

The Family Farmers' Association

Formerly The Small Farmers' Association

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For the CAP Reform Team

I wrote to you a little while ago giving my ideas for CAP Reform, and explaining that circumstances had prevented our committee from debating and approving the paper. We have now had a discussion, with ten members present, and somewhat enlarged it.

The committee mainly approved my draft, except that they felt very strongly that there must be a ceiling on the total money per farmer in the Single Farm Payment. As it roughly equates to the profit on many farms, they felt that [REDACTED] was quite sufficient for any one person.

We are well aware that there have been suggestions of a ceiling, at various levels, in the past. These have always been resisted and then abandoned. We sincerely hope that they will be adopted this time. We do not believe that giving large sums of money either to individuals or to organisations makes for healthy rural communities. In fact it has many ill effects. I note that as even the NFU says the SFP should go only to active farmers, rather than landlords, or business companies such as Nestle, this sensible rule will be adopted.

I enclose our revised paper trusting you will give our suggestions serious consideration, even though they are not presented in complicated language and with profuse illustrations

Yours faithfully,

[REDACTED]

[REDACTED]

From the Family Farmers' Association

PROPOSALS FOR CAP REFORM

According to the farming press, Mr. Ciolos wants to know the whys and wherefores of CAP reform. We start with the answers to the four questions given:

- 1, We need the CAP to provide an income for working farmers who cannot make a living from producing food. (Costs too high, prices too low.)
 - 2, Society's objectives for agriculture are that it should produce wholesome food at sensible prices and care for the countryside and its wildlife in the process.
 - 3, The CAP needs reform because it costs a lot and its money is not always used to best advantage.
 - 4, The following improvements would better meet society's expectations.
 1. Payments should be only to people actually farming land, i.e. primary producers. They should be paid to the one who does the farming, not to the land owners. (They should not be given to businesses such as Tate and Lyle or Nestles, who process raw material provided by farmers. Nor to any organisation which does not actively farm.)
 2. Payments should be tapered or graduated. As the size of the claimant farm increases, so the rate of payment should be reduced. The maximum payment should be [REDACTED] farmer controlled business. This would discourage the agglomeration of farms, and the buying up of large, formerly collective, farms in new Member States.
 3. Pillar 1 should continue, except for ceilings, as above. This aid is absolutely essential for the survival of most farms, which are quite unable to produce a living for a farmer under present trading conditions.
 4. Pillar 2 should be specifically for farmers. It will continue to finance all schemes intended to care for the environment on farms. Its main use would be to help farmers who farmed in difficult conditions, as the Hill Farming Allowance used help hill farmers. It would be used to ensure the viability of the vast number of farms which suffer from natural disadvantage, such as poor or steep land, isolation or remoteness, or small size. Programmes aimed specifically at helping farms which were unviable, but potentially viable, would contribute greatly to rural communities. There are some severely disadvantaged areas which would need substantial help, probably on an area basis, to prevent their dereliction.
- (There seems to this extra help already in some parts of the EU. Such help should be universally applied where conditions are sufficiently difficult.)

It has been suggested that a formula should be worked out where the amount of subsidy paid should be related according to the environmental/landscape importance of the area plus the difficulty in production. The research paper has summed up the case very well. It says that subsidies should be for farmers who have above average production costs, or who produce too little, but who should keep farming for reasons of multifunctionality.

Justification for points 3 and 4::

a) Simply to help all farmers to produce more profitably may actually damage disadvantaged farmers, especially where the problem is small size. Farmers who become prosperous inevitably use their wealth to buy more land. This raises the price of land to the point where only those already making a good income can afford to buy more. Thus smaller/family/starter farmers will never be able to buy enough land to become viable so long as very large sums are given to already large farmers.

b) The total food production from all the poorer farms together is considerable. If they were all abandoned because of lack of profit, there would be a food shortage.

c) In times of financial stringency there can be little moral justification in giving very large sums of money to very rich people.

d) The quite large marginal areas are not usually suitable for industrial activity. If their farming were not supported, they would become unpopulated and derelict, or perhaps be at the mercy of tourism, even if the landscape were suitable for this, which it is not always.

e) Agricultural funds should not be used to promote activities unconnected with farming in rural areas as this confuses the public image of agricultural financing. Where rural areas are in need of economic or social support, there should be EU funds allocated specifically for this purpose.

5. Modulation should cease. Once payments were graduated and pillar 2 related to individual farmers' needs it would be pointless. Serious administrative savings would be made by abandoning Rural Development Programmes altogether and only grant aiding the obvious needs of disadvantaged farmers.

5. There should be financial help for suitable new entrants. Many other countries have this, it should be easy to discover the best means. A lot is made of the high average age of farmers. Help for new entrants would address that and also the problem of getting more people into farming. Young people would be more willing to work on farms if they had the possibility of becoming farmers themselves in the future. The French system of giving suitable young people preference in buying farms must be very helpful to the rural economy. Also, it should be easier to get planning permission for a second house on a farm where there is need for a second worker, or, especially, a son who wishes to work on the family farm and have a family of his own.