

Red Diesel - Questions for HMRC

No.	Question	HMRC response
1	<p>I operate an abattoir on farm can I use red diesel to power equipment used only in the abattoir if I:</p> <ul style="list-style-type: none"> a. Use the abattoir to slaughter livestock reared on farm b. Use the abattoir to slaughter livestock purchased from other farmers with no rearing activity by me 	<p>Activities we accept as falling within the definition of agriculture, horticulture or forestry include the: the slaughter of any creature reared for the production of food, leather, fur or other substances</p>
2	<p>I use a generator to power machinery used in the harvesting of crops. Can I use the generator for occasional non farming purposes on my farm property?</p>	<p>Yes – see Sch. 1A 8(1)(aa) of HODA:</p> <p>8(1) A machine or appliance that is not a vehicle or vessel at a time when it is used–</p> <ul style="list-style-type: none"> (a) for purposes relating to agriculture, horticulture, pisciculture or forestry; b) for any purpose on land where it is kept and used for purposes relating to agriculture, horticulture, pisciculture or forestry
3	<p>I operate a farm but also do contracting for other farmers.</p> <ul style="list-style-type: none"> a. Can I use my farm digger to maintain drains or dig new drains on another farmer client’s land? b. Can I use my digger doing contract work for an internal drainage board? 	<p>Ditch clearing and drainage, including work carried out by, or on behalf of, an Internal Drainage Boards or other drainage authority, is accepted as a purpose relating to agriculture, horticulture or forestry only if the work you do is intended to benefit the land used for agricultural purposes (including horticulture and forestry).</p> <p>This means the purpose of the work must, at least in part, be to avoid agricultural land becoming unfit to grow crops or rear livestock on.</p> <p>You may not use rebated fuel for drainage work that has no agricultural benefit to the land, even if the work takes place on agricultural land.</p>
4	<p>I live in a region where an internal drainage board manages water levels on farm land:</p> <ul style="list-style-type: none"> a. Can the IDB use red diesel to power the pumps? 	<p>As above.</p>

	b. Can contractors working for an IDB use red?	
5	What are the key things to consider when trying to decide whether or not an activity can use red?	Whether it is one of the permitted activities in Sch. 1A to HODA. For “purposes relating to agriculture, horticulture, pisciculture and forestry”, the MOA in Excise Notice 75 sets out the accepted activities.
6	I am a farmer. a. Can I use red in machines I own: I. To maintain an existing reservoir on my land? II. To construct a farm reservoir on my land? b. Can I use a farming contractor to maintain a reservoir on my land? c. Use a contractor to build a new reservoir to control water on my land – to benefit the land?	a. Yes to both, if the machines are kept on the land and primarily used for agricultural purposes they can be used for any purposes. b. Only if the reservoir is for agricultural use. c. No, construction of new infrastructure and buildings is construction work, not agricultural use of the machine.
7	I grow a specialist crop which has to be harvested and delivered to processor within one hour of harvesting to maintain quality. I use a contractor to harvest and the immediately transport to processor. Can they use red?	Yes, because they are engaged in the agricultural operation, not just employed for haulage. In order for the contractor to use Red Diesel, they must be part of harvesting the crop.
8	I run a farm but also do contract work for neighbouring forestry operators. a. Can I use red in machines and vehicles used to harvest wood on my land? b. After cutting a tree on my farm I use a chipper - can the chipper use red c. Can I use red in vehicles and machines when I harvest trees for forestry growers? d. Can I chip trees I have harvested for forestry growers	a. Yes, if the machines are kept on the land and primarily used for agricultural purposes they can be used for any purposes. (But as this is not agriculture or forestry, you can't use red to transport the timber anywhere off the farm.) b. Yes, but only if the machine is normally kept on your land and used for agricultural purposes – as if so, it can be used for any purposes. c. Yes, if the work takes place in a forest because you will be engaged in forestry. (Harvesting trees not in a forest is not forestry.) d. Processing wood is not a purpose relating to forestry – growing and harvesting of timber – so no.

