

01392 823935

Exeter Livestock Market EX2 8FD

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## **UK BPS ENTITLEMENT UPDATE 3.4.2020**

### **ENGLISH - TRANSFER DEADLINE 15th MAY**

#### **Non-SDA – VAT**

Despite Covid 19 we have seen an increase in the number of transactions (up 29%) and volumes (up 35%) of Non SDA sold so far for the 2020 claim year compared with 2019. We were already experiencing continued uncertainty with Brexit and what the Agriculture Bill would bring which, not surprisingly, had seen a subdued and late start to trading. (The graph below illustrates this although please note this is for lots greater than 10 ha only.) What is surprising is that as the Country has gone into lockdown with the resulting effect on the economy, demand has strengthened. At one point we were expecting prices to drop below the £100 per ha mark and were ready for a free fall, whereas instead they have firmed, especially this last week. We have to date for 2020 had 41% more purchaser enquiries than sellers'.

Prices for lots of over 15 ha are currently solid at £100 but show signs of firming, with smaller lots ranging from £105 to £155 and more for VAT sales.

Available - 12, 23, 3, 37, 9, 17, 24 ha

Wanted - 16, 47, 18, 108, 9.7+, 20, 14.5 ha

#### **Non SDA - Non VAT**

Non VAT sales are still attracting a 10% premium.

Available - 60.34, 27.88, 31.71 ha

Wanted - 20, 12, 6.3, 4.95+ ha

#### **Delinkage**

It is clear buyers are keen not to miss out on having as many entitlements as possible and claiming on them to try in the hope 2020 may be the, or one of the, reference year(s) to maximise any Delinkage payment.

#### **Naked Acre Letting**

This has seen a marked revival with vendors also not wanting to miss out on any Delinkage payment, and we are using the same arrangements and documentation that the RPA tried

unsuccessfully to challenge in *T & S King (A Partnership), R (On the Application Of) v Secretary of State for Environment, Food And Rural Affairs [2016] EWHC 1692 (Admin) (12 July 2016)* ([see here](#)). Naked Acres are achieving £50-60 per acre and we are also seeing some claimants buying more entitlements to rent more naked acres.

Available - 247 and 98 ha

### English Non SDA Vatable Sales



### SDA

The market continues to hold steady after the initial slight drop and there is a good supply with lots currently being traded at £175 for VAT registered vendors and £190 for non-VAT.

Available - 50, 80, 22, 16, 12 ha

Wanted - 25, 30, 6, 13.4 ha

### Moorland

We continue to have a good supply of SDA Moorland and are trading at £35 per hectare.

Available - 746, 140, 35 ha

Wanted - 110, 35 ha

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

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 or on the attached PDF and you can also find our English seller's guide [here](#), which will explain the process of selling your English entitlements.

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.

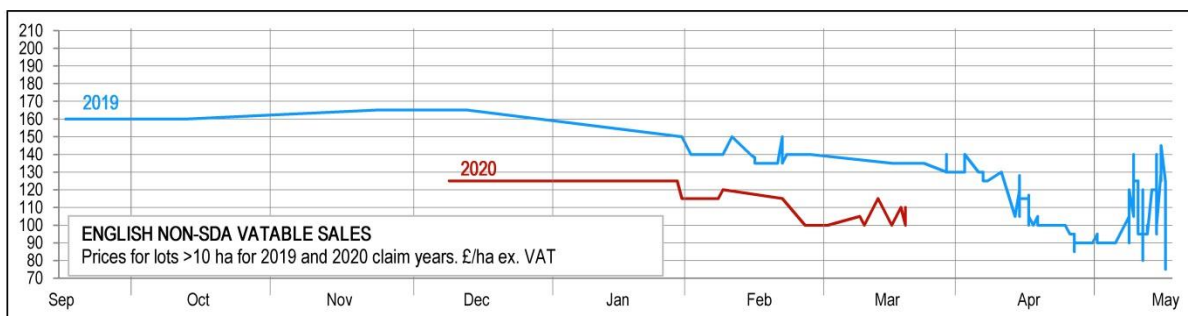
# 1. UK ENTITLEMENT TRADING UPDATE

## Non-SDA

Despite the many distractions that currently surround us, trade is so far continuing much as last year. There have been a good number of large blocks of 40+ entitlements sold, with most being agreed at £100-110 plus VAT. Mid-sized blocks have been selling at £120-140, and small lots have sold for as much as £160, in some cases with a contribution by the buyer to the seller's fees on top, depending on how small a lot, and whether the seller and buyer are VAT registered or not. With an expected payment of around £230 per ha in December 2020, and, say, 95% of this per ha in 2021 along with the ongoing reducing payments until 2028 (or a delinked one-off payment sometime after 2022), this represents a great return. If you would like to discuss your Non-SDA entitlement requirements, please contact Julia Clark.

There has also been renewed interest in naked acres, with some farmers with surplus entitlements wanting to maximise their claims over the next couple of years in case they end up being reference years for the de-linkage currently proposed in the draft Agriculture Bill. Entitlement owners are offering £50-60 per acre for Non-SDA naked acres. If you have naked acres available and would like to discuss how this works, please contact Hugh Townsend.

## English Non SDA Vatable Sales



*Prices for lots >10 ha for 2019 and 2020 claim years. £/ha ex. VAT.*

## SDA

After a slight dip in value SDA entitlements are holding steady at £170-£180 per unit. They are available in lots ranging from 9 to 160. Non VAT registered entitlements are also in demand.

