

THE COMMON AGRICULTURAL POLICY POST 2013

JohnPrice PERSPECTIVE

An Active Farmer?

- Why define an active farmer?
- In order to ensure the share of the monies are distributed amongst the people/businesses it was designed to help



How do you define it?

In my opinion you will have extreme difficulty doing this in words. Because even a business no longer ‘directly’ producing a product can claim to be active.

i.e A land owner maintaining the land for agricultural purpose but renting this out for another business to graze the crop (grass) he has produced. In my opinion under your definition this is still active



**So why define it when you can
measure it!**

Measuring an active farmer

Where to start –

The first point is the acknowledgement that there are many different enterprises that make up the agricultural industry.

And all of these are claiming a share of the money available

Measuring an active farmer

Therefore we need a measurement that we can then use to compare different enterprises against each other.

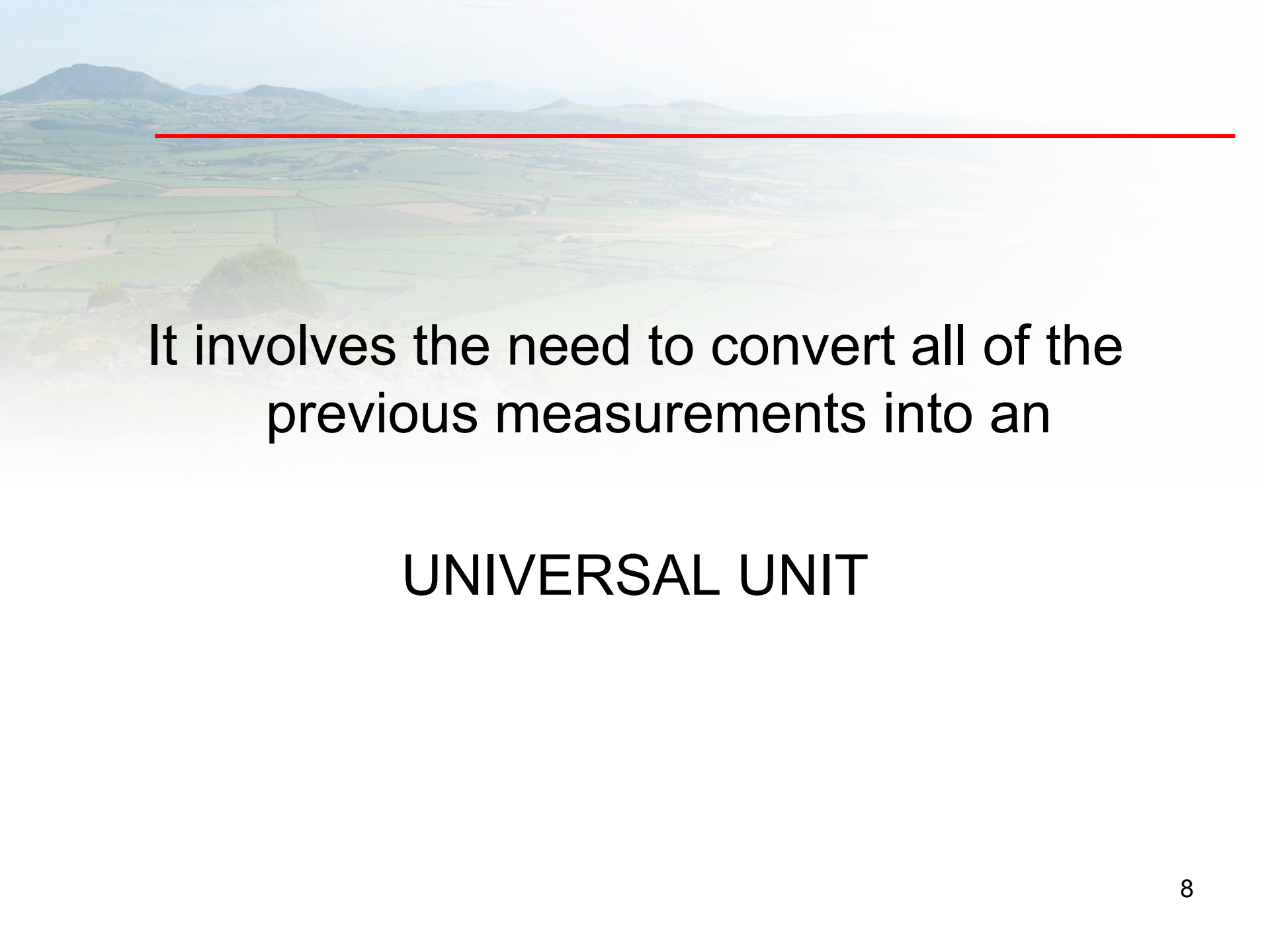
A measurement of the 'size' of the overall business and not just a head-age payment or a land payment, something that will calculate more than this, as agriculture itself is more complex than this!

