



## Women farmers on the rise

For more information, please contact Andrew Heskin on 01775 711333



By Andrew Heskin

Figures from the Office of National Statistics (ONS) suggest that more women than ever before are becoming farmers.

Obtained by the BBC, the figures show there are currently 23,000 female farmers in the UK,

as opposed to 119,000 men. However a decade ago, there were virtually no female farmers.

According to the figures, the number of women in farming rose by 6,000 in 2012, while the number of men dropped by 5,000.

Peter Kendall, president of the National Farmers Union, says changing attitudes and technology has helped open up the industry to more women.

"A lot of it is computer controlled technology now and the idea of you having to work with

a pitchfork or lug big bales of straw around has gone," he said.

"If you go back 20 years there was a real public perception of grumpy old men leaning on a gate, chewing on a bit of straw.

"Now, I could take you to three farms run by lady farmers and often they make me look a fool, they make a much better job of it than I do."

The number of women enrolling at agricultural college has also seen a boom in recent years, many with no previous experience at all.

According to Helen Martin, lecturer at Bishop Burton College in East Yorkshire, the number of female entrants to her agricultural course has almost doubled in the past two years. She believes it is because more women are interested in where their food comes from.

"They're becoming increasingly aware of what they can be involved in, from the day the animal's born, to seeing it on the table," she said.

## Government urged to back British farmers

For more information, please contact Chris Wright on 01945 465767

The NFU is urging the government to help farmers, who are facing an estimated £1.3 billion black hole caused by last year's extreme weather.

While drought conditions caused animal feed prices to rocket, the UK has suffered extreme wet weather since the summer, hammering production.

Consequently, the NFU says 2013 is an important year for farmers, with protracted negotiations for both the EU budget and a reform of the Common Agricultural Policy (CAP), which has provided crucial support for British farmers.

According to the NFU, an English dairy farmer, on a typical 100 hectare farm, receives €0,000 a year less than a Danish or Dutch competitor.

Therefore, the current reforms provide a valuable opportunity for our government to secure the best deal possible, enabling British farmers to look forward to a solid base for future growth and prosperity.

The NFU says if there is a reduction in payments from CAP, then this should take place evenly across Europe's single market.

Peter Kendall, NFU chairman, said: "It would be helpful if ministers could explain how they think English farmers can face the challenge of more hostile weather events with only a fraction of the support given to their closest competitors in Europe."

# Government increases Annual Investment Allowance

For more information, please contact Chris Wright on 01945 465767



By Chris Wright

**Farmers, horticultural and agricultural businesses have been given a boost by the government after it announced an increase in the Annual Investment Allowance (AIA).**

The AIA is a capital allowance, introduced in 2008, which offers tax relief at 100 per cent on qualifying expenditure on plant and machinery in the year of purchase.

From 1<sup>st</sup> January 2013, the AIA has temporarily increased from £25,000 to £250,000 for two years. It was reduced from £100,000 to £25,000 as recently as April 2012.

The increase is particularly useful for the agricultural industry, particularly farmers who may be thinking about investing in new machinery.

If expenditure goes over the £250,000 AIA threshold, a flat rate of 18 per cent is applied to anything over this limit in subsequent years.

For example, if a farm purchases two new combine harvesters at £150,000 each, it can allocate £250,000 against the AIA and the remaining £50,000 would achieve tax relief at 18 per cent on a reducing balance.

While the majority of expenditure on plant and machinery (excluding cars) qualifies for full AIA, some types of expenditure only qualify for a "writing down" allowance of 8 per cent. This includes "integral features" such as electrical or cold water systems, thermal insulation and long-life assets.

The AIA operates on a pro-rate basis for long or short periods, and also for periods that span the operative dates and rates of allowance.

In this case, the maximum allowance for

the transitional period will fall into two parts:

- ◆ The AIA entitlement, based on the £25,000 annual cap, for the proportion of the accounting year falling before the relevant operative date.
- ◆ The AIA entitlement, based on the new £250,000 cap for the proportion of the year falling on or after the relevant operative date.

The AIA increase marks a big change for farmers and the team at Moore Thompson believes the new generous allowance presents rather a good opportunity for agricultural businesses wanting to make any investments to be as tax-efficient as possible.

It effectively means the chance to save up to 50p in taxable profits for every £1 a company invests in new equipment. Therefore, if you would like further advice or information on making the most of the enhanced AIA, please contact us.

# Views sought on reform of CAP

For more information, please contact Bill Creasey on 01775 711333



By Bill Creasey

**Farmers and companies are being urged to share their views on how reform of the Common Agricultural Policy (CAP) will affect the UK dairy industry.**

Dairy UK has published new analysis on CAP reform and says the current round of proposals presents a mixed bag of threats and opportunities for the British dairy industry.

The document warns the proposal for capping payments will "act as a brake on industry

restructuring and should be withdrawn."

It also argues that the EC's proposals for "greening" the CAP – making some payments conditional on environmentally-friendly farming practices – need to be "significantly amended to make them practical and deliverable."

