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20 July 2005

From Lord Bach  
Minister for Sustainable Farming and Food

*followed up 27.02.06.*

**ORGANIC FARMERS - SINGLE PAYMENT SCHEME**

Thank you for your letter of 29 April to Ben Bradshaw about payments to organic farmers under the Single Payment Scheme (SPS). I am replying as the Minister responsible for this area, and am sorry for the delay in doing so.

Under the SPS, the value of a farmer's entitlements will initially be made up of a mix of historic subsidy receipts and a flat rate amount for each eligible hectare they declare under the scheme. In 2005, the historic subsidy element will account for 90% of the value, reducing progressively to zero by 2012 when the transition period will be completed. Those farmers who operated organic or other form of extensive systems during the reference period (2000-2002) used for calculating historic receipts may, therefore, have relatively low value entitlements in the early years of the scheme. But, by 2012, their entitlements will be the same as all other farmers in the same region.

An exception has been made for those farmers who participated in EU funded agri-environment schemes, including the Organic Aid Scheme (OAS) and the Organic Farming Scheme (OFS) which aided farmers to convert to organic farming. Such farmers are able to benefit from the hardship provisions in the EU legislation, which establishes the SPS. These provisions allow affected farmers to discount the years, within set limits, after they joined the OAS or OFS when calculating the historic

subsidy element of the value of their entitlement. In practice this means that most organic farmers will receive entitlements based on their subsidy receipts before conversion.

As we understand it, around 200 of the 2,500 or so organic farmers in England will be unable to take advantage of the hardship provisions because they converted to organic farming without participation in the OAS or OFS or converted to full organic production before the introduction of the OAS in 1994. We have given a good deal of thought to means of helping them through the hardship provisions or otherwise but, whilst we sympathise with their concerns, we have had to conclude that there is no basis in EU law for us to add to the value of their entitlements. However, as I said above, by 2012 their entitlements will be the same as all other farmers in the same region. And in this respect, of course, their position is the same as that of any other farmer who made a business decision before or during the reference period to adjust their business in a way that would have led them to receive a reduced level of subsidy.

*... in order to have this would be the ...  
... the ...*

*Your Sincere,*

*Willy Bach*

**WILLY BACH**

*... BA-...*