

farming focus

Rostons 
LAND & PROPERTY SPECIALISTS

SUMMER 2009

Meet the team



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LAND - Still very much on the market

WHILE the slow down in the residential property market is rarely out of the news, agriculture land values are rarely in it.

But rural land is still available and, more importantly, still selling and here at Rostons we continue to sell land ranging from large parcels to small pony paddock parcels.

However, the market has been variable this season, to say the least, with demand very much dependent upon location - *location* being the key issue.

What has become very apparent, is that with realistic expectations demand can be created, leading to a successful sale.

The best agent will be reactive to the market, tailor the marketing to suit your particular circumstances - and the circumstances of your land. At Rostons pride ourselves in being able to do this.

We are certainly not a one trick pony and would never suggest that all sales should be done in one particular way. For many years now our tailored approach, developing sales strategies to accentuate the strengths of each particular sale, has proved successful.

We are in a position to conduct all sales. We are not limited only to private treaty, auction or tender and indeed we reserve the flexibility to maximise each potential market. On one recent private treaty sale our strategy resulted in us going to best and final offers. Proof, if proof were needed, that buyers are out there - you simply need to target them.

If you think we have been proactive in the area in creating the Rostons brand awareness, just think how we can use these skills to best market your land.

If you want advice on your sale please contact Tony Rimmer for quality, personal service.

Environmental schemes - all change for 2010

Next year sees a number of Entry Level Stewardship applications reaching the end of their first five-year term, meaning all applicants affected will need to reapply.

Early indications from Natural England seem to indicate that this will be a full re-application process, rather than a 'tick box' or 'no change' approach.

We understand this is due to the results of the DEFRA cross compliance consultation which sought views and implications on a number of issues including set aside and further cross compliance measures. Of course, as soon as we have more information regarding this, we will be issuing further information and advice.

Across the river in Wales, the Welsh Assembly has launched a new scheme *Glastir* which will replace the current Tir Gofal, Tir Cynnal, Tir Mynydd, the Organic Farming and Better Woodlands for Wales schemes.

There will no longer be a dedicated measure for LFA, but they will receive 20% premium for LFA Farmers entering the first tier of the new scheme. Further updates on all the issues outlined above will appear in future editions of *Farming Focus*.



Access to land - feeling the crunch

AS the credit crunch continues to bite Rostons has noticed an increasing hardening of attitude towards access to land payments by various utility companies.

In the past companies were open to paying reasonable compensation settlements for damage caused to land across which they required access for maintenance and repairs.

In recent months however there appear to be more and more attempts to try to avoid paying compensation.

Increasingly we are noticing settlement offers - generally lower than normally expected - being made direct to the farmer or landowner, which is not a practice we would recommend.

In our experience it is always better to use an agent to broker an agreement because we find that, despite wayleaves, if suitable terms are not agreed *before* granting access, there can be immense difficulty in agreeing subsequent compensation.

On one recent overhead line refurbishment, for example, it has taken in excess of six months to reach an agreement with the utility company concerned for appropriate compensation.

Rostons director Tony Rimmer said: "I would strongly urge anyone contacted directly by utility companies for access on and across their land to appoint an agent as soon as possible.

"Not only will the agent's costs be paid by the utility company, much of the day-to-day hassle of negotiation will be taken away from you the farmer, allowing you to concentrate on your farming business.

"Compensation could be significantly higher than you envisage if you take into account the full implications on your holding.

"In addition an experienced chartered surveyor, with knowledge of agriculture, is essential to ensure you maximise your claim and obtain the compensation you deserve.

"In all cases compensation should be paid so that you are not out of pocket and to reinstate your land to the same condition had access not been granted."

For further advice on granting land access contact Tony Rimmer:

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Overdrafts - a sensible way of borrowing?

THE implications of the credit crunch, causing additional problems to finding finance, are continuing to affect the farming community, leading to a vital question:

Is an overdraft facility an expensive form of borrowing?

It seems that using an overdraft as a form of long-term finance is becoming a growing trend among farmers – but is this really the best way forward?

Most businesses start off with good intentions - the overdraft is simply a stop-gap to help with a slight funding issue while Single Farm Payment or some other form of income is delayed. And the intention is always to pay it off within the year.

But in effect this is a short term loan – and an expensive form of loan at that.

As an AMC Agent, Tony Rimmer regularly finds himself faced with this type of scenario.

A farmer is looking to borrow a relatively small amount, say £100,000, to build a new cubicle shed, convert a building to a holiday let or similar.