9	I grow maize for an AD plant on my farm. a. Can I use red to harvest and transport to base using my kit? b. Can a contractor working for me use red for harvest and transport use? c. I have a telehandler on farm used for farming but it also lifts feedstock into the AD plant – can it use red?	a. Yes b. Yes c. Yes, even if the use is non-agricultural so long as it is on the same land.
10	I operate an AD plant close to farm but on a different site. Can the telehandler at the AD plant use red- it does not do any farm work?	When AD plant is somewhere else – farmer or contractor involved in harvesting can take materials from farm to AD plant. Machinery used at AD plant cannot use red as it is not then not ag.
11	I do contracting and my fuel supplier has said they can not supply me after 1 April. Is this right?	No this is not correct. If you have a qualifying use, your supplier will still be able to supply you with red diesel. However, some suppliers may choose not to supply red so do check with your current supplier.
12	My supplier said that after 1 April it is the law that I give more information name, date of birth, show my passport. They say this info is needed by HMRC. Is this correct?	Not correct – no more information required; the information required is in HMRC's Excise Notice 192. We can't stop them if they wish to take more information but it's not a requirement.
13	I farm and have a gritting contract with the Council. Can I use red for gritting on roads?	Yes - Agricultural vehicles such as tractors are allowed to use red diesel for dealing with frost, ice, snow or flooding and this will include for travel to and from where they are being used.
14	Can I use red to grit the car park of an Amazon depot?	Yes – as above.
15	Whenever it snows cars get stuck in my village. I often volunteer to clear the road and pull stuck cars out. Can I use red?	Yes – as above.
16	Can a contractor use red to build me a new shed used in my farming business?	No. As per Q8(d): Construction of new infrastructure and buildings is construction work, not agricultural use of the machine.
17	Can a contractor use red building farm tracks? The new track means cattle welfare is made better.	No – as above.
18	Can I use red to cut the grass on the local agricultural showground? I don't get paid.	Yes – but would need to be kept to a timeframe near when an agricultural show was planned to take place (as other non-allowed purposes may take place on the ground).
19	If I do a non-agriculture job can I fill up with white and keep the receipt to show what I have done? This will be easier to do than flushing out.	No – a machine cannot have red in it while doing a non-qualifying job.

20	Is the guidance online up to date?	Yes – the new version of Excise Notice 75 has now been published here: https://www.gov.uk/guidance/using-rebated-fuels-in-vehicles-and-machines-excise-notice-75-from-1-april-2022
21	Can red diesel still be used for road runs and vintage tractor runs? Confirmation sought for ploughing matches and ag shows	Shows – yes, participating or running one would be classed as ag use. Ploughing matches – as above Charitable events that promote agriculture – allowable use of re diesel
22	Use of red diesel for local galas or RHET	Promoting the industry is allowed.
23	Can tractors and trailers unloading ships of fertiliser and other ag/horti/forestry products still use red diesel to unload and move products to quay side stores?	Yes - If these inputs were to be used in agricultural/horticultural/forestry work by those who were unloading them. But tractors working specifically on quay side is not an agriculture use.
24	Contractors/farmers may need to move straw bales from field they straw was grown in to different locations for carrot cover, can I still use red diesel for this purpose?	Yes – as long as they were part of the initial agricultural process (up to and including the bailing of the straw) - otherwise this would not be allowed as it would be classed as haulage.
25	Can we use red at our training centre where agricultural training courses are delivered. The course is made up of ag workers and non ag workers.	Yes – if the purpose of these courses is to pass on agricultural learning that will have eventually have a benefit to agricultural work. But this wouldn't be allowed for general 'experience days' where anyone can turn up and have a go at riding a tractor, etc.

EXTRA QUESTIONS FROM WEBINAR CHAT

No.	Question	HMRC response
26	When using a digger on a farm, do works to lay services, foundations or repairs to buildings used for agriculture (including farm houses) fall within the purpose of agriculture?	Yes - if using agricultural vehicles that are ordinarily kept on that land and are ordinarily used for agricultural purposes. If not (and if bringing contractors in to do this) this would not be allowed as it would be classed as construction.
27	Is a fencing contractor who is erecting livestock fencing classed as agriculture use and can they use red diesel?	Yes, this would be considered agricultural, as this goes towards the general maintenance of the livestock.
28	Our small digger is used for agricultural purposes but occasionally is used off site to put logs into woodchipper. Can we use red? Would the tractor on this operation be able to use red diesel?	This would not be allowed when used off site.
30	Can an "agricultural show" use red diesel in a forklift and tractor for setting up and dismantling and during the event?	Yes, you can use red diesel to run and actively participate in agricultural shows, if using allowed vehicles and machines. You can't use red in vehicles to simply

