

PRESS RELEASE



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EU announce formal proposals for reform of the CAP

The EU have now released formal proposals for the reform of the Common Agricultural Policy, commonly known as the "Healthcheck". The main points from this reform are the proposals to permanently end set aside, manage the end of milk quotas on 31 March 2015 through increasing quotas and to use the modulation system to create new monies for rural development, particularly targeting larger recipients with higher percentages of modulation.

Andrew Bays of BCM comments: "Whilst the end of set aside and milk quotas will most likely be welcomed by all, there will be concern from larger arable farmers over the proposed increased rate of modulation for them. Farmers receiving up to €100,000 of aid will receive the 'normal' rate of modulation, those receiving between €100,000 and €200,000 of aid will see their modulation increase by 3%, those receiving between €200,000 and €300,000 will see their modulation increase by 6%, and those receiving over €300,000 will see their modulation increase by 9%. As currently drafted, in 2012 a farmer whose total aid receipts are under €100,000 will see EU modulation levied on him / her at 13% whereas a farmer whose aid receipts are in excess of €300,000 will see their EU modulation payment at the rate of 22%.

Andrew Bays of BCM comments: "This is a fairly drastic increase in modulation rates for larger farmers. It should also be noted that this is only the EU modulation rate which is changing and there is of course other UK national modulation rates which are added to this. The concern is that this is only the beginning of what is going to be the increasingly slashing cuts of the Common Agricultural Policy, particularly given our governments view on this issue at the moment."

For more information contact Andrew Bays on 01962 763900.

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