

Banks loan £100m extra to farmers amid CAP crisis

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Banks loaned an extra £100 million to farmers across Scotland last year, as businesses struggled to cope with the SNP's CAP payments crisis.

Official figures released today showed farm debt went up by five per cent from the previous year, a cash-terms rise of £113 million.

It means debt levels of £2.32 billion are now at their highest since records began in 1972, the Survey of Bank Advances to Scottish Agriculture confirmed.

It comes as the sector again faces challenges after the Scottish Government failed to process European payments on time.

Over the past two years, the rural community has been starved of hundreds of millions of pounds thanks to the botched IT system.

Shadow rural affairs secretary Peter Chapman said that fiasco, along with other challenges facing the industry, has forced more farming businesses to take out loans.

The statistics showed that the type of loans taken out by farmers were split roughly evenly between short and long-term liabilities.

Scottish Conservative rural affairs secretary Peter Chapman said:

"These figures show the financial state of farming businesses in Scotland has never been worse.

"Yet at a time you'd think the Scottish Government would step in to help, ministers have only made the situation worse.

"The SNP's catastrophic management of CAP payments starved the rural community of hundreds of millions of pounds.

"Only now are we beginning to see the financial impact of that on businesses right across the country.

"The SNP must address these figures urgently and set out what it intends to do to help this vital sector recover.

“If it fails, the whole country will pay the price.”

To see the full publication, visit:

<http://www.gov.scot/Resource/0052/00524261.pdf>

The SNP starved rural Scotland of hundreds of millions of pounds thanks to its CAP payments fiasco:

<http://www.scottishconservatives.com/2017/05/snp-must-publish-secret-report-w-hich-blasts-cap-payment-chaos/>

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<http://www.scottishconservatives.com/2017/07/snp-cap-slowdown-sees-1300-farmers-still-waiting-for-payments/>