



# Agricultural and Rural Affairs Bulletin

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## Market to experience a high volume of new farmland

Property consultants Carter Jonas have suggested that a number of high-value land assets will be coming to the market in the coming months following a stall in sales after adverse weather conditions earlier in the year.

The poor weather in the first quarter of 2018 caused downward pressure on activity in the farmland market, however, Carter Jonas estimates 6,000 acres of farmland is due to enter the market over the current and following quarter.

During the first three months of 2018 average land values in England and Wales dipped by 0.6% to £8,917, reflecting not only the poor weather but also the ongoing effect of the Brexit negotiations and

uncertainty surrounding the future of subsidies for farms.

Southern and Central England, where demand for arable land is greatest have seen values remain relatively high, while land in the North West recorded an average increase of £500 per acre and is now some of the most expensive farmland in the country.

Meanwhile, Eastern England saw unexpected dips in values, reaching an average of £8,500 per acre, while prices in Wales, the South West and the Midlands remained stable.

Andrew Fallows, Head of Rural Agency at Carter Jonas said: "Across England and

Wales, values continue to be polarised, with neighbouring pockets of land attracting significantly different levels of interest.

"While farmland still offers strong, long-term investment opportunities, thanks to the counter-cyclical nature of the market, the lack of certainty surrounding the lengthening of sector support is discouraging some businesses from confidently committing to rural assets in the short term, and has created a more cautious, discerning buyer, one willing to wait for the best value land."





# CLA proposes payments to farmers who provide public benefits

A new paper by the Country Land and Business Association (CLA), has suggested that farmers could enter agreements post-Brexit to provide public benefits in return for guaranteed payments.

The rural organisation, which represents landowners and farmers, has detailed how its new public goods scheme could work for farming by replacing the existing payments received via Common Agricultural Policy subsidies.

The report calls on the Government to create a "Land Management Contract" for England as part of a new national agricultural policy once UK farming transitions away from the current system of direct payment.

This contract should be structured as a commercial business proposition, with the farmer entering a contract to provide public benefits in return for payments.

The CLA said that the significant opportunities for environmental improvement and public benefits would only be achievable if such a scheme attracts farmers by making financial sense.

In order to achieve this, the new public goods scheme would require the Government to commit to transferring the current Common Agricultural Policy (CAP) funding, which is currently £2.2 billion a year in England.

Defra Secretary Michael Gove announced earlier this year that farmers will receive money to make improvements to the environment under a new system of subsidies, which will reward farmers for planting wildlife habitats, woods, wildflower meadows and other environmental benefits after Britain leaves the European Union.

In the meantime the Government has

agreed to continue its BPS payments during a transition period in England, which should last several years beyond the implementation period.

Tim Breitmeyer, CLA President, said: "For a long time the CLA has advocated a policy that incentivises land managers to deliver public goods like creating new habitats for wildlife, action to improve soil quality and delivering high standards of animal welfare.

"There is now clear political will to support this approach, but it is crucial that this milestone towards a sustainable future for the countryside is thoughtfully designed and well delivered," Mr Breitmeyer added.

"If the scheme does not make good business sense, and is not designed to work alongside profitable food production, the opportunity will be lost."





# Rural communities ‘more financially vulnerable’

A new study by the Financial Conduct Authority (FCA) has suggested that those living in rural communities may be more financially vulnerable compared to their urban counterparts.

The new research looked at the financial situation of people across the UK and has revealed significant differences in how consumers experience financial services.

In rural areas, there is greater reliance on bank branches and a higher proportion of people have difficulty getting to a bank – meaning that they tend not to be able to use online banking.

Despite these difficulties, those living in rural areas report being more satisfied with their financial circumstances.

By comparison, urban communities were found to have a weaker position, with residents more likely to use high-cost loans and on average have higher levels of unsecured debt.

The survey of nearly 13,000 adults found average unsecured debt is £3,600 in urban areas, compared with £2,510 in rural locations.

In fact, 49 per cent of people living in urban

areas are likely to be paying credit, compared to just 37 per cent in rural areas.

Satisfaction with overall financial circumstances shows that 27 per cent of adults in rural areas are highly satisfied, compared with 20 per cent of adults in urban areas.

Andrew Bailey, FCA Chief Executive said: “The FCA has released weighted data tables which provide details of the survey findings so that local decision-makers and other organisations can use the information to consider what they can do to help support people who may be struggling financially.”

## New broadband scheme seeks to invest £45 million in rural connections

Farmers and rural business may be about to benefit from a new £45 million investment in rural broadband, which is designed to improve access and speeds.

The Rural Broadband Infrastructure Scheme will be made available to local authorities, where broadband services at speeds of 30Mbps or faster are not available.

The new investment will be used to install full fibre broadband wherever possible and comes off the back of the Future Telecoms Infrastructure Review.

This review outlined wider plans to prioritise hard-to-reach rural areas for roll out of full fibre connectivity.

Rural Affairs Minister, Lord Gardiner, said rural areas should not be left behind in the “connectivity slow lane”.

He said: “The funding made available through the Rural Broadband Infrastructure Scheme champions our countryside communities and businesses by opening up access to broadband of at least 30 Megabits per second, in some of the hardest to reach areas.”

The new scheme will be delivered via the existing Rural Payments Agency (RPA) to support areas that are not currently scheduled to receive broadband under the Government’s Superfast Broadband Programme or via commercial delivery plans.



Responding to the announcement CLA President, Tim Breitmeyer, said: “Getting connections to rural homes and businesses is complex and expensive but it is essential and a crucial part of establishing fairness and balance in the economy.

“That is why the universal service obligation of 10 Mbps that we fought so hard for, is

important not only to rural areas but to the whole country.

“It is not just imperative to get rural homes and businesses connected in the first place but also to ensure the service they receive keeps pace with demand and technological change. The universal service obligation must be enacted in law without delay,” he said.

# Campaign group calls for new body to negotiate wages for farm workers

The Sustain alliance, a food campaign group, has called on the Government to create a new body to assist farm workers following the loss of the Agriculture Wages Board (AWB).

According to official figures, more than 40 per cent of the UK's agricultural workforce consists of employees, rather than owners or family members.

However, unlike their peers in Wales and Scotland, English agricultural workers have had no statutory protection for their pay and conditions (other than the national minimum wage) since the abolition of the AWB in 2013.

Sustain believes that this leaves English agricultural workers more vulnerable to unfavourable wages and conditions.

"This needs to change and should be part of the new UK Agriculture Bill due in summer 2018," the alliance said.

The Labour leader, Jeremy Corbyn, is one of a number of supporters of the reintroduction of the AWB, which he has said will "bring back millions of pounds to English rural workers".

The AWB was abolished in England following increases to the national minimum wage and introduction of the national living wage.

The Sustain alliance argues that farmers have found it harder to recruit and retain workers because of the fall in the value of sterling and a "more hostile climate" for migrant workers following the Brexit referendum.

Vicki Hird, Sustainable Farming campaign coordinator for Sustain said: "The loss of the agricultural wages board was far from popular amongst farmers as well as workers, as it provided an easy tool for farmers and a level playing field. It needs to be reinstated, otherwise who will want to pick our crops?"

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