But when discussing the business and its financial position more fully, it transpires that while the overdraft facility is set at £100,000, it never actually drops below £80,000. In reality that £80,000 is hard core borrowing that costs the borrower not only the annual set-up fee but also a higher rate of interest.

Set up charges often equate to 1% of the overdraft and the overdraft fee is often 1% higher than long term finance. In effect then, this £80,000 overdraft is costing an extra 2% per year – an extra £1,600. In simple maths, during a 10-year period this equates to £16,000.

Tony Rimmer said: "On this basis alone it is essential anyone considering taking on or extending an overdraft considers all the figures carefully.

"If you are considering extending financing and restructuring your borrowing in the current climate, please contact the Rostons team for an informal review."

NVZ - your questions answered . . .

RULES and regulations around the complexities of NVZ requirements continue to raise numerous questions, so here are the answers to the most frequently raised issues:

Can I spread solid muck?

Solid muck can be spread during closed periods as long as conditions are not frozen or water logged. Do not spread within 10 metres of surface water.

Can I spread farmyard manure all year round?

Farmyard manure can be put in a heap on the land and spread all year.

What happens if I increase my stock numbers?

You must re-calculate your whole farm nitrogen limit and storage capacity.

Should I apply for the 250kg nitrogen per hectare derogation?

Application is on an annual basis and details are yet to be finalised there is rumour there will be an annual application fee as well. The application requires more paperwork so the decision needs to be based on individual circumstances.

Who enforces the legislation?

The Environment Agency will police the scheme on a risk-based approach i.e. targeting those they feel are at risk.

The importance of planning - get your application right

There can't be many farmers or agricultural businesses that haven't run the gauntlet of applying for – and failed to achieve - planning permission.

Here at Rostons we believe the key to success is getting your application right first time, with well-reasoned arguments and all the information any planning committee will need to consider to make the right decision.

We were recently involved in obtaining planning approval for a new farm workers' dwelling in the Chester area. Rostons prepared a detailed planning submission on behalf of the client, clearly setting out the reasons why the extra farmhouse was justified.

After negotiations with the planners regarding the justification, planning officers still recommended refusal to the planning committee.

Rostons made a presentation to the planning committee along with the assistance of a councillor and persuaded the committee to approve the application.

The councillor, in support of the application, said: "This is a genuine case for an agricultural dwelling. Farming needs all the support we can give them.

"We need skilled workers but accommodation for just one person is not a family dwelling.

"I do not see why farm employees should be treated in a way that is detrimental to their living. They are proud and hardworking and I do urge you to take that into account. They are skilled, rural workers. This farm is a substantial enterprise and needs our support."

This clearly shows that we, the agricultural community, still need to do a lot of work to demonstrate to planning officers and councillors the importance of agriculture to the local economy.

Land registry maps - be prepared for change

Remember the issue in 2005 which required work to ensure your Single Payment maps – i.e. the details held on the Rural Land Registry at the RPA were correct?

It will shortly be time to go through the whole process again. During next few months the RPA will be sending out new maps to all registered Single Payment claimants.

These maps must be checked. If there is no change, there will be a relatively straightforward reply system, but if the maps need to be changed, there is a form to complete to detail the changes made and these must be returned to the RPA within 28 days of receipt of the map.

The roll-out from the RPA will be on a geographical spread. At the moment we don't know when it will start but we will keep you updated.

It is essential though that the information is returned promptly because it will need to be updated on the RPA computer system and agreed in time for the

2010 SPS forms to be printed. (This needs to be in by February 2010).

As you will be aware, over the years, Rostons have had a substantial involvement with Single Payment and have recently been involved in the RPA pilot for online SPS.

We will be in a position to not only assist our existing clients, but any new clients who have issues with their mapping.

If you wish to register that you may need assistance, please contact the office. To ensure we can deal with matters efficiently, clients will be dealt with on a first come, first served basis.

For those of you that have not experienced the Rostons Single Payment Scheme process, this could be an ideal opportunity to try our services.

If you want advice or information on this or other matters please contact Tony Rimmer for a chat.

SPS entitlements - are you eligible?

In recent weeks more than 1,400 farmers and growers will have received SPS Entitlement application forms – with a deadline for return of August 13, 2009.

In general terms, farmers who were using the land in 2008

to grow permanent fruit, vegetables and nursery crops may now be eligible to apply for SPS Entitlements.

If you believe you are eligible but have not received a form contact Tony Rimmer for further advice.

But it also illustrates that, while there is still a job of work to be done in educating them, the right preparation, planning and commitment will get the message across. Agriculture does require people to be resident on site. If we approach this issue in a planned and cohesive way we can, and will, continue to prove it.