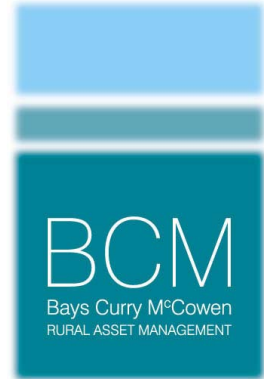


# Press release

1<sup>st</sup> July 2006



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## MORE REFORM ON THE WAY

Farmers are bracing themselves for potential reforms of the Single Payment Scheme to be agreed in 2008 in time for the 2009 applications. These are being presented within the EU as a “CAP Health-Check” although some of the reforms that are being proposed seem more like reform than health-check.

Items which are understood to be on the agenda include; cuts in cereal intervention prices and the end of Set Aside; further cuts in dairy support prices; increasing the level of compulsory EU modulation, and the re-emergence of capping. The latter could be a major concern to larger farmers in this country and will apply to those who have total aid receipts in excess of £200,000. The proposal is, that any payments over this amount, would get moved over into the Rural Development budget.

Perhaps more concerning is the attitude of many people’s favourite as our future Prime Minister – Gordon Brown. He recently stated that, when reviewing the budget and spending priorities, “an essential element will be radical reform of the CAP”. He went on to say “CAP is a stain on our commitment to make globalisation work”.

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IN ASSOCIATION WITH FPDSAVILLS

Andrew Bays of Bays Curry McCowen (BCM) Rural Asset Management, comments “It is quite unbelievable that having created the biggest mess in the history of agricultural support schemes, in 2005-2006, with many farmers still having not been paid anything, we are already having to consider further and potentially major reforms of the CAP. Although many will not view the points of discussion as particularly significant, the devil is often in the detail and some of these measures could have a significant impact on English farmers. What is more this is only the EU angle, and we all know that Tony Blair managed to negotiate the facility to make swingeing modulation cuts to the Single Payments in future years. Farmers should be careful when budgeting for the future and should make, in my view, fairly substantial deductions to their Single Payment Scheme aid estimates to take account of these proposals.”

He adds “Particularly concerning is Gordon Brown’s attitude to the CAP. Clearly this is only the potential view of one member state, but it does not bode particularly well for the future.”

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