

# Agricultural and Rural Affairs Bulletin

Welcome to the Lamont Pridmore Agricultural and Rural Affairs Bulletin, our regular publication keeping you up to date with the latest developments relevant to this sector. For further information on these or any other farming or agricultural-related issues, please contact us on **0800 234 6978** or visit **[www.lamontpridmore.co.uk](http://www.lamontpridmore.co.uk)**

## Robotic farming wins funding boost from the Government

Farming robots in the UK are set to get a boost as the Government announces the world's first-ever agri-robotics centre.

The centre, located at the University of Lincoln, will look at how robots can tend, harvest and quality control high-value crops with minimum human intervention.

This project will be receiving £6.3 million and is one of 13 Government-backed projects to benefit from a share of £76 million.

This new research programme will bring together a number of experts to tackle a broad range of research challenges.

"Universities and Science Minister Chris Skidmore said: "Pushing the boundaries of knowledge and conquering innovations are what our universities are known for the world over.

"The Expanding Excellence in England Fund will support projects throughout England to master new and developing areas of research and industry."

The investment, made possible through the modern Industrial Strategy, contributes to the Government's commitment to raising public and private sector R&D spend to 2.4% of GDP by 2027.

The use of robots on a farm was up until recently seen as science fiction, but they are now rapidly becoming science fact.

The majority of the world's tractor makers are working on autonomous vehicles, with some already in trial and shown at this year's Goodwood Festival of Speed.

On a small scale, companies such as the Small Robot Company are working with the likes of Waitrose to develop smaller machines to monitor crops and soil, while also looking at new prototypes with the ability to provide pinpoint spraying of pesticides.

The Small Robot Company predicts that its technology will lift farmer revenues by up to 40%, and reduce costs by up to 60%.

With so many developments coming out farmers must remain competitive by exploring the options available to them.





# Farmland prices remain stable due to decline in properties marketed

The amount of new farmland going up for sale in England is the lowest it has been in the last five years, during the first six months of the year.

According to new data from Strutt & Parker, the supply of new farmland is historically low at the moment, with the first half of the year only seeing 43,000 acres sold publicly.

The biggest decline in land becoming available for sale is in the East Midlands, which has seen only 10 farms publicly marketed so far this year – almost half the amount typically recorded.

The report also found that supply is also below average in the East of England, West Midlands and Yorkshire and Humber. The effect of this has been that land prices have remained fairly stable in these areas.

Strutt & Parker's head of farm agency, Michael Fiddes said: "The fall is not unexpected as landowners who have a choice about when to sell are holding back until there is greater economic certainty.

"This is something we have seen during previous rounds of CAP reform, where uncertainty about agricultural policy has led to a fall in the amount of land being marketed."

He added that the lower number of sales meant that the average value for arable land remained consistent at £9,100/acre.

Mr Fiddes said: "Overall, farms and estates where there is potential to generate mixed revenue streams, combining residential, commercial and agricultural enterprises, are tending to attract strong interest, as are best-in-class farms where there is a neighbouring farmer looking to expand.

"Location remains critical, but buyers are also placing greater emphasis on the quality of the holding than perhaps they were three or four years ago."

## Sale of second-hand farm machinery is 'buoyant'

The sale of second-hand farm equipment at auction continues to return good prices, according to auctioneers Fisher German.

They say that an auction provides an 'excellent opportunity' for farmers to achieve the maximum price for their machinery in the quickest time possible.

It has seen an increase in machinery coming to market, as many farmers retire from the profession or seek a restructure of their business in light of changes to the market and UK regulation.

Jack Healy of Fisher German told Farming UK that an on-site machinery auction was 'quicker and simpler' than a private sale, which appealed to farmers.

"Farm machinery auctions provide an opportunity to sell several items of unwanted and surplus equipment in one fell swoop," he said.

"High prices for brand new machinery have meant that second-hand machinery auctions are more popular than ever for buyers, who are keen to find a rare bargain at auction rather than relying on machinery dealers.

"We strongly expect that farm machinery auctions will continue to realise strong sale prices in the short to medium-term."



