



Welcome to Focus On... our special quarterly bulletin looking at issues relevant to particular sectors and topics of interest.

In November's Focus On... Rural, we look at the implications of Liz Truss' announcement on farmers losing payments for land that hosts solar panels, as well as the news that Britain only has a century of harvests left in its farm soil. Elsewhere, we consider the falling price of milk and say farewell to Alan Taylor who has retired after a tenure of nearly 45 years and introduce Graham Pogson.

If you would like to discuss any aspect of our specialist accountancy and business advisory services for farmers and rural businesses, please contact Richard Grayson, Managing Partner at Nicholsons, at richard.grayson@nicholsonsca.co.uk or phone 0845 27 66 555.

Defra delivers fresh blow to solar industry through farmer subsidy crackdown

The government has delivered a fresh blow to the UK's burgeoning solar farm industry, announcing plans to end farming subsidies to landowners who install photovoltaic arrays from the start of next year.

In her first major policy intervention in the green economy, Environment Secretary Liz Truss has announced that farmers would lose payments under the Common Agricultural Policy (CAP) for parts of land that host solar panels from January 2015.

Defra said it expected the change to save £2 million a year of taxpayers' money by reducing subsidy

payments to farmers already receiving financial incentives for the solar farms they have installed on their land.

According to reports, Truss branded solar farms "ugly" and a "blight on the landscape" when announcing the policy change. In a statement, she added: "I am committed to food production in this country and it makes my heart sink to see row upon row of solar panels where once there was a field of wheat or grassland for livestock to graze."

"Solar panels are best placed on the 250,000

hectares of south-facing commercial rooftops where they will not compromise the success of our agricultural industry," she said.

The move will come as a further blow to the solar farm industry, which earlier this month learnt that financial support for projects larger than 5MW would be cut by the Department of Energy and Climate Change (DECC) from April 2015 as part of reforms that will stop solar farm developers taking advantage of the current Renewables Obligation subsidy mechanism.

Defra said the latest changes would "halt the expansion" of solar farms across the UK by making them less financially attractive.

However, a number of questions remain about the new CAP policy, including whether farmers will still gain support if they combine solar panels with crops or grazing on the same land, or use solar fields to help support local pollinator populations and other wildlife.

It also remains to be seen if the changes will halt solar farm development, given farmers and developers will still be able to take advantage of feed-in tariff incentives for smaller arrays and the new contract for different subsidies for installations of more than 5MW.

The agricultural team at Nicholsons has been working with farmers since 1923. We recognise the importance of the agricultural industry and the changes it faces over time. For more information, please contact us.



Britain has only 100 harvests left in its farm soil as scientists warn of growing 'agricultural crisis'

Intense over-farming means there are only 100 harvests left in the soil of the UK's countryside, a study has found.

With a growing population and the declining standard of British farmland, scientists have warned that we are on course for an "agricultural crisis" unless dramatic action is taken.

Despite the traditional perception that there is a green and pleasant land outside the grey, barren landscape of our cities, researchers from the University of Sheffield found that on average, urban plots of soil were richer in nutrients than many farms.

Sampling local parks, allotments and gardens in urban areas, Dr. Jill Edmondson showed that the ground was significantly healthier than that of arable fields. Allotment soil had 32% more organic carbon, 36% higher carbon to nitrogen ratios, 25% higher nitrogen and was significantly less compacted.

Professor Nigel Dunnett, also of the University of Sheffield, said that in order to ensure we can produce food for future generations we must start to see towns and cities as the future of farming. He has established a scheme in the centre of Sheffield to transform a piece of wasteland into an 'eco-park', and is among five projects shortlisted to win a grant from the Big Lottery Fund through the Grow Wild

initiative, led by the Royal Botanic Gardens in Kew.

"With a growing population to feed, and the nutrients in our soil in sharp decline, we may soon see an agricultural crisis," said Professor Dunnett.

"Meanwhile we are also seeing a sharp decrease in bio-diversity in the UK which has a disastrous knock-on effect on our wildlife. Lack of pollinators means reduction in food."

"We need to dramatically rethink our approach to urban growing and use the little space we have as efficiently as possible. Cities must become places of food production."

Dairy industry problems to be discussed in Westminster

Defra Secretary Liz Truss has met representatives from Dairy UK at Defra's London headquarters to discuss the recent effect of market pressures on milk prices.

A spokesperson said: "It's vital that farmers are also able to increase sales to new markets and be as competitive as possible. That's why we are also working on ways to enable farmers to increase dairy exports to record levels and are continuing to back growth in the industry."

In a separate meeting, organised by the All Party Parliamentary Group on dairy farming and chaired by Devon MP Neil Parish, representatives from various organisations representing dairy farmers briefed MPs on the industry's problems.

Royal Association of British Dairy Farmers (RABDF) chairman, Ian Macalpine, said: "Dairy farmers have accepted that there will be price volatility in future, and while these current trends are extreme, we have to find a way forward to enable dairy farmers to maintain a sustainable business."

NFU dairy board chairman Rob Harrison has called on processors, retailers, and policy makers in the UK and the EU to work together to safeguard the future of British dairy farming. He said he was meeting with "all aspects of the dairy supply chain to ensure no-one is using the current downward price trend as a convenient excuse to make additional cuts to the farmgate price".

He also urged retailers that are "using milk as a loss leader" to "ensure you fund those deals from your own profit margins and not take it from the pocket of farmers – not now and not ever".

Harrison commented: "Some retailers have made assurances that farmers are not paying for this discount but we need that promise from them all. I also have a longer-term concern, which is shared by dairy farmers up and down the country. Put simply, milk being sold this cheaply devalues the product in the eyes of consumers. We know milk is a staple in the diet of men, women and children across the UK and it is extremely worrying to every dairy farmer to see it being used as a battleground between retailers."

Nicholsons says farewell to retiree

Nicholsons has bid farewell to one of its senior accountants who retired last month.

After a tenure just short of 45 years, Alan Taylor put down his calculator for the final time on Thursday 4 September.

Alan joined Nicholsons in November 1969 and

qualified as a chartered accountant in 1974. Initially he dealt with farming clients and developed a specialism in that field. He quipped that this was the right time for him to retire as some of the grandsons of his original clients are now over 40 themselves.

Throughout his career at Nicholsons, Alan adapted to computers and new technology. He fondly recalled

the variety of interesting colleagues he worked alongside, as well as the hospitality he received from clients. It is the colleagues and clients that Alan said he would miss the most, as well as having some structure to his days. However, in retirement, Alan is planning to spend additional time with his family and focus on playing more bowls next summer as well as take a further education course in history.

Employee focus – Graham Pogson, Senior Accountant



Graham Pogson
Senior Accountant

The senior accountant has been with Nicholsons since 2000 and joined the firm's farming team in September of that year.

"My grandad was a farm worker all his working life," said Graham, adding: "My brother-in-law is also a farm worker and my grandmother still lives on a farm, all of which helps me to keep my eye on what is

happening in the farming world. One of the best parts of my job is working at the clients' premises as this enables me to build relationships with them and see their world."

When he's not at work, the AAT-qualified accountant enjoys taking walks in the countryside and playing football.

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