

R&D TAX RELIEF — AGRICULTURE & FARMING

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***Agricultural industry
claims £55m in R&D tax***
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The agricultural industry claimed backed £55m in research and development (R&D) tax relief according to the latest R&D tax credit statistics. However with more than 14,000 businesses in the UK agriculture and farming sector and only 1,120 claims for R&D tax relief being made, there is still opportunity for many more to potentially qualify and claim their entitlement.

As food demand increases, the agriculture industry must keep pace with the growing social and economic climate. It is faced with increasing costs and social consciousness of our impact on the earth, driving a greater need in agriculture to treat land well and maximise the production process and minimise cost and waste. Challenges are being faced from feeding a growing population to climate change causing

Qualifying R&D projects within this sector could focus on maximising yields, ensuring regulatory compliance, creation of new pesticide, fertilizers and chemicals, experimenting with renewable energy to Agritech where new technologies and data are being developed and used to increase productivity and reduce costs.

EXAMPLES OF POTENTIALLY QUALIFYING PROJECTS:

- ✓ Development of new or improved machinery, equipment and components
- ✓ Using new techniques, methodologies or technology to maximise yields or improve quality
- ✓ Development of new or improved fertiliser, pesticide or chemicals to meet regulatory changes
- ✓ Development of crop protection products to reduce disease and improve pest control
- ✓ Development of new or improved livestock breeding and management techniques
- ✓ Developing new or improved irrigation systems or soil management techniques
- ✓ Developing new or improved precision farming methods
- ✓ Plant hybridization efforts to increase durability, taste, characteristics and disease resistance
- ✓ Improved waste reduction processes
- ✓ Development and adaptation of various growing conditions
- ✓ Reducing energy use
- ✓ Creating innovation in vertical farming (more yield on less space)
- ✓ Advancing biotechnology
- ✓ Improving productivity through robotics and machines (such as drones, satellite and sensor technology)



CASE STUDY 1

- ✓ **Nature of R&D:** : Tomato growing in Glasshouses
- ✓ **Overview:** As one of the largest tomato growers in the UK, R&D efforts have attempted to improve the process of tracking pests and testing different pest control processes, investigating new ways to use waste materials and reduce energy costs, trying different glass and greenhouse lighting conditions and monitoring airflow impacts. These improvements have led to a greater understanding of crop growing, improvements to crop yield, and ways to save money on site.
- ✓ **Tax relief generated: £68,000**

CASE STUDY 1

- ✓ **Nature of R&D:** Development of an innovative solution to enable rear wheel steering to be incorporated onto agricultural trailers
- ✓ **Overview:** Following increased awareness of seeing damage and wear to vehicles used in both field and yard environments, this company sought to develop a new suspension layout and system to enable a steering mechanism to be fitted within existing standard vehicle road widths. The trailer design would allow a steering mechanism to be fitted without reducing the stability of the vehicle, without widening it beyond acceptable levels, and without causing the cost to rise beyond marketable levels.
- ✓ **Tax relief generated: £84,000**

CASE STUDY 1

- ✓ **Nature of R&D:** Organic Rapeseed Oil Production using a chemical free growing and harvesting
- ✓ **Overview:** Following the boom of organic farming and impending ban to chemicals such as Glyphosate, which is an artificial ripening agent, this company sought to produce good yields of rapeseed oil from seeds without chemical contamination. Several trials and experiments were run over a long period of time to assess and evaluate various techniques and methods.
- ✓ **Tax relief generated: £57,000**