## Moorland

We have completed large sized sales at £35 per unit plus VAT. Several large lots are still available with vendors willing to sell in decent sized blocks.

## **WELSH – TRANSFER DEADLINE 30th APRIL**

The market has picked up and we currently are trading lots at between £60-£70 plus VAT. The deadline for trading entitlements remains the 30th April even though the deadline for BPS claims and Glastir has been delayed until the 15th June.

Available - 18, 25, 98 ha

Wanted - 60, 25, 40 ha

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

If you sell entitlements through us, you will need to authorise us on the Rural Payments Wales online system. This is a simple process, for more information please contact us. For more information you can also view our seller's guide [here](#), which will explain the process of selling your entitlements through our firm.

If you are buying entitlements through us, we will require the Transferee's RPW business name and address, and CRN number. The process is explained in our buyer's guide, which can be viewed [here](#). Please ensure first you have taken advice as to whether you qualify for the New Entrants or Young Farmers schemes, and that you are an "active farmer".

## **NORTHERN IRELAND – TRANSFER DEADLINE 4th MAY**

Prices are subject to the flat rate value of the entitlements and as a rough guide the BPS element of the entitlements are trading at face value.

Available - 48.8 worth €195/ha, 11.4 to lease worth £204/ha

Wanted - 80, 30, 28, 6.5 ha

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

If you sell entitlements through us, you will need to authorise us on DAERA's Online Service. This is a simple process, for more information please contact us. For more information you can also view our seller's guide [here](#), which will explain the process of selling your entitlements through our firm.

If you are buying entitlements through us, we will require the Transferee's DAERA business name, Business ID and Entitlement Transfer ID. The process is explained in our buyer's guide, which can be viewed [here](#). Please ensure first you have taken advice as to whether you qualify for the New Entrants or Young Farmers schemes, and that you are an "active farmer".

## SCOTTISH ENTITLEMENT TRADING – SEASON SUMMARY

The deadline for submission of transfer applications for Scottish entitlements was 2<sup>nd</sup> April, and now the transfer application window is closed, we are reflecting on the Scottish trading period. The first sales arranged by this firm were agreed in late January, and but as usual most of the trade was done in the last few weeks leading up to the deadline. This was the first year of flat rate payment values for the three Regions, with no concerns about any siphon being applied. However with the Covid-19 outbreak, there have obviously been distractions and money concerns for many farmers, and there were definitely some buyers who had wanted to buy, but later decided that they could not commit to spending now.

However as a firm, for the 2020 season we are delighted to have increased yet again the number of hectares of Scottish entitlements traded compared with last year.

### Region 1 – better quality agricultural land

As with last year, in the last two or three weeks leading up to the deadline in particular, there was a steady supply and demand for Region 1 entitlements. Early sales achieved £200 plus VAT, however by mid-February trade had fallen back to around £155-165 plus VAT, depending on lot size, which is where it remained until the end with some small lots achieving between £180-£210 plus VAT.

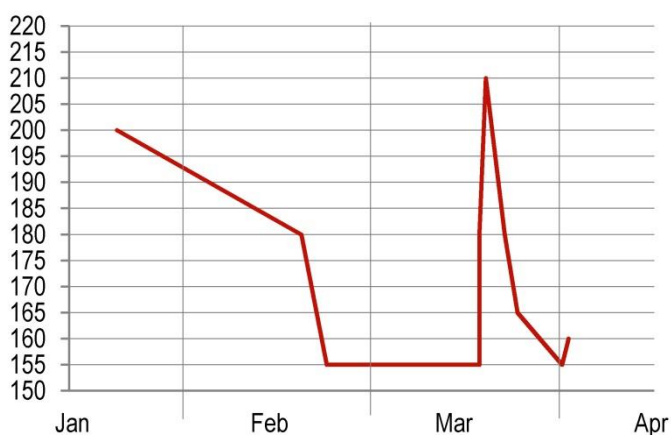
### Region 2 – rough grazing land

There was reasonable early demand for Region 2 entitlements, which were mostly traded at a higher rate than in 2019 at £45 plus VAT, with some smaller lots also selling at £49 plus VAT. In March some big buyers came to the market and some large lots were sold at £35 plus VAT.

### Region 3 – rough grazing land with an LFA grazing category A

There was particularly strong demand in this office for Region 3, with purchasers offering up to £15 plus VAT per unit.

### Scottish Region 1 Non VAT and Vatable Sales



*Prices for all lot sizes for 2020 claim year. £/ha ex VAT*

## CURRENT ENTITLEMENT TRADING AVAILABLE AND WANTED

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.

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

### [RPA dispute resolution](#)

Maladministration  
Underpayment  
Inspection results  
Appeals/complaints

### [Commons network](#)

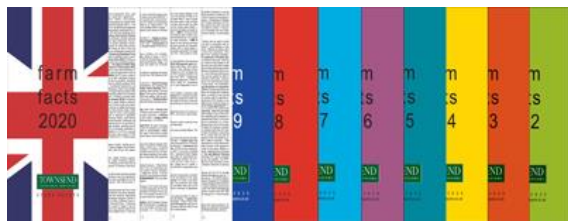
“Minchinhampton” case  
Compensation claims  
Managing ongoing BPS claims  
Common right issues

### [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

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## FARM FACTS 2020



To order your FREE copy of Farm Facts 2020, which is out now, please contact Kathy Dean on 01392 823935 or email [kdean@townsendcharteredurveyors.co.uk](mailto: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](mailto: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](http://www.townsendcharteredurveyors.co.uk)