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LLOYDS BANK READY TO SUPPORT FARMERS THROUGH £500 MILLION FUND

- *Lloyds Bank has already had requests of support from UK farmers, through its recently established £500m farmers fund.*
- *The fund has been designed to help farmers get early access to financial help in the event of delays to the payment of financial support from the EU.*
- *Bank will waive all arrangement fees for any support provided as a result of delays to these payments.*

Lloyds Bank has already received requests of support from farmers in England and Wales, through its recently launched £500 million fund, as farmers look to protect themselves from the effects of possible delays to crucial financial help from the EU.

Each year around 100,000 farmers in the UK receive around £2 billion in EU funding, through what is now known as the Basic Payment Scheme – and many rely on this funding for various aspects of running their businesses – for example, to manage cashflow, invest in machinery, or purchase livestock.

Although the ‘window’ for these payments remains open until June 2016, they are normally made at the start of December. This year The Rural Payments Agency, which manages the Basic Payments Scheme in the UK, has said that the majority of payments will be made by the end of December, but that some farmers may not be paid until the New Year.

Lloyds Bank has established the contingency fund, to help farming customers who may need access to finance within the Basic Payment window before their payment arrives. Any of the Group’s farming customers, who are recipients of the Basic Payment, will be entitled to request support from the fund.

Farmers will be offered the support during the Basic Payment window in anticipation of their Basic Payment – the value of which varies widely based on a range of factors including the size and type of farm in question.

All facilities set up for farmers affected by delays will be free of any arrangement fees, although interest will be charged on any sums borrowed.

The bank will also be helping customers, who have elected to receive their payment in Euros, by extending the window during which they can protect – or hedge – the foreign exchange rate used to calculate the amount of Sterling they will receive for their Basic Payment. This extension means customers will have up to six months, rather than the usual three months, to convert the Euros to Sterling at the rate they had agreed at the outset.

Andrew Naylor, Head of Agriculture, Lloyds Banking Group said: “UK farmers have been through a tough few months, and we want to ensure they have one less thing to worry about as their year draws to a close.

“The RPA and DEFRA are doing all they can to make payments before the end of the year. We hope this 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.

“Through our network of specialist agriculture managers across the UK, we will be able to help look at each customer’s situation and we will strive to give them the help that they need.”

For more information:

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Notes to Editors

- Lloyds Banking Group provides an extensive network of support for the farming community across the UK through its Agriculture and AMC businesses. The Group has a network of dedicated Agriculture Managers nationwide and provides both lending and broader specialist support.