

FARMING AND PROPERTY BULLETIN – NOVEMBER 2018

BPS 2018 Payments and Exchange Rate

The exchange rate for 2018 BPS payments has been set at €1 = £0.89281. This is 0.2% lower than last year's exchange rate.

The Rural Payments Agency has now announced the Entitlement Values for the 2018 year at:

- Non-SDA (Severely Disadvantaged Area)	€181.39
- SDA	€180.00
- SDA Moorland	€49.09

And the following values for the Greening Payment for 2018:

- Non SDA	€78.13
- SDA	€77.53
- SDA Moorland	€21.14

Payments cannot yet be calculated as the Financial Discipline Level has not been set by the European Union, it is not expected to vary significantly from last year's level of 1.42%.

The Budget

Philip Hammond presented the 2018 budget on the 29th October 2018, the key points to note are:

- The National Living Wage (for those over 25) will rise from £7.83 to £8.21 from April 2019. The National Minimum Wage rates for 21 to 24 year olds will also increase to £7.70 per hour.
- Income Tax personal allowance will increase to £12,500 from April 2019.
- The higher rate threshold for Income Tax will increase to £50,000 from April 2019.
- The turnover threshold at which a business must register for VAT remains at £85,000.
- The Capital Gains Tax allowance will increase by £300 to £12,000 in April 2019. To qualify for entrepreneur's relief you will need to have held an asset for two years, the current requirement is one.
- Business Rates will be cut for two years from April 2019 for retail properties with a ratable value below £51,000.
- The introduction of a new Structures and Buildings Allowance (SBA). This applies to any commercial building where contracts are signed, or building commences, after 29th October 2019. This applies to new and improved agricultural buildings and allows for deduction against profits at a fixed rate of 2% of the original build cost for fifty years.
- The introduction of a Woodland Carbon Guarantee Scheme to support planting ten million trees.
- Fuel Duties have been frozen for another year.
- Further support to ensure a 'full fibre network' by 2033.

- The Annual Investment Allowance (AIA) for plant and machinery will rise from £200,000 to £1m per year for the period 1st January 2019 to 31st December 2019. The special rate for long life assets will reduce from 8% to 6% in April 2019.

Countryside Productivity Scheme

The Countryside Productivity Grants Scheme will open for another round of applications early in 2019. The scheme is aimed at smaller investments in equipment which have been selected to improve the productivity of agricultural businesses.

Grants between £3,000 and £12,000 were offered in the first round to applicants who chose from a set list of equipment, applied for on an online portal. Some new items have been added to this list for the next round of applications. A similar application process is expected for this next round, further details of which can be found at: www.gov.uk/guidance/countryside-productivity-scheme

Grassland Derogations for 2019

Derogations to apply additional livestock manure in Nitrate Vulnerable Zones in 2019 must be applied for by the 31st December 2018. If you have a current derogation this expires on the 31st December 2018 and you must re-apply for next year.

You can apply 170kg of nitrogen per hectare on land within an NVZ in each calendar year. This includes manure deposited directly by grazing animals and that is spread. 170kg/ha is the loading limit and applies as an average across your holding.

The grassland derogation allows you to apply a higher rate of 250kg nitrogen per hectare, if this nitrogen comes from grazing livestock. This includes cattle, sheep, deer, goats and horses. Applicants are only able to apply if 80% of your holding is grass. To apply you should phone the Environment Agency on 03708 506506. Full details of the information they will require can be found at www.gov.uk/guidance/grassland-derogations-for-livestock-manure-in-nitrate-vulnerable-zones

Natural England CEO Resigns

Natural England's CEO, James Cross, stepped down from his role on the 9th November 2018. He will be replaced by Marian Spain, who joined the Natural England board in March this year as 'Interim Chief Executive', while a permanent successor is found.



HAY & STRAW AUCTION SALE

TUESDAY 15TH JANUARY 2019

At 2.30pm

In the Loyd Lindsay Rooms, Ardington, Wantage, Oxon OX12 8PS

Entry forms available from www.tsauction.co.uk or www.adkin.co.uk

All enquiries to Chris Boreham (01189 508101 / 07760 888563)
or Philip Pocock (01235 862888 / 07802 284554)