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## Avoid costly cross compliance breaches

At busy times of the year, such as during harvesting, some farmers are inadvertently breaching cross compliance regulations which can be a costly mistake, warns Peter Caley of Brown & Co.

A crucial subsidy for many farm incomes, the Single Farm Payment (SFP) can make the difference between profit and loss and as such needs 'protecting'. To receive the full SFP, farmers must comply with a number of Statutory Management Requirements (SMR) and Good Agricultural and Environmental Condition (GAEC) rules and conditions.

"The vast majority of breaches are non intentional," says agricultural business consultant, Peter Caley. "However, particularly at busy times of the year some are failing to keep fully abreast of the requirements while others are complying but are not keeping the necessary evidence. The penalties for breaches range from a warning letter to over 5% reduction in payments."

Last year 1% of SPS claimants were inspected, which is approximately 1500 applicants, and several areas identified where breaches were common. Significant numbers of failures were seen for Nitrate Vulnerable Zones where records were either incomplete, irreconcilable or nutrients had been applied in excess of the required amount or limit for the field.

In relation to the GAEC rules, a common problem area was identified where farmers fell foul of maintaining 2metre protection zone from the top of ditch banks or the middle of hedges. Lapses in the rules for soils, such as failure to complete a soil protection review or produce a copy of the 'Cross Compliance Guidance for Soil Management' booklet resulted in farmers being penalised 1% of their payment, which on a 700acre arable farm could be worth in the region of £500.

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“Keeping abreast of all the rules and regulations can be a daunting and laborious task but with financial consequences for non-compliance it is important to do so,” says Peter Caley. “Although the percentage of farms inspected may seem insignificant, it is a risky strategy not to comply fully. Repeat breaches attract higher percentage cut backs often between 5 and 20% of annual payment. Simple management systems can be put in place to avoid inspection failure. Often these are simply a paper version of a farmers thoughts and plans, but are essential as proof and physical evidence required to justify this crucial piece of income.”

Brown & Co has a dedicated team of consultants able to provide compliance appraisals to farm businesses that suspect they are not fully compliant or those simply requiring an annual healthcheck.

## **ENDS**

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### Notes to editors

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