

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**

Second hand machinery: The new cash cow?

The price of second hand machinery in the UK is continuing to rise as the weakened pound encourages increased foreign investment in the used equipment market.

A new report from auctioneers Cheffins, has revealed that the sale of second hand machinery in August grossed higher results than for the previous two years, as a result of growing prices.

In fact, their August sale saw totals up 17 per cent on the same month in 2016 and 104 per cent on the same month in 2015.

Bill Pepper, Director, Cheffins, said: "Harvest, holidays and the tail-end of hay-making all have a negative impact on what goes on in the yard and quite often August happens to be our quietest and slowest month of the year.

"Despite having a more concentrated entry than previous auctions, the overall result was the best for an August sale since 2013 and continues the great run of auctions we've had now since the Brexit vote last year.

"Exchange rates obviously play a part but it's the lack of stock which brought many a trader both from the UK and abroad to the auction to buy much-needed kit."

The results from the auctioneers follows on from separate research which shows that tractor sales in the UK have begun to improve in the first half of 2017, after a period of relative decline.

UK registrations of agricultural tractors (over 50hp) in May also showed a marginally smaller year-on-year increase than April at 4.1%.

Meanwhile, the Agricultural Engineers Association (AEA) says UK exports of agricultural and outdoor power products rose by 3.1% in 2016 to £1.76 billion.

It is clear from these figures that the sale of second hand machinery may be beneficial to those either looking to upgrade their current equipment or free up some capital.

If you are looking to sell a piece of machinery and are unsure of the tax implications of its sale or you are looking to buy new machinery and think you might benefit from capital allowances, please speak to our specialist ARA team at Lamont Pridmore.



Farmers may put short-term profits ahead of sustainability, warns National Trust

The uncertainty surrounding the future of post-Brexit subsidies could see farmers risk rural landscapes by putting profit first, according to the National Trust.

Speaking at Countryfile Live in Oxfordshire, the Trust's Director General, Dame Helen Ghosh, said that a small group of farmers appeared to be reverting to more intensive methods in order to make short-term profits.

The Trust is concerned that such methods might harm the environment and surrounding wildlife in the process.

"We have already seen examples of short-term decision-making, where farmers, in response to uncertainty about the future and income, have ploughed up pasture which was created with support from EU environmental money. It's very understandable, but heart-breaking," she said.

She is calling on the Government to maintain the same level of funding as the EU offering farmers a £3 billion-a-year support package with clear incentives for nature-friendly farming.

"The longer we wait, the more we risk losing all the gains we have made over the last decade," added Dame Helen Ghosh.

"We are within touching distance of a vision for the future of farming that sees thriving businesses successfully meeting the needs of the nation into the 21st century and beyond."

The current level of overall subsidies will be maintained until 2022, under the Government's proposal, but environment secretary Michael Gove has said that the money would have to be earned through environmentally-friendly agriculture.

A spokesman for the Department for

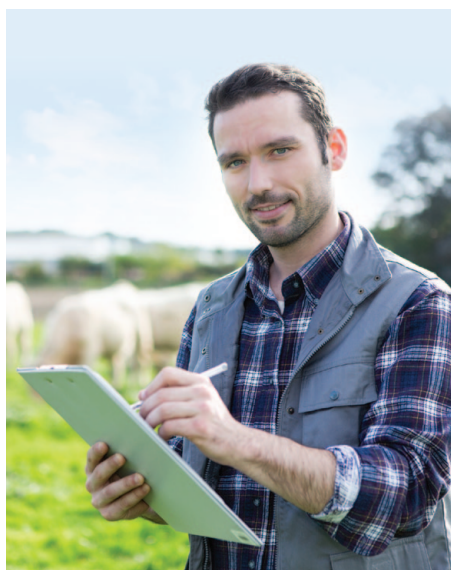
Environment, Food and Rural Affairs said: "Leaving the EU provides us with a golden opportunity to set up new frameworks for supporting our farmers to grow more, sell more and export more great British food.

"We have committed to match the £3 billion agricultural support until 2022 and the Environment Secretary has said that support for our farmers will continue for many years to come where the environmental benefits of that spending are clear.

"As we develop this new approach to food and farming outside the EU we will not compromise on our high standards of animal welfare and environmental protection."

If you are concerned about the impact of Brexit on your rural business's profits and subsidies, please speak to our team at Lamont Pridmore today.

Banks not helping SME farmers according to new poll



A recent YouGov poll has found that 80 per cent of small and medium-sized businesses in the farming sector feel that banks could 'better support them'.

One of the key concerns highlighted by this new study is that many High Street banks did not have the specialist knowledge of the agriculture sector to properly help farming clients.

The trend suggests that this was an issue for a steadily growing proportion of SMEs in the agriculture sector – rising from 26 per cent in 2015, to 39 per cent in 2017.

Around 31 per cent of ARA businesses want banks to be more committed to the sector in general, but transparent fees were also a key concern for farming communities.

Banks have been encouraged to increase their sector specific knowledge by a number of organisations and there has been a drop in the number of SMEs complaining that banks are unwilling to lend.

This issue of failing to lend still remains an issue for one in five agriculture businesses, but there has been a gradual decline from 29 per cent eight months previously, which is either a result of fewer farmers seeking loans or banks being more open to lending to rural businesses.

If you are looking for financial advisers with a specific specialism in rural affairs then look no further than Lamont Pridmore. To find out how we can help you and your business to succeed, please contact us.