How can this be done ?



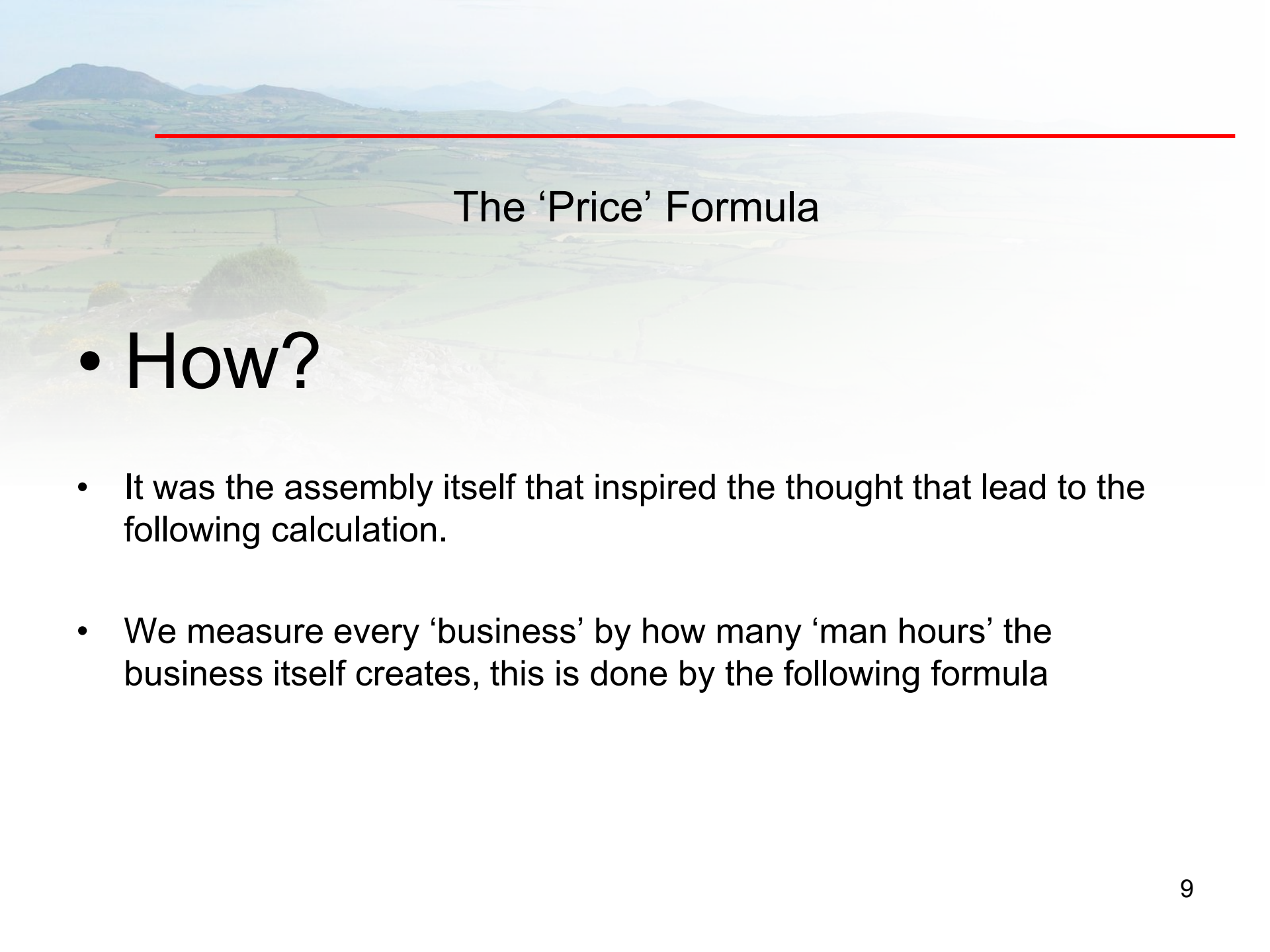
- The **'PRICE' Formulae** takes into consideration the following -