# ‘Public money for public goods’ is supported by half of English farmers

Research by the Wildlife and Countryside Link – the biggest environmental and animal welfare coalition in England – has found that 50% of farmers support the idea of ‘public money for public goods’ proposed in the Government’s post-Brexit agricultural policy.

The study showed that farmers understand the requirements to give something back in order to receive public funding and that the environment needed to be prioritised post-Brexit.

A further third said that they neither supported or disagreed with the proposed approach to agricultural policy, while only one in five disagreed.

Digging down deeper into the figures, younger members of the farming community

were more supportive with 56% in favour and only 15% against public money for public goods.

The survey was conducted among 500 farmers across England and showed that 80% believe the health of the natural environment is important or very important to their business.

However, if farmers are to access funds under the newly proposed subsidy system big changes may need to be made, as a third of farmers are currently taking no environmental action to deal with problems on their farms.

Thankfully, 44% are undertaking one or two environmental activities, while one in five is undertaking three or more.

Farmers clearly want to do more, but many cite an inability to access funding and the uncertainty of Brexit as the main obstacles to making further environmental improvements to their farming practices.

Helen Chesshire, Chair of Wildlife and Countryside Link’s Agriculture Group, said: “Farmers are key guardians of our environment, and this research shows they know it is vital to our farming future to prioritise fixing the natural resources which farms rely on.

“With more than double the number of farmers in favour of public money for public goods than are against it, this research is a clear vote from farmers for keeping a strong environmental focus in future farming policy and legislation.”

## Is your farming business paying the correct minimum wages?

The National Minimum Wage (NMW) and National Living Wage (NLW) increased for all age groups in April 2019.

Those currently receiving the NLW, i.e. anyone over the age of 25, have seen their hourly rate increase from £7.83 to £8.21 an hour.

For 21 to 24-year-olds, the NMW has increased from £7.38 to £7.70, while 18 to 20-year-olds saw their pay packets boosted from £5.90 to £6.15.

Those below the age of 18 saw wages increase from £4.20 to £4.35, while apprentices also saw their NMW rate increase from £3.70 to £3.90.

These new rates will boost the earnings of between 260,000 and 360,000 young workers directly, but have left businesses with a larger payroll bill.

Further pledges to increase the NMW and NLW are expected in future, with the Government indicating that it still hopes to meet its pledge of raising the NLW to nearly £9 by 2020.

From April 2019, minimum auto-enrolment pension contributions also increased. Employers are now required to make minimum contributions of 3%, while workers need to pay in a minimum of 5% of their pay to reach the legal minimum overall contribution of 8%.

Failures to pay the NMW or NLW, or make the correct level of contributions to workplace pensions both attract substantial fines as well as the risk of being named and shamed publicly.





# Dairy industry could benefit from increase in ice cream parlours, research suggests



After years of fluctuating milk prices, a new study has found that the sudden increase in new dessert parlours across the UK could open new doors to the UK's dairy industry.

According to analysts AHDB, 92 new ice cream parlours opened in the UK in 2018, with an additional 86 sites likely to open this year.

The drive for new ingredients and innovative products and a rising focus on local suppliers may mean that British dairy farmers could benefit from this new trend.

AHDB said changing consumer tastes showed

that dessert venues were increasingly popular among young people and families, many of whom are drinking less alcohol and finding new places to socialise other than a pub.

AHDB Analyst, Zoe Avison said: "We can see from this research that there is a real resurgence in dessert parlours as many people are looking to combine socialising with indulging.

"These findings contradict previous perceptions that consumers, especially younger people, are moving away from dairy, which is great news for the sector.

"As a result of this surge in popularity, these venues now offer a number of new and exciting opportunities for the dairy industry, with dairy featuring heavily on the menus."

**At Lamont Pridmore we understand the contribution that farming and rural businesses make to the UK, but we also understand the growing pressures that the industry is facing.**

**Our experienced team of ARA specialists can provide a range of services and advice to help you and your business reap the benefits of your hard work. To find out more, please contact us.**