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## Netherlands

### Agricultural Situation

#### Dutch Agriculture Minister Faces Questions Regarding Conflict of Interest

2005

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**Report Highlights:**

The Dutch Agriculture Minister has been criticized for receiving EU farm payments in connection with his personal farm businesses, increasing the negative image of the CAP in the Netherlands.

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Includes PSD Changes: No  
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On August 14, 2005, the British newspaper "The Observer" published an article that asserted that the position of the Dutch Agriculture Minister, Cees Veerman, toward reform of the Common Agricultural Policy, was influenced by the fact that he is a beneficiary of EU subsidy payments to his own farms in The Netherlands and France. The newspaper made reference to Minister Veerman's threat on June 15 to quit if Dutch Prime Minister Balkenende backed the plans of the UK Government to lower the EU spending ceiling for agricultural subsidies. In response to the press article, Veerman flatly denied the accusations that his views were influenced by subsidy payments to his farming operations. He pointed out that he had resigned from the management responsibilities of all his farming operations effective on the date he assumed his position as Agriculture Minister.

On August 16, the Dutch Ministry of Agriculture made public the subsidy payments to the farms of Cees Veerman. A total of about Euro 190,000 of payments were made in 2004/2005 in connection with the farming operations, of which the majority of about Euro 150,000 went to his farm in France. On August 23, the Ministry of Agriculture announced that it would take a similar step with respect to disclosure of CAP subsidy payments to all Dutch farmers. This information will be released to the public on September 21, 2005, and will cover the payments made over the period of October 1999 through October 2004. The government's decision to release this information is based on the Dutch Law on Public Administration, which provides for public disclosure of details on government programs and operations.

Additional questions of conflict of interest surrounding Minister Veerman's farm holdings were raised on August 31, when the Dutch press reported that Cees Veerman was still legally the "President" of his farming operations in France, and his signature appeared on a recent financial report of the French farming operation. On September 1, Minister Veerman went before the Dutch Parliament to clarify the situation. The Minister blamed the negligence of the French notary for the fact that he was still in the position of "President" of the business operation. He admitted that the signing of the financial statement was an error on his part. Veerman assured members of Parliament that he would resign if any evidence of serious conflict of interest appears in the future, but he also said he would resign if the Parliament initiates an investigation of his business interests. The Minister explained that his farm ownership does not influence his decisions on agricultural policy, as he has supported many decisions to cut subsidies for the sector. During the debate, the opposition parties, mainly the Green Party and the Socialist Party, were critical of the Minister, but were finally convinced of his integrity and concluded that there has not been any conflict of interest during his governance.

The flap over possible conflict of interest in Minister Veerman's farm ownership and receipt of CAP subsidies will only serve to heighten the level of skepticism among Dutch citizens about the fairness and purpose of EU agricultural subsidies. The government's decision to provide public disclosure of farm payments made to individual producers will give the Dutch public its first detailed view of subsidies paid to the sector. This will likely generate additional negative press and debate about the level of the EU budget allocated to agriculture and the appropriateness of the CAP payment schemes. It will no doubt place additional pressure on the Dutch government to take a hard line in future discussions on EU agricultural budget issues.