<u>Sturgeon must come clean on second CAP</u> crisis

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Nicola Sturgeon has been urged to "come clean" on whether or not the Scottish Government will need to ask for an extension in delivering vital farming payments.

The deadline for processing Common Agricultural Policy cash is next Friday and, if that is missed, the European Commission could slap ministers with a fine of up to £60 million.

As of last week, nearly 6000 farmers were still waiting for 2016 CAP payments, and the Scottish Government is signing off significantly fewer than 1000 a week.

That means the deadline will almost certainly be missed, with the prospect of a huge penalty for the taxpayer and more hardship for farmers.

At First Minister's Questions today, Scottish Conservative Ruth Davidson demanded answers on what contact the SNP has had with the EC over an extension.

However, Ms Sturgeon wouldn't say if a derogation had been sought — despite being asked specifically three times — instead saying she would "endeavour to make payments on time".

Last year, the Scottish Government's failed IT system starved rural Scotland of hundreds of millions of pounds.

And just last week, Audit Scotland warned the problems would only be fixed in 2018 "at the earliest" and that serious issues remained in processing the crucial subsidies.

Scottish Conservative leader Ruth Davidson said:

"The deadline for processing these payments is a week away and, if the Scottish Government does not meet that deadline, it could be fined tens of millions of pounds.

"That's why rural Scotland and taxpayers need to know if the SNP has approached the European Commission for an extension.

"Instead, Nicola Sturgeon did what her rural affairs secretary did earlier this week and dodged the question.

"It's a disgrace that so many farmers are still waiting for payments, and it

looks like — for the second year running — the SNP is going to have to go cap-in-hand to Europe and ask for special treatment.

"This all has a massive knock-on impact for the wider rural economy.

"It's no wonder rural communities have completely lost trust in the SNP."

As of June 15, 5861 payments were still to be processed before next Friday's deadline.

On average, the Scottish Government's IT system is processing 895 payments a week, meaning the deadline will almost certainly missed.

To see the full statistics, visit the below link and click "cap payment updates":

http://www.scottishconservatives.com/cap-payments-update/

In a damning report last week, Audit Scotland said — should that deadline be missed — the Scottish Government could be fined up to £60 million: http://www.audit-scotland.gov.uk/report/common-agricultural-policy-futures-programme-further-update

Earlier this year, Nicola Sturgeon offered assurances to farmers that she'd sort out the CAP crisis:

"Last year's problems with farm payments were unacceptable. Many of you, rightly, made that very clear to us. So did your union.

"In fact farm payments has been a good example of the role NFUS can play. It has been clear in its criticism, while also being very constructive in working with us to mitigate the impact on farmers.

"I want to assure all of you today that lessons have been learned. The Scottish Government has already accepted every recommendation made by Audit Scotland in relation to future payments, as part of our work to improve the system. We have also made £270 million of loans available for farmers who needed to receive their 2016 payments in January or earlier. And we expect all 2016 payments to be made by the end of June.

"We understand the difficulties that late payments caused to you last year. We apologise for those difficulties. We are determined not to repeat them."

(Scottish Government, 7 February 2017, link).

And rural affairs secretary Fergus Ewing made similar remarks:

"However, we must be realistic. I am determined that, for the 2016 payments, we make clear to Parliament and to the farming industry what the likely timescales really look like. The farming industry needs to have confidence in the payment timetable and that we will do what we say. There must be no repeat of the problems that were faced in 2015-16.

"From day 1 in the job and for the foreseeable future, the resolution of the CAP payment issues is my top priority as <u>cabinet</u> secretary. I assure members and all those who are listening in Scotland's rural communities that I will devote all necessary time and attention to that task. It is my number 1

priority. I give the chamber the categoric assurance that I am determined to oversee and drive forward the work that is necessary to bring the payment regime back on to an even keel.

"I am determined that the Government will learn the lessons from the futures programme not just for the remainder of that programme but for our wider portfolio of IT programmes. However, I do not wish to distract from the clear and present task of getting the last of the payments out to farmers and crofters. Now is the time to focus on that, and on meeting the payment deadline successfully, but I can say to members that there will be a process to learn lessons from the experience.

"On behalf of the Scottish Government, I address three simple words to all farmers and crofters who have suffered as a result: we are sorry. Let me follow that up with four further words: we are fixing it."

(Official Report, 31 May 2016, link).