

## The Andersons Centre – Latest News Update

01 October 2009

### 2009 Single Payment Conversion Rate

UK farmers will get a welcome boost to their incomes this year. The ECB's official exchange rate on the 30<sup>th</sup> September is used to convert Single Payments from Euros to Sterling. The rate has been fixed at €1 = 90.93p. This is a 15% increase on last year, and the most favourable rate since the Single Payment Scheme started. In fact, things could have been even better - Sterling actually strengthened slightly over the last couple of days – it had been down to 92p on Monday 28<sup>th</sup> September.

#### SINGLE PAYMENT CONVERSION RATES

Single Payment Year	2005	2006	2007	2008	2009
Conversion Rate, €1 =	0.68195	0.6777	0.6989	0.7903	0.9093

That means most UK farmers will receive a larger Single Payment than last year even though modulation increases slightly between 2008 and 2009. Actual payments can now be calculated in Scotland and Wales for 2009 – although payments will not start until the start of December. In England however, the RPA still needs to calculate the regional average rates for 2009. Last year these were announced at the start of November.

Working on Andersons estimates of the likely regional rates, the lowland flat rate regional amount is estimated at £139.94 per Ha compared to £91.97 per Ha last year after all deductions (but remember part of the increase is due to the phasing-in of the regional payment). For a hectare of historically combinable crop land in England, the payment after all deductions for 2009 is estimated at £242.2 per Ha compared with £215.7 per Ha last year.

*This increase in payments will be welcome on many farm businesses. With lower milk and cereals prices many producers who had been in the position of producing profitably without support are now back to needing the Single Payment to be profitable. In the grazing livestock sector even the best producers struggle to make a return without the Single Payment, even with the current improved market prices.*

**For further information on our Bulletin and Update services, please contact us**

**The ANDERSONS Centre**

Old Bell House  
2 Nottingham Street  
Melton Mowbray  
Leicestershire  
LE13 1NW

01664 503 200

[enquiries@theandersonscentre.co.uk](mailto:enquiries@theandersonscentre.co.uk)

[www.theandersonscentre.co.uk](http://www.theandersonscentre.co.uk)