

PRESS RELEASE



The Old Dairy
Winchester Hill
Sutton Scotney
Winchester SO21 3NZ

Telephone: 01962 763900
Fax: 01962 763901
Email: info@bcm.co.uk
www.bcm.co.uk

30 July 2009

Single Payment Scheme – significant cuts around the corner?

Farmers will no doubt be aware that the current Single Payment Scheme provisions are only set until 2012. Industry commentators and researchers alike are now looking forward and trying to second guess what the “son of Single Payment” will be like.

At the present time there is little clear direction as to where the Single Payment will go. There are a number of elements in the mix not least the re-setting of the EU budget (of which 45% is currently spoken for by agricultural policy measures) and also the interaction between the European farm ministers and the European parliament (with the latter now having an increasing influence on events as a result of the Lisbon Treaty). While there are few pointers at the moment as to precisely what new measures will be bought in post 2012, it does seem likely that support will shift from direct support through the Single Payment Scheme away to more support for rural development measures.

Andrew Bays of BCM comments “Farmers will need to keep a close eye on the future of the CAP as it is going to have a significant impact on their future profitability. What many commentators are currently saying is that the Single Payment will remain at a flat rate for lowland farmers but this flat rate could be significantly less than that they currently receive – perhaps less than 50% of the current aid being paid. Obviously this will have major ramifications for all concerned.”

Partners: Iain Curry Andrew Bays Henry McCowen Ros Foreman Alastair Wilson James Fraser