

WRITTEN SUBMISSION FROM NORTHERN IRELAND AGRICULTURAL PRODUCERS ASSOCIATION

Delays in payments are causing cash flow problems on farms. Banks are reducing overdraft facilities and debts are increasing.

In the past year some farms sold livestock which was not ready and took less money to alleviate problems. This knock on effect reduces farm income and increases the negative impact. Some herds closed with TB could not sell stock and faced additional costs in the interim. Problems begin when a farm is selected for inspection as no payments will be made until all issues which arise at inspection are resolved.

Inspections can be randomly selected or can occur due to a potential problem with a farm. Once an inspection occurs there is no guaranteed timescale for payment which creates the first problem for discussion with financial institutions.

For the past two years at least inspections in some areas have run into the next year so starting a chain of events which led in some cases to payments no being made until late 2011.

In 2011 from the day inspection it was almost exactly 3 months until the farmers received an inspection report on which they could comment. Many farmers did not understand the report and required help to decipher it. The report then went to Orchard House to be actioned either by having a penalty applied or if not to be approved for payment. Again there is no exact timeline on this.

The additional problem is that inspection reports are checked retrospectively against SFP claims since 2005 and penalties may be applied.

Once again when farmers are notified of retrospective penalties they have difficulty understanding how these are applied, as land may have changed and letters are not specific to areas.

Until this process is complete in Orchard House, no money is paid out.

While percentage payment targets are achieved and perhaps surpassed, it does not help those awaiting payment.

More resources may be the answer from inspection through the chain although we believe inspections commenced earlier in 2012.

The other solution which would appeal to farmers and would alleviate problems for all concerned would be to make an advance payment to everyone with the remainder paid by an agreed date to all except those with inspections.