

Rùnaire a' Chaibineit airson Cùisean Dùthchail agus na h- Àrainneachd
Cabinet Secretary for Rural Affairs and the Environment
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Mr Rob Gibson MSP
c/o Clerk to the RACCE Committee
Room T3.40
The Scottish Parliament
Edinburgh
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17 November 2015

Dear Rob

The Common Agricultural Policy basic payments schedule

Thank you for your letter of 28 October 2015 on behalf of the Rural Affairs, Climate Change and Environment Committee (RACCE) seeking clarification on the timeframe for payments under Pillar 1 of the CAP in respect of the 2015 scheme year.

The committee will be well aware that we are implementing the biggest CAP reform in a generation. Never before have we had to implement both reform of Pillar 1 of the CAP and a new Pillar 2 programme in the same year. The changes to Pillar 1 are particularly complex, not least because of the move to area-based payments as required by the European Union – a move which some other administrations chose to make in the last reform, which significantly eases their task this year.

As farming leaders have acknowledged, the industry made it clear to me during the CAP negotiations that we had to get the policy decisions right, even if that meant more complexity and later payments in the first year. In addition, the deadline for Single Application Form submissions was of course extended by a month this year.

I recognise and am very sensitive to the cash flow issues facing Scottish agriculture and I met with Industry representatives this afternoon. As long ago as 18 June I made it clear that our aim was to be able to start making payments before the end of the year. I can confirm that the Scottish Government is on course towards that aim.

In order to avoid unnecessary delays, and as highlighted in June, Scottish farmers will receive their 2015 direct payments in two parts – as happened when the Single Farm Payment was introduced in 2005.

The first instalment will be worth a minimum of 70 per cent of the total value of Basic Payment Scheme (BPS), Greening and Young Farmer payments. The first payments, to about a quarter of claimants, should start to arrive in bank accounts by the end of the year.

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The majority of farmers should receive their initial payment by the end of January, with virtually all first instalments expected to be paid by the end of March. The balance of payments is due be settled in April.

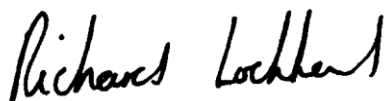
In order that farmers and crofters know what to expect in the coming weeks and months, we will issue a series of letters to those who have applied for the Basic Payment Scheme to update them on our proposed timing and outlining their entitlements.

In December, we're also launching an Entitlements and Payments Information Helpline to help answer questions from farmers and producers. We'll also publish helpful information on our Rural Payments and Services website about entitlements and how payments are calculated.

The banking sector also clearly has a key role to play here. The Government has been keeping them updated with developments. My officials have been in contact with them and I will be meeting with representatives from the banking industry on the 19th November.

I hope this information helps the Committee's understanding of both the state of play and the considerable efforts the Government is making in the face of this unprecedented challenge.

Yours sincerely,



RICHARD LOCHHEAD