

The Single Payment Scheme – years of income ahead?

The SPS deadline may be a couple of months away but now is the time to start thinking about this year's claim.

If you have taken on or given up land in the last 12 months then dig out the paperwork and check the entitlement situation – have you enough? Or have you got too many? Alternatively, perhaps you farm an orchard or vineyard and you missed the opportunity to establish new entitlements in 2009. Now is your chance to guarantee three more years of grant income.

The RPA must be notified of any transfers by the 4th April, so there are just a few weeks to maximise your SPS income in 2010. This will either be by purchasing the relevant number of entitlements to fill any shortfall or by selling any spare entitlements. Whilst there is only three years left until the scheme is due to be reformed in 2012, there is still a decent return to be had on any investment in new entitlements. Furthermore it is entirely possible that eligibility to the successor scheme will depend upon holding SPS entitlements in 2012. The new scheme will be very important – looking at the vast majority of farm budgets I am not sure that many would take the gamble of operating without subsidy from 2013 onwards.

The RPA has made a much better job of producing claim forms in the last couple of years but with the latest remapping exercise still uncompleted this year's claim could look rather different. Perhaps you have agreed the changes the RPA made and have sent back your new maps unchanged but then again you may have been one of the 50,000 farmers who spent hours amending the maps before returning them. Either way

'Barn Field' and '20 Acre' will probably have new reference numbers and areas on this year's form. This will add to your headache in May when you sit down to check this year's claim against previous years. Perhaps submitting online will make life easier?!

Furnished with a fresh set of maps now is the perfect opportunity to review the exact areas on which you are claiming. Just because you have been claiming on the same area of each field since 2005 does not mean that those areas are necessarily still, or ever were, eligible to be claimed on. Awkward corners and particularly boggy areas that have not been cut or grazed for more than five years are unlikely to be considered eligible. These forgotten areas could swiftly come under the spotlight if you have a visit from a member of the RPA's inspection team or your farm is chosen for a remote sensing check. If you are lucky, and the disputed area is only small, then you may escape with just a penalty which relates to the size of the ineligible area and

a delayed payment because your RPA whole case worker has decided to put your file to the bottom of the pile! If you are unlucky the RPA will be looking for repayments from previous year's claims and potentially a hefty fine.

Whilst on the subject of the SPS many are now turning their thoughts to the question "what will happen after 2012?" I have already raised the issue

above and suggested that the new scheme might be based on the entitlements held in 2012. The NFU and CLA are already lobbying hard on your behalf. It goes without saying that the industry needs the subsidy scheme to continue at the highest possible



level but perhaps we all fear that this might not be at the same level as the current scheme. The CLA are particularly vocal and have posed the following questions:

- Should UK agriculture promote the concept that the new scheme should be changed and funded from a different pot, e.g. from Pillar 2 rather than the current Pillar 1? Or,
- Accept that change will happen but try to steer the direction to favour UK agriculture, or,
- Grudgingly accept change, or,
- Resist change come what may.

I suspect we will get something different in any case but what is clear is that the representative bodies lobbying on our behalf are likely to do a much better job if they understand what UK agriculture wants. In other words they will fight harder if they know exactly what they are fighting for. So when you have the opportunity to make your voice heard then take it – don't assume others will do it for you.



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