.

ENTITLEMENT TRADING

If you are new to, or would like further information on, the entitlement and BPS market please see our English BPS Entitlements User Guide [here](#) where you can also see how to order a free copy of our book or the £25 paperback version.

You will find our most recent entitlement trading updates by clicking [here](#). You can view/download the 2019 UK Entitlement Trading Market Report [here](#).

Please use these links to find what is [available](#) and [wanted](#), however for the most up-to-date prices and offers do contact us.

If you sell entitlements through us, you will need to authorise us on the appropriate Rural Payments online system. This is a simple process, details of which can be found [here](#) for the RPA and you can also find our English seller's guide [here](#), which will explain the process of selling your English entitlements. For more information on the other regions please contact Alasdair Squires.

If you are buying entitlements through us, the process is explained in our buyer's guide, which can be found [here](#). Please ensure first you have taken advice as to whether you qualify for the New Entrants or Young Farmers scheme.

Other services we offer, including formal valuations, which may interest you include:

[RPA dispute resolution](#)

Maladministration
Underpayment
Inspection results
Appeals/complaints

[Commons network](#)

"Minchinhampton" case
Compensation claims
Managing ongoing BPS claims
Common right issues

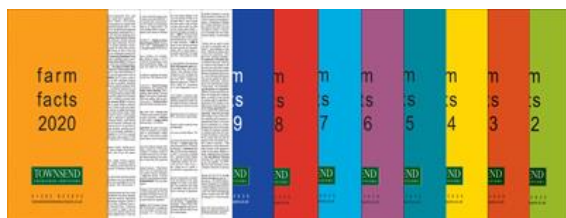
[BPS claims](#)

Advising on and submitting BPS claims
Advising on Landlord/Tenant entitlement issues
Chasing payments
Checking previous BPS payments/claims
New Entrant/Young Farmer applications

[Agri Environment Schemes and Rural Grants](#)

Environmental Land Management Schemes
Countryside Stewardship Schemes
Woodland Grants

FARM FACTS 2020



To order your FREE copy of Farm Facts 2020, which is due out shortly, please contact Kathy Dean on 01392 823935 or email

kdean@townsendcharteredurveyors.co.uk.

UK BPS ENTITLEMENTS USER GUIDE



Still the leading and only publication of its type. To order your free e-copy or £25 paperback email kdean@townsendcharteredurveyors.co.uk



Hugh Townsend
FRICS. FCI Arb. FAAV.



Mark Burton
BA (Hons).



Julia Clark
BA (Hons).



Alasdair Squires
BA (Hons).



Kathy Dean



Matford Centre, Matford Park Road, Exeter EX2 8FD
Tel: 01392 823935 Fax: 01392 823938

www.townsendcharteredsurveyors.co.uk



[PROPERTY AGENCY](#) [FARM & ESTATE MANAGEMENT](#) [PROFESSIONAL SERVICES](#) [PLANNING & DEVELOPMENT](#) [VALUATIONS](#) [FARM QUOTA](#) [RENEWABLES](#) [SPORTING](#)

H McC TOWNSEND FRICS. FCI Arb. FAAV. *Office Manager* MRS J CLARK BA(Hons) *Administrator* MRS K DEAN

VAT is payable on Entitlements traded (sold or leased) without land, unless the seller/lessor is non-VAT registered. Unless otherwise stated all the above entitlements are offered for sale/lease without land and VAT will be due on the price agreed. The entitlements listed above are offered subject to documentation/contract/submission. I Please note we also only act on a subject to contract/documentation basis when buying or leasing Entitlements for our clients. We do not enter into oral contracts on behalf of any of our clients. Entitlements listed may include lots offered by other agents where prices quoted would include an introductory commission payable to Townsend Chartered Surveyors. I The usage rule: farmers must use all their entitlements in a single application at least once every two years, otherwise the unused entitlements will be lost to the National Reserve. I The 2019 BPS payment in England, including the greening value, was confirmed on the 05.11.19 as €261.39 for Non-SDA, €259.45 for SDA and €71.19 for SDA Moorland, less the Financial Discipline Mechanism. The BPS 2019 payments exchange rate was announced on the 1.10.19 as £0.89092. The 2019 FDM was announced on the 02.12.19 as 1.432635%. I The minimum claim size is five hectares. I Unless specifically instructed in writing we are unable to provide advice in respect to the Basic Payment Scheme or any other schemes under the Common Agricultural Policy of the European Union, especially how they may affect a particular vendor's or purchaser's eligibility for the Basic Payment Scheme or any UK Direct Payment Scheme that is introduced following the Agriculture Bill 2018. Any such comments or statements made by Townsend Chartered Surveyors verbally during the process of buying, selling or leasing entitlements, or otherwise cannot be relied upon unless such advice is provided in writing following receipt of written instructions for Townsend Chartered Surveyors to provide such advice. Any such oral comments or statements do not form part of our entitlement agency instructions or any transfer contracts. I Townsend Chartered Surveyors cannot be held responsible for any quotes, prices, rates or advice given in light of any future Common Agricultural Policy reform, which is subject to approval from the European Parliament and Implementation Regulations, or Brexit negotiations and/or UK agricultural support post-Brexit.

Protection against Cyber Crime: Our banking details will not change during the course of a transaction. Should you receive a notification which advises a change in our bank account details, it may be fraudulent and you should notify Townsend Chartered Surveyors immediately who will advise you accordingly.

If you provide us with your contact details, we believe you have given us consent to send you occasional email newsletters on appropriate rural/surveying/entitlement matters. If you would prefer not to receive any such email communication from us, please let us know. We may also send you once a year our Farm Facts leaflet by post. If you would prefer not to receive this, please contact us to opt out. Under the General Data Protection Regulations (GDPR) which came into force on 25th May 2018, you have increased rights regarding the processing of your data, and these are set out on the Information Commissioner's Office website (ico.org.uk) or in the [privacy policy](#) on our website.

This message is confidential. It may not be disclosed to, or used by, anyone other than the addressee. If you receive this message in error, please advise us immediately. Internet e-mails are not necessarily secure. Townsend Chartered Surveyors does not accept responsibility for any changes to any e-mail which occur after the e-mail has been sent. Attachments to this e-mail may contain software viruses which could damage your systems. Townsend Chartered Surveyors have checked the attachments for viruses before sending, but you should virus-check them before opening.