

farming focus

Rostons 
LAND & PROPERTY SPECIALISTS

Summer 2011

Meet the team



Tony Rimmer
MRICS, FAAV
Director



Ros Rimmer
Director



Johnjo Roberts
MRICS
Chartered
Surveyor



Sam Catling
Graduate
Surveyor



Holly Walker
Undergraduate
Placement



Cerys Stockton
Professional
Support



Keighley Stranger
Professional
Support



Sheila Ashdown
Accounts
Manager

Wales loses Rural Affairs Minister



The new Welsh minority Government has chosen not to appoint a rural affairs minister in the Welsh Assembly - a role previously carried out by AM Elin Jones - a worrying indication that they may already be failing to recognise the importance of agriculture in the Welsh economy.

Instead of giving responsibility to one person, the role will be spread across a number of departments. The business, enterprise and technology minister will be responsible for agriculture and food and the minister for the environment and sustainable development will be responsible for areas such as animal health.

Blaenau Gwent AM Alan Davies has been appointed as the new deputy minister with the responsibility for agriculture and European programmes.

Rostons Director Tony Rimmer said: "It is concerning that at a time of major changes to the single farm payment, environmental schemes and the TB eradication programmes throughout Wales that the new Welsh Assembly Government has decided to relegate the responsibility for agriculture to deputy minister, effectively scrapping the essential role of rural affairs minister as previously carried out by Elin Jones."

Rostons Expands Westwards

Longtime Rostons team member Johnjo Roberts is spearheading Rostons' expansion into North Wales as he combines his role as Agricultural Valuer and Chartered Surveyor with that of his role as a farmer's son.

Johnjo is now taking a more hands-on role at the family beef and sheep farm but will continue as a valued member of the Rostons' team focusing his attention on clients old and new closer to home in North Wales.

Director Ros Rimmer said: "This is a great solution for both Johnjo and Rostons. North Wales has long been an area we identified for expansion of the business but finding the right individual to spearhead this development, in conjunction with Tony and I, has taken some time.

"In Johnjo we have found someone who has the same ethos as us and we know he is committed to providing the best advice possible for his farming clients, in a cost effective manner.

"With his long pedigree in farming, Johnjo knows the pressures and strains that are placed on the farming business and over recent years has shown that he is extremely professional in his dealings and has particular expertise in planning, business re-organisation and AMC applications."

As AMC Agents, Rostons will be happy to talk to farmers throughout North Wales regarding their financial requirements.

AMC



Will the Anglesey marine current turbine project affect you?

Ambitious new plans for a marine current turbine project off the Skerries on Anglesey took a step forward in May when funding towards its delivery was secured from the European Union's New Energy Reserve Scheme.

The marine current turbine project is one of a number of renewable energy schemes taking place on Anglesey and throughout North Wales and the route of new power lines, or upgrading of power lines required to transport the new electric, is likely to affect a number of farmers and landowners.

This project will see 10.5 mega watts of tidal energy being produced off the coast of Anglesey in the stretch of water between the mainland and the Skerries and is likely to consist of 7 x 1½ mega watt turbines which will harvest the power of the currents that flow through this area on a daily basis.

It's also likely that the power cable will be brought onto the mainland somewhere between Carmel Head and Cemlyn and laid underground to Wylfa Power Station where the power will then be fed into the National Grid.

If you think you might be affected, or are approached by companies looking to bring power across your land or upgrade the existing electrical apparatus, you should seek professional advice immediately.

These matters can often become more complex than first thought and Rostons has a long track record in negotiating and reaching the right settlement for farmers and land owners. Your professional fees will be paid by the utility company.



It's Showtime!

Come and see us at the

Flint & Denbigh Show

Thursday 18th August

www.rostons.co.uk

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Property Sales

Last year's trend to engage Rostons to offer property for sale has continued throughout 2011 and many more instructions have come in since the spring – everything from small parcels of land to whole farms and other rural property.

While many agents have been reporting difficulties in selling property Rostons is definitely bucking the trend and found the market to be quite buoyant with premium values achieved on a number of sales.

Director Tony Rimmer said: "Some years ago we decided to take a new approach to marketing properties and this seems to be paying dividends – we're having successes where agents sticking to the old formulas are not."

The Rostons property sales team employs a variety of methods to find the right buyer, including private

marketing without any formal boards or indeed particulars, to public marketing leading to best and final offers.

As a general rule the market is very different to the one Rostons operated in a number of years ago.

The finance market is more discerning and method of sale is often a key choice and obtaining finance is one of the issues which greatly affects the sale.

In the past it was relatively straight forward for someone to obtain finance but the whole process is much more complicated and if there is an element of development and finance needed, it proves extremely difficult so short timescales are often not appropriate.

If you are considering selling property, then please do not hesitate to contact Tony Rimmer

What am I Worth - and Should I Re-Organise my Business?

Rostons director Tony Rimmer has noticed a growing number of requests from clients to review, and help with reorganising, their system of farming as well as looking ahead to begin preparations for retirement.

The current difference in milk price between the 'have' and 'have not' - i.e. those on a liquid premium supermarket contract and those on other contracts, and the investment required for the NVZ legislation - is leading a number of farmers to thoroughly review their current activities and to consider making changes.