- 1) The amount of land a business is responsible for
- 2) What the business has decided, or is able, to do with that land
- 3) The level at which the business operates at



It involves the need to convert all of the
previous measurements into an

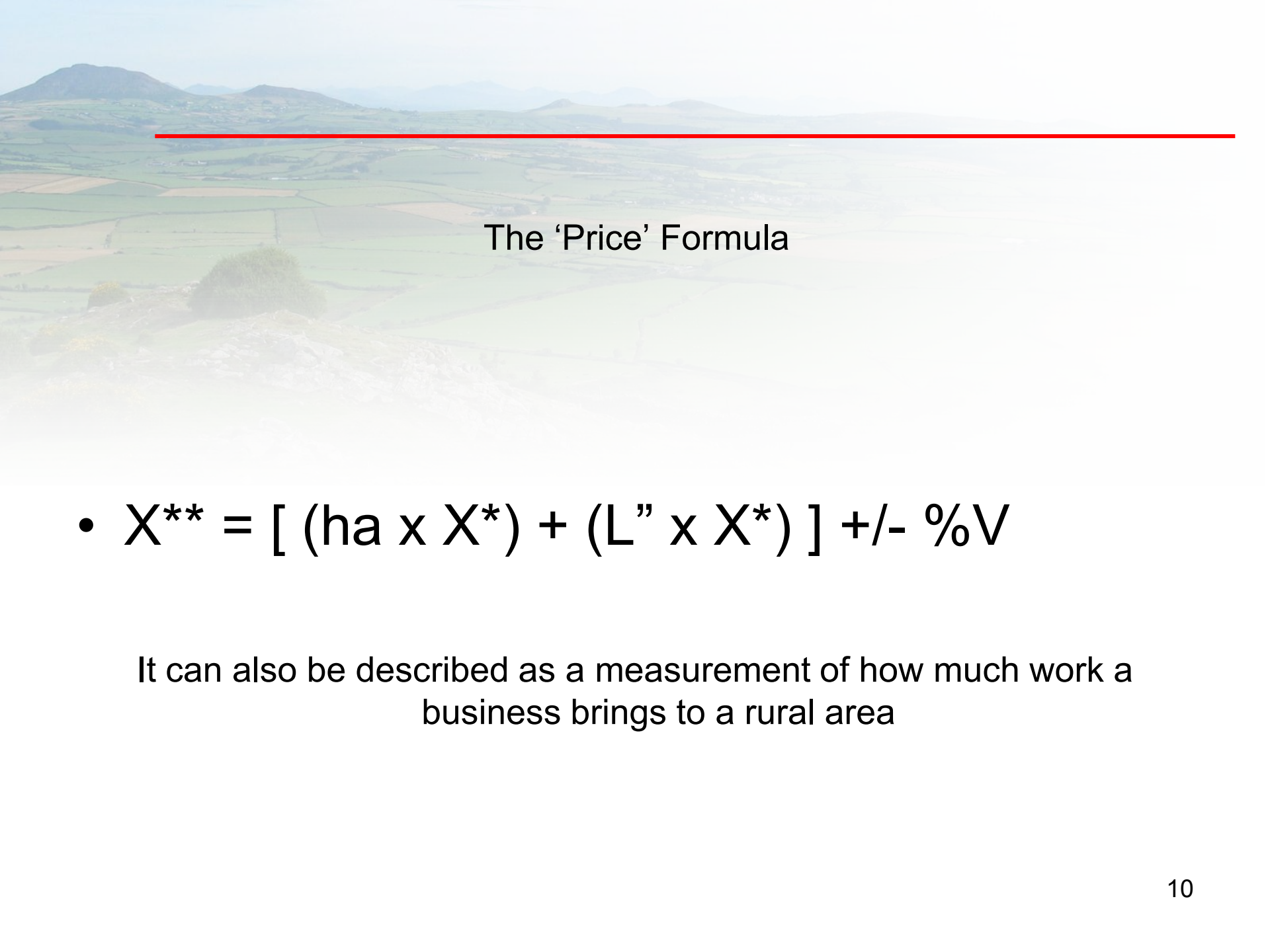
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The 'Price' Formula

