

North Devon Conservatives

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North Devon Farmers lose out to Labour

£74.5 million fine on account of Defra's incompetence

COMMENTING on the recent European Commission announcement that it is to fine the UK £74.5 million for not keeping farm payment deadlines, Philip Milton, Conservative Prospective MP for North Devon said:

“Gordon Brown should make a formal apology for this immensely costly failure. This is a shocking indictment of Defra's incompetence and once again it is taxpayers and farmers who are paying the price.

“There appears to be no limit to the ways that Defra can squander taxpayers' money. While hardworking families across the country and particularly here in North Devon are having to tighten their belts, the Government is wasting millions through bad decision-making and poor planning.”

The Conservatives are calling on the Government to speed up the process of single farm payments as latest figures reveal that only one in five farmers in England have been paid, in stark contrast to Scotland and Wales.

Research by the Conservatives reveals that 84% of farmers in Scotland will receive their 2008 single farm payment by Christmas Day along with the large majority of farmers in Wales.

Philip said: “Hilary Benn recently called on supermarkets to speed up payments to farmers and he was right to do so. Money is particularly tight in the run-up to Christmas and delays in paying invoices are really hurting small suppliers. But as Ministers lecture the supermarkets they themselves are presiding over unacceptable delays in payments to farmers.

Published and promoted by Sir Richard Peek on behalf of the NDCA, The Strand, Barnstaple, N. Devon
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“We are now into the fourth year of the Single Payment Scheme but progress is lamentably slow. Why should English farmers be the poor relation in Europe? It is time for the Government to practice what it preaches and get payments flowing into bank accounts.”

ENDS

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Notes to Editors

£74.5 million fine on account of Defra's incompetence

The European Commission has charged € 84.7 million (approx £74.5 million) to the United Kingdom for not keeping farm payment deadlines. Member States are responsible for paying out and checking expenditure under the Common Agricultural Policy (CAP), and the Commission is required to ensure that Member States have made correct use of the funds. Under this latest decision funds will be recovered from Cyprus, Denmark, Estonia, Finland, Spain, France, Greece, Ireland, Italy, Latvia, the Netherlands, Portugal, Slovenia and Sweden, as well as the United Kingdom. The Commission has claimed back a total of € 528.5 million of EU farm money unduly spent by EU Member States. Only Italy has received a heavier fine than the UK
(<http://www.farmersguardian.com/story.asp?sectioncode=1&storycode=23241>)

United Kingdom: breakdown of corrections by sector

Amount in million euros

Financial Audit: failure to meet payment deadlines
84.72

Financial Audit: overshooting of financial ceilings
0.003

Cross-Compliance: deficiencies in applying the sanctions for non-compliances with SMR 2, minimum rate of on-the-spot checks not achieved
6.06

Fruits & Vegetables: weaknesses in key-controls and in control system concerning recognition of recently created producers' organisations
27.60

OTMS: Payments for ineligible animals made as a result of control weaknesses
1.16

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The 2003 reform of the CAP broke the link between subsidies and production. Farmers are now paid for environmental stewardship via the Single Payment Scheme (SPS).

Various cross-party parliamentary committees have been scathing of the Government's administration of the Single Payment Scheme. The Environment, Food and Rural Affairs Select Committee described the Government's handling of farm payments as variously a "catastrophe" a "disaster" a "failure" and a "debacle", while also highlighting the complete absence of accountability at senior ministerial and official level. (Efra Comm, The Rural Payments Agency and the implementation of the Single Payment Scheme, 29 March 2007)

A subsequent report by the Public Accounts Committee was equally damning, with its chairman, Edward Leigh, calling the episode "a masterclass in bad decision-making and poor planning."

(http://news.bbc.co.uk/1/hi/uk_politics/6980382.stm)

The cost of this failure was vast even before the huge fine imposed by the EU: implementation of the scheme was £46.5 million over budget, millions have been paid to farmers in lost interest and delays cost farmers over £20 million (National Audit Office: The Delays in Administering the 2005 Single Payment Scheme, 18 Oct 2006).

Conservatives urge farm payments by Christmas Day

The 2008 SPS payment window opened on 1 December 2008.

England

Defra have refused to give any indication of the value of SPS payments likely to be made to farmers by Christmas Day, in contrast to the Scottish Executive and Welsh Assembly Government.

A written ministerial statement today (17 December) reveals that at 16 December just over £700 million had been paid to around 21,000 claimants.

As there are an estimated 106,000 claimants in total, this means only around 20% of farmers have been paid.

Scotland

John Scott (Ayr) (Con): To ask the Scottish Executive what percentage of this year's single farm payments it expects to have paid by 25 December 2008, broken down by (a) value and (b) claimants.

Mr Richard Lochhead :

I can confirm that payments under the 2008 Single Farm Payment Scheme will start to arrive in bank accounts from 1 December. This means that we will have paid 13,800 producers a total of £223 million from the first date possible. With this good start to the settlement of this year's claims, my officials estimate that by Christmas Day, we will have paid approximately 16,600 producers (84%) equating to around £334 million (74%). Reply Issued 27

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November 2008 - (<http://www.theyworkforyou.com/spwrans/?id=2008-11-27.S3W-17853.h>)

Wales

Brynle Williams (North Wales, Con): What percentage of payments under the 2008 Single Payment Scheme does the Minister expect to have been paid by 25th December 2008, broken down by (a) value and (b) claimants. (WAQ 52771)

Elin Jones: We expect to pay the large majority of claimants by 25 December 2008. The percentage value of payments has a tendency to run slightly behind the percentage of claims paid until almost all the claims are paid. Reply issued 21 November 2008

Hilary Benn calls for prompt payment

Following a recent meeting with the big supermarkets on 13 October 2008, Hilary Benn said:

"A single late payment can be the difference between survival and collapse. That will be truer than ever in the coming weeks. I asked supermarket leaders to do all they can to process payments as quickly as possible to help the small suppliers that are the lifeblood of their industry through turbulent times."

Sources at the food and farming department, DEFRA, said: "Ministers are concerned that small businesses will be increasingly reliant on prompt payment for survival. Hilary Benn stressed that in the current climate, everyone in the food chain should be looking to speed up their payments to the small businesses that supply them."

(<http://www.dailymail.co.uk/news/article-1077413/Speed-payments-small-suppliers-big-supermarkets-told.html><https://primrose.conservatives.com/owa/UrlBlockedError.aspx>)

Current position

WRITTEN MINISTERIAL STATEMENT

DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS Single Payment Scheme

Date: 17 December 2008

The Minister for Food, Farming, Waste and Water (Jane Kennedy) Following successful trial runs earlier this month, the Rural Payments Agency (RPA) has now begun to make full payments under the 2008 Single Payment Scheme (SPS). As at 16 December, just over £700 million had been paid to around 21,000 claimants and RPA is planning to make further payment runs before Christmas.

This represents a good start towards the RPA meeting its targets of making 75% of SPS 2008 payments, by value, by the end of January 2009 and 90% by the end of March 2009.