

Rt. Hon Margaret Beckett MP
Secretary of State
Department of Environment, Food and Rural Affairs
Nobel House
17 Smith Square
London
SW1P 3JR

Wednesday 17th December 2003

Dear Secretary of State,

CAP MTR Single Farm Payment

We believe that the recently agreed reform of the Common Agricultural Policy is a significant step towards a more sustainable system of support for farming. We commend the achievements of Defra in reforming the CAP this year and in particular would like to offer our support for the adoption of an area-based Single Farm Payment.

We have considered in depth the options for distributing the SFP, the historic system, the area basis and the various hybrids. Our analysis of the options for the payments schemes was guided by four principles:

- the SFP should move support for agriculture towards a system where public payments are made in return for public goods
- all payments to farmers and landowners should be decoupled from production;
- the system of single farm payments should be efficient to administer; and
- the SFP should be equitable.

Link believes that payments made on any basis other than a simple flat rate, topped up by environmental, animal welfare or social payments, would be impossible to justify. We believe that an area-payment approach will be the most appropriate basis from which to develop an agricultural support system founded on the principle of public payments for public goods.

We believe that the area-based payment SFP system offers the most decoupled payment and that adopting the area basis for the SFP would break the association of payment with production. Area payments would redistribute support towards less intensive farmers. This would give a clear signal to all producers that the payment is not related to the intensity of past production. It would also offer a better balance of support to those who may have delivered more public goods through extensive farming systems and may therefore have more environmental features to maintain through cross-compliance requirements for maintaining good agricultural and environmental condition.

We believe that policy decisions should be based on a strategic assessment of the long-term implications of the payment system, and therefore shorter-term considerations such as payment redistribution impacts and set-up costs should not

be the sole basis for decisions. However, administrative costs of the different payment options are also a factor in the medium term. We believe that adopting the area basis for the SFP would save administrative costs in both the short and long term, by reducing start-up costs in terms of calculations, appeals and National Reserve administration. It would also reduce the problems of tracking individual historic entitlements as land management changes and entitlements are traded.

We also believe that basing the SFP on area would be the most equitable system of payments. The inequity of historic payments would be clearer in the future, when neighbouring farmers who may have identical farming practices, could receive vastly differing payment rates. With an area based SFP this inequality is eliminated at the start of the scheme and, we believe, will be seen as much fairer in the long term.

To conclude, we offer our full support for the adoption of an area-based SFP.

Yours sincerely

A handwritten signature in black ink that reads "John Cousins." The signature is written in a cursive, flowing style.

John Cousins
Chair of Wildlife and Countryside Link's Farming and Rural Development Working
Group

On behalf of the following organisations:

Bat Conservation Trust
Buglife, the Invertebrate Conservation Trust
National Federation of Badger Groups
RSPB
Plantlife
RSPCA
The Wildlife Trusts
Wildfowl and Wetlands Trust
Woodland Trust