

Common Agriculture Policy Task and Finish Group CAP(4)-2-11 Additional Paper

Common Agriculture Policy Task and Finish Group Inquiry into proposed reforms of the Common Agriculture Policy

Supplementary Paper on **Capping** from the Deputy Minister for Agriculture, Food, Fisheries, and European Programmes.

Introduction

The draft regulations issued on 12 October propose that the basic payment will be subject to capping where the claim is over €150,000 and then progressively withdrawn so that no more than €300,000 can be claimed. This paper contains an illustration of the estimated impact of capping payments to farmers in Wales.

Capping Bands

The proposed capping bands are:

- <€150,000: no capping
- €150k to €200k: 20% reduction
- €200k to €250k: 40% reduction
- €250k to €300k: 70% reduction
- >€300k: 100% reduction

Illustration

The attached illustration is based on existing entitlement numbers and values and uses the details available on the capping proposals in the 12 October 2011 draft regulations. It provides estimates for:

- The number of customers who start in each capping band
- The number of customers affected by each capping band
- The total value of deductions by each capping band.

The estimates indicate that by 2019, when Wales needs to be making fully area-based payments, 18 farms (0.1% of all farms) would be affected by capping to a total value of €1.2 million.