- **How?**

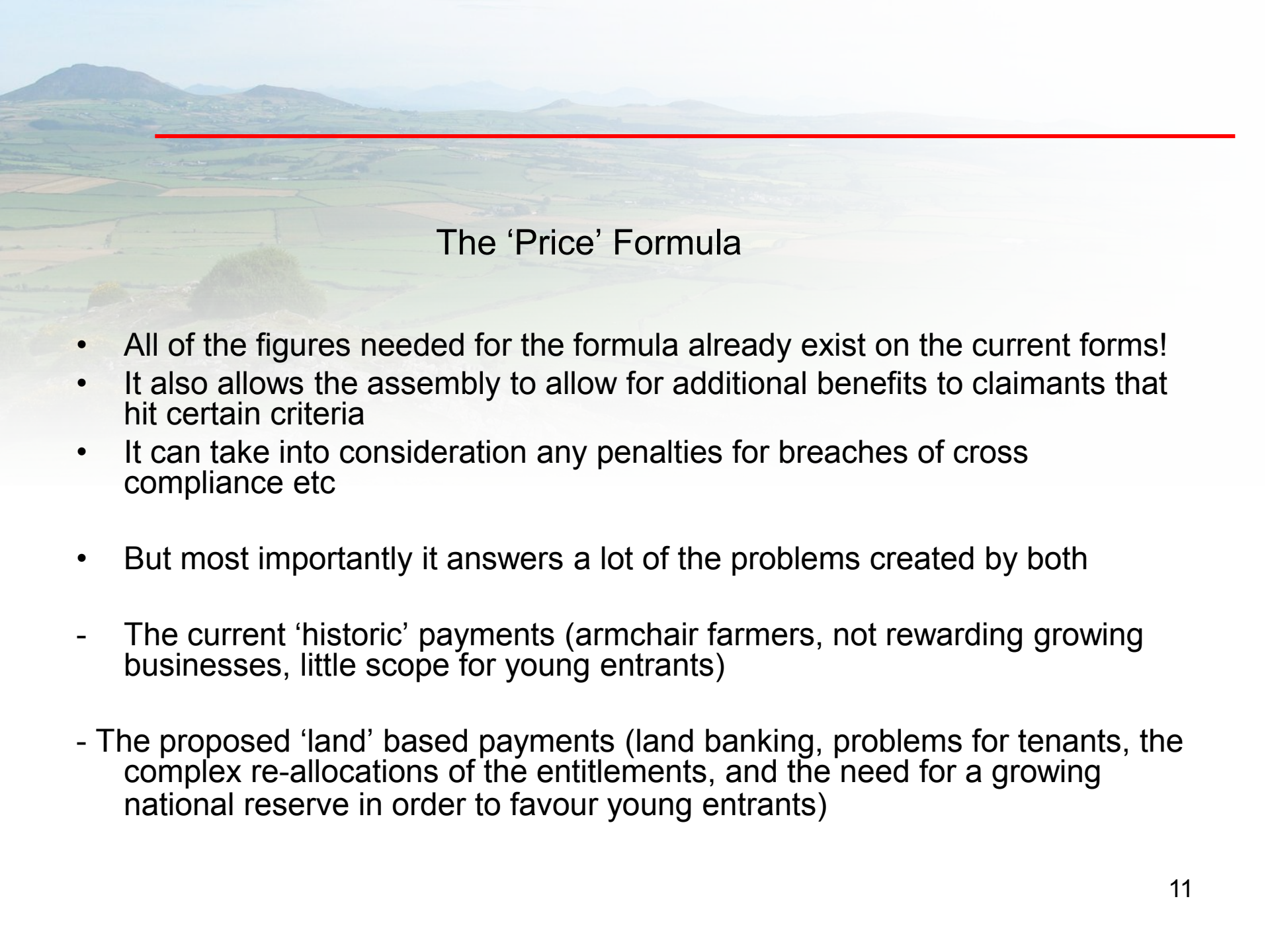
- It was the assembly itself that inspired the thought that lead to the following calculation.
- We measure every 'business' by how many 'man hours' the business itself creates, this is done by the following formula