Dairy UK said the CAP must continue to foster competitiveness in the industry, while acting as a safety net for addressing "extremes of downward price volatility."

Commenting on the publication of the Policy Briefing, Dairy UK director General Jim Begg said: "We are now at the business end of the current round of proposals and in summary

they are a mixed bag for our industry.

"The CAP provides the framework within which the industry, and its competitors, operates. It can act as a brake, or an accelerator, on the sector. It has the potential to encourage, or distort, competition and it can reduce, or create, inequalities.

"The Policy Briefing sets out our views, but we're also interested in the opinions of other stakeholders, so we hope that this document acts as a catalyst for feedback and debate."

To download the full briefing visit: [www.dairyuk.org](http://www.dairyuk.org).

# Consultation on dairy Producer Organisations

For more information, please contact Andrew Heskin on 01775 711333



By Andrew Heskin

**Defra has consulted on plans to introduce so-called “Producer Organisations”, allowing for dairy farmers not already in co-operatives to collaborate on selling milk to producers.**

The six-week consultation in England formed part of the government’s plans to implement the EU dairy package across the country. Separate consultations have been carried out in Scotland, Wales and Northern Ireland.

The consultation by Defra asked a number of questions regarding the viability of Producer Organisations (POs), including whether there should be a minimum of 10 farmers per PO, producing at least six million litres a year. Defra has also made it clear that it is not compulsory for producers to contact each other over planned POs, allowing the dairy code of practice time to bed in.

David Heath, the farming minister, said he believes further collaboration between producers was key to the dairy industry fulfilling its enormous potential.

He said: “We’ve already got the industry code of practice, and negotiating as groups rather than individuals will give dairy farmers an even louder voice to get their just rewards from the marketplace.”

The NFU welcomed the consultation, however, it has urged the government not to impose restrictions on POs (such as the minimum number of farmers in a PO), ensuring they are open to all farmers.

Dairy UK director Jim Begg said POs could open up new opportunities for farmers.

He said: “We will seek to co-operate with Defra and the industry to progress collaborative work in this area so that those Producer Organisations that do emerge are viable and can make a positive contribution to the supply chain.”

Meanwhile Defra has also revealed details of a new £5 million development fund.

First announced by former farming minister Jim Paice, the package of grants for dairy farmers will give individuals the chance to apply for grants of at least £25,000 to support new farmers’ groups.

Defra said the grants could be used “to establish new cooperation structures, such as producer groups and cooperatives, and invest in technology to take advantage of new market opportunities.”



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# New deal opens up new market for beef producers

For more information, please contact Chris Wright on 01945 465767



By Chris Wright

**A deal to lift a 26-year ban on exporting British beef and lamb to Russia is a major boost for Fenland farmers.**

The government announced that Russia had agreed to lift the ban, which was initially

put in place by the Soviet Union in 1986 following the first BSE outbreak in the UK.

The worldwide ban was lifted in 2006, but this was kept in place by Russia.

During a visit to the country, the issue was raised by Prime Minister David Cameron.

It is understood that the lifting of the ban could be worth a potential £80m over the next three years.

Partner Chris Wright said: "This deal is a major boost to the local farming economy at a time of rising feed and energy prices.

"The Russian beef and lamb market has the potential to be highly profitable to our producers, and follows in the wake of a £50 million agreement to export British pork to China which the government agreed in May.

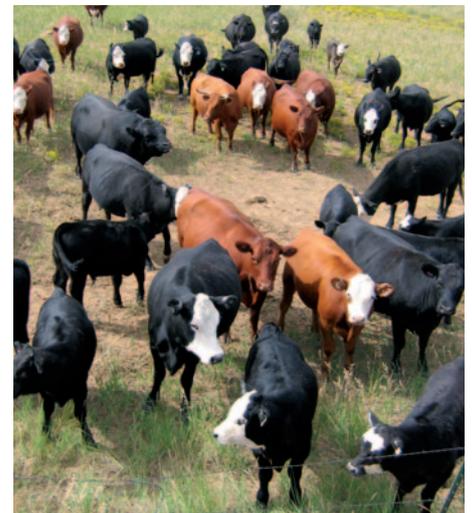
"Our farmers have a major part to play in growing our economy, and this deal will give them a firm footing to increase production and exports."

Owen Paterson, the Environment Secretary, said: "British food is recognised around the world for using quality ingredients, for rigorous production standards, and for reliable traceability. This deal is further evidence of international confidence in what British producers have to offer.

"Our food exports are booming, recently topping £18 billion a year, and this government is doing all it can to open up markets abroad."

Russia kept the ban amid fears over the threat of Bovine Spongiform Encephalopathy (BSE), however, the controls are now so tight that the disease has virtually disappeared in the UK, and this is recognised internationally.

Being at the heart of the Fens, Moore Thompson has always provided specialist accountancy advice to agricultural and horticultural businesses, including many beef and lamb producers in Lincolnshire and Cambridgeshire. Therefore, for more information and guidance, please contact us.



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