		travel to and from agricultural shows, however.
32	We currently offer a septic emptying service (including our own farms and also farms that we do contract work for) using a tractor and vacuum tanker - come April will we now need to operate this service on white diesel?	It depends on the contents – if primarily emptying and disposal then no
33	Further to the Dock yard question, the Fertiliser is for agricultural use and cant be supplied without it going through the bagging plant, it is part of the bagging operation	No, not agricultural
34	Generators used in a power cut for either agriculture (eg milking) and / or farmhouse.	Yes
35	Where an agricultural operation (e.g. drying and storing grain) is carried out collectively by a group of farmers in a co-operative business, is that still recognised as an agricultural operation?	Same as question 43
36	We are primarily an agricultural contractor in order to retain staff all year round we use our machinery to do a small amount of non agricultural work how is this feasible under these new regulations?	<p>It's important to reiterate that you can only use red diesel in allowed vehicles and machines for allowed purposes, otherwise it is an offence and you will be liable for prosecution and your machines/vehicles seized.</p> <p>If switching between allowed and non-allowed uses you will need to drain the red diesel out of the tank and flush the tank through with white diesel and replace the filters. However, to overcome this, we suggest that you either:</p> <ul style="list-style-type: none"> - Have a fleet of vehicles/machines that only used red diesel and are only used for allowed purposes. - Run all vehicles/machines on white diesel at all times for all purposes.
37	If a contractor is coming in to chip timber for biomass, is that a forestry operation as it is making the timber useable?	Yes
38	Can we use agricultural machines for snow clearing for hire or reward, using red diesel	Yes – snow and ice clearance where required. Not as a business
39	if using a tractor for both agriculture and non agriculture to change between red and white is it enough to just empty the tank between uses or can two tanks be used	No two tanks cannot be used. Cannot have any red diesel within system when doing work which does not qualify. See Q.36

40	Can Steve clarify the use of forklifts at a training centre as in his slide, Training and Education was allowed	On farm education is allowed – only when the vehicle is used for agriculture as well.
41	Please clarify the position regarding land drainage, fuel use?	land drainage on farm (or to protect land from flooding) it would be classed as agricultural, so yes
42	How are tanks/fuel tested – what is the process.	Sample of fuel taken from tractor, analysing equipment used to test sample. You will then be told the result. This can be detected down to a very fine margin.
43	Where an agricultural operation (e.g. drying and storing grain) is carried out collectively by a group of farmers in a co-operative business, is that still recognised as an agricultural operation?	Yes
44	<p>a) If the contractor uses a tractor that is used for agricultural purposes to move the chipper to another site to chip timber for biomass for someone else, can red diesel be used?</p> <p>b) If the chipper is used for agricultural/forestry purposes, if it is then used for biomass chipping, that can use red diesel as it is machinery.</p>	My understanding is that if a farmer/forester can do a job with red, then a contractor working on their behalf can as well. So I would say yes
45	<p>a) Is it permissible to haul produce from farm and inputs to farm on red diesel?</p> <p>b) Is it allowable to excavate ground for new farm buildings on red diesel?</p> <p>c) Is ditching and drainage work still ok to do with red diesel on farm land?</p> <p>These questions relate to both farmers and contractors.</p>	<p>a. For farmer yes but if a contractor, they must be part of the harvesting operation.</p> <p>b. This would be construction so if the machine is the farmers and is used for agricultural operations then yes, otherwise no.</p> <p>c. Yes</p>
46	<p>If 100 farmers all have grain driers and grain stores on their farm, they are permitted to use red diesel in forklifts / telehandlers to move that grain about and load it on to lorries.</p> <p>If those same 100 farmers formed a co-operative (owned exclusively by them and constituted as a 'Registered Society' with the FCA) and the co-operative built one big grain dryer and store on a site in the middle of all</p>	Same question as 43 & 35

	<p>their farms, can that farmers' co-op still use red diesel in its telehandler to load the grain on to lorries when it is time to sell the grain? For clarity, the co-operative only handles grain produced by its member farmers.</p> <p>Some context & precedent: the de-rating of buildings used for agricultural purposes on farms is already extended to buildings carrying out agricultural operations within 'bona fide' co-operatives. As such, farmer-owned co-operatives are recognised as an extension of their members' farming businesses.</p>	
47	<p>We are part of a co-operative growing potatoes on our own ground and rented ground. At harvest time we use members tractors to haul potatoes to potato store and also for irrigation but we also use owner drivers for these operations too. My understanding was that members would be able to use red diesel but owner drivers would be seen as hauliers and would be required to run on white? These contractors also destone the fields which I assume would be red diesel as they are carrying out an agricultural operation in the field.</p>	<p>If tractors are part of harvesting operation then red can be used. If only haulage, ie from farm store to other store or end user this would require white.</p>