The 'Price' Formula

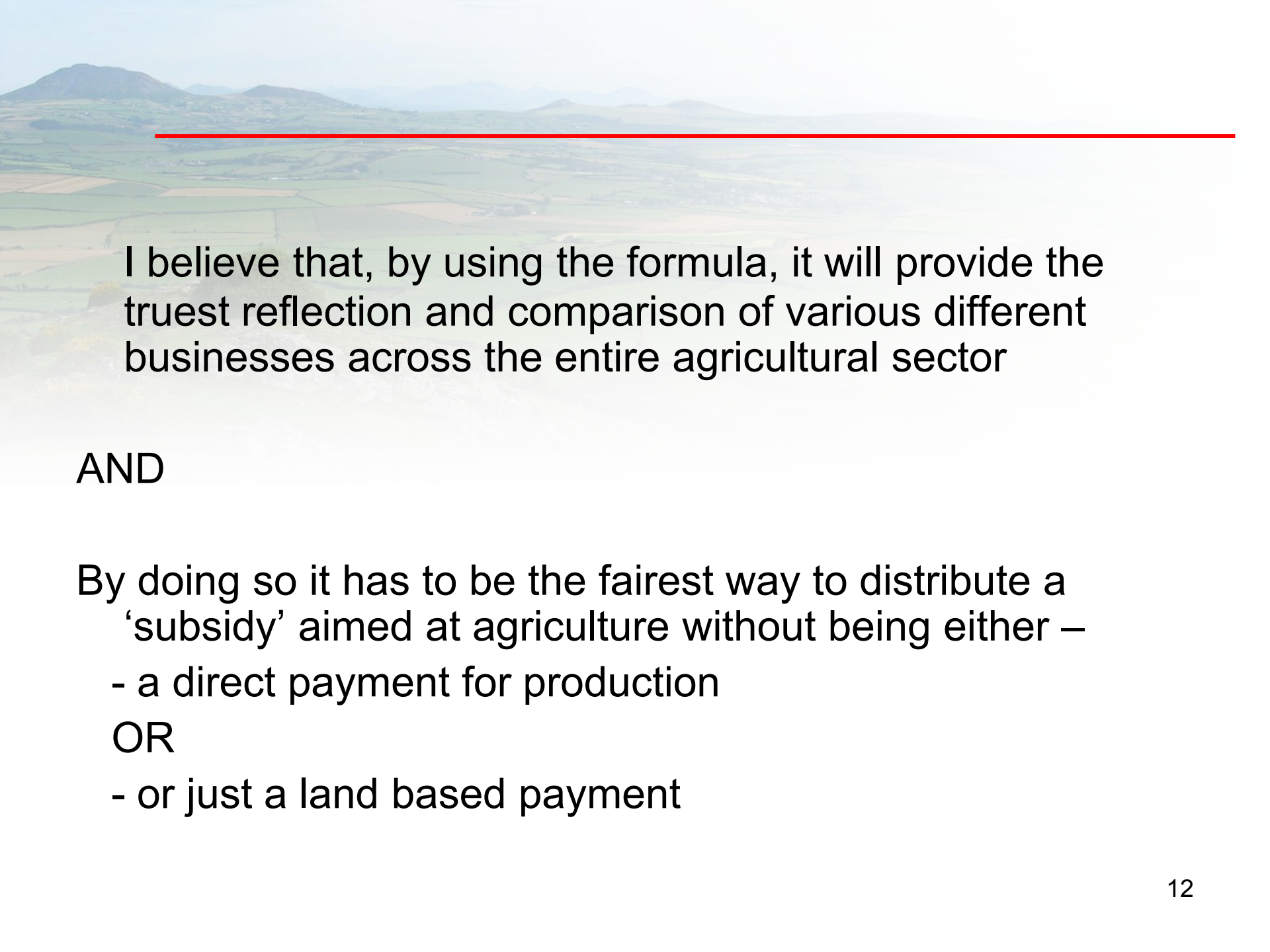
- $X^{**} = [(ha \times X^*) + (L'' \times X^*)] +/- \%V$

It can also be described as a measurement of how much work a business brings to a rural area



The 'Price' Formula

- All of the figures needed for the formula already exist on the current forms!
- It also allows the assembly to allow for additional benefits to claimants that hit certain criteria
- It can take into consideration any penalties for breaches of cross compliance etc
- But most importantly it answers a lot of the problems created by both
 - The current 'historic' payments (armchair farmers, not rewarding growing businesses, little scope for young entrants)
 - The proposed 'land' based payments (land banking, problems for tenants, the complex re-allocations of the entitlements, and the need for a growing national reserve in order to favour young entrants)



I believe that, by using the formula, it will provide the truest reflection and comparison of various different businesses across the entire agricultural sector

AND

By doing so it has to be the fairest way to distribute a 'subsidy' aimed at agriculture without being either –

- a direct payment for production

OR

- or just a land based payment



THE END

Y DIWEDD

Please feel free to contact me for further details or a detailed explanation of how the formula works