

Comments from the banks

Allan Wilkinson, Head of Agriculture at HSBC said: "The volatility of commodities is an expected part of farming's trading cycle and we have been working with our customers to deal with this severe downturn for the past 18 months. We want to help businesses progress in the most realistic way and are sensitive to the fact that most farmgate prices are considerably lower than where they were some 12 months ago.

"Despite the very challenging times in which farmers are now operating - which we recently discussed in our 43rd annual Forward Planning booklet for 2016 - we continue to see many well-run businesses in the sector and are eager to support them. Budgeting, bench-marking and monitoring are essential tools in every farm business, and our discussions with customers and non-customers alike take into account a farmer's individual circumstances, needs and capabilities. For those agri-businesses recently affected by the flooding in the North West of England and South West Scotland, our teams are working around the clock to help our customers mitigate the impact and to find solutions to help their businesses recover over the coming 18 months.

"We have a long track record of working with farmers - we were founded in Hong Kong 150 years ago by the families of Scottish farmers to support trade of soft commodities, including agriculture, between Britain and China, and have had a dedicated team to support the UK's agriculture industry for over five decades. Moreover, this dedicated team has been growing steadily across the UK and Northern Ireland for the past eight years. These teams have always taken the trading strengths and capabilities of an individual farming business into account when tailoring funding packages to their needs."

David Hannon, Head of Agribusiness UK at Clydesdale and Yorkshire Bank said: "Having a strong Agricultural industry in this country is very important, with the sector making a significant and vital contribution to the UK economy. It is important that we back British Farmers and we do this through our specialist Agricultural Relationship Managers who understand the present issues that farmers face. We are committed to working with the sector to face any challenges and to ensure a sustainable and prosperous future."

Roddy Mclean, Director for Agriculture at RBS said: "Throughout the year we have been aware of a number of factors impacting the agricultural industry, and have worked hard to keep close to businesses and the industry in order to provide the best possible support.

"In June we were the first bank to announce measures to support farmers in preparing for potential delays in BPS payments. And as a bank have issued further support measures this month following severe flooding in the North West of England and Southern Scotland.

"As always, our advice to businesses would be to approach your bank sooner rather than later with any concerns or issues regarding cash flow.

"Agriculture is a huge contributor to the UK – and global - economy and we are committed to supporting businesses across the sector with any challenges they face."

Andrew Naylor, Head of Agriculture at Lloyds Banking Group said: "Agriculture plays a crucial role in the UK economy, and having been through a difficult few months, it is vital that farmers get all the support they need. Banks have a real part to play, through offering financial support, and Lloyds launched a £500 million fund for farmers who might be affected by any delays to their annual payments.

"The RPA and DEFRA are doing all they can to make payments before the end of the year but we hope our contingency fund will help any farmers who do need the money urgently, in order to keep their business moving, whether they are looking to buy livestock, invest in crops or simply manage their cash flow."

Mark Suthern, Head of Barclays Agriculture said: "Barclays will support any farming customer impacted by delayed BPS payments and is encouraging farmers to plan ahead now. Many farming sectors have experienced tough trading conditions in late 2014 and throughout 2015 therefore planning for cashflow is imperative to help farming businesses manage their finances. Barclays Agriculture has a long history of supporting UK Farming for over 250 years through many difficult times, this latest commitment is part of that on-going support for the industry. Farming businesses that are anticipating an urgent need of BPS income to aid cashflow in December and into 2016 should talk as soon as possible with their Agriculture Manager so a facility can be put in place to ease that pressure.

"Barclays Agricultural Managers will work closely with farmers impacted by potentially delayed payments to understand their individual circumstances and can offer; a temporary fee-free new or increased overdraft, to help customers cover cash flow impacted by any delayed payments to BPS, capital repayment holidays on mortgages and loans, in order to ease cash flow problems over the coming months (dependent upon individual circumstances). Barclays is encouraging UK farmers that are experiencing cashflow difficulty from delayed payments to plan ahead and contact their Agriculture Manager, as communication is key."