Prior to the recession and downturn in the residential market, together with the moratoriums on new residential development, barn conversions were a way not only to raise capital but also to ensure that the land could be retained as an asset to pass to the next generation.

But Tony is now very concerned about those still considering barn conversions. They appear to have been a life style demand in early 2000s but a quick drive around Cheshire will show how many barns are up for sale and supply does seem to be outstripping demand – with the possible exception of unique, large, individual barns where there may still be a market.

The insatiable demand that used to exist for the

three/four bedroomed barn conversion in a row of other barn conversions appears to have eased. After all, anyone spending around £500,000 on a home probably does not want to live in what is effectively a terraced house!

While Single Farm Payment remains and there is significant demand from those agri-business farmers who are looking to expand and take on more land, there are plenty of opportunities in all areas to rationalise the business to ultimately become more profitable.

Young stock/heifer rearing is often being looked at. While in the past a rearer might rear for two or three farms, with the continued TB issues it very much needs to be one farmer's stock per holding and as units are getting bigger, this is often easier to accommodate. Arable farming, with the current high cereal prices, remains another option.

Above all the choice of agreement is critical and careful consideration of the tax implications is required but it is often overlooked.

If you are finding profitability is not what it once was, or significant investment is required, please contact Tony Rimmer to look at what other options are available.

Local Farmers must act quickly to receive Discounted Farm Lending Rates says AMC

Farmers considering making an investment in their businesses are being urged to tap into discounted loan rates from the Agricultural Mortgage Corporation (AMC), but should act quickly to ensure they secure a loan before the EIB funds expire.

AMC has negotiated access to a £250 million fund provided by the European Investment Bank (EIB) aimed at stimulating investment and job creation in small and medium sized businesses, including farming.

Access to this fund allows the AMC to effectively subsidise loans for a wide range of farm improvement and diversification projects, including, building works and livestock housing, machinery and equipment purchases, farm shops, milking parlours and farm energy schemes. The total fund pot is limited and there has already been a

good deal of interest. Farmers with a particular project in mind are urged to contact Tony or Johnjo to discuss the project further.

Tony comments "This scheme provides an opportunity for farmers, who are considering expanding or investing in improving farm efficiency, to access favourable loan rates at a time when interest rates are already historically low."

Those borrowers eligible for the EIB scheme will receive a discount of 0.8% off the normal loan margin. The minimum amount borrowers can apply for in the scheme is £25,000 with the maximum set at £11 million – equivalent to €12.5 million. The discount is available on loans of up to 10 years for projects that have a definite start and end date.

Profit from Wind Power

Farm-based wind projects are a popular talking point between Rostons and their clients throughout Cheshire and North Wales – and talk is increasingly turning into action with planning applications regularly being submitted for on-farm wind projects.

Projects range in size from small 6kw turbines through to 50kw turbines, which can generate incomes of up to £50,000 per year for the farm.

With the review of the feed-in tariffs looming at the end of 2011 and the current discounted funding available for wind projects through the AMC, there has never been a better time to look into profiting from wind power. The first step is to begin initial surveys and expert advice to help you move forward is always available from Rostons.

Wales goes online!

The SAF application process for Wales is set to go online by 2014 with the Glastir application process to follow in 2015, according to recent publications and correspondence issued by the Welsh Assembly Government.

The system for submitting single application forms on-line has been in place in England for the past two claim years and has proved to be a successful and time-saving way of submitting the single payment form.

Rostons are well placed to assist clients with online applications and will be in a position to help clients throughout North Wales with online submissions as and when the system is in place.

AMC Finance to the Fore



As an AMC agent and valuer Tony Rimmer has seen a substantial increase in the number of enquiries for AMC finance in recent months.

Tony said: "I'm sure this is down to the fact that the AMC has a very good long term track record of lending to the agricultural community. They very much operate on a 'lend and leave' basis, provided the repayments are made there are no annual reviews or increases in rates so once the margin is set for the loan, that is preserved.

"The AMC has always been competitive in the market place and continues to be so although currently, with all banks quoting on a different basis, care is needed.

"This is where the Rostons expertise in guiding their clients to what is the best offer is fundamental. While we are AMC Agents, our overriding decision and advice is what is best for you, the client.

"Often when you sit down with two or three offers from different financial institutions, whilst on the face of it they can look the same, they are not."

Some banks are quoting above LIBOR (London interbank offer rate) which is very different to base rate. The three month Sterling LIBOR rate was 0.8225% on May 11 2011 - 0.3225% above Bank of England Base Rate.

LIBOR is much more sensitive than the Bank of England base rate. It is essentially a measure of confidence between banks and can rise much quicker than the base rate as a result of events such as the Greece debt crisis and events in the Middle East.

Many offer fixed rate money usually for a three year term, then a review but care needs to be taken to see how long the money is being fixed for. In addition, set up fees don't appear to be as transparent as perhaps they once were – for example, it's not always immediately clear whether valuation fees are inclusive in the set up fee or added on – so farmers and businesses looking to borrow should ensure all factors have been considered when comparing the offers.

As an AMC agent Rostons is ideally placed to provide accurate advice and assist with AMC applications throughout Cheshire and adjoining Counties and through North Wales

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