

Summary of Recent changes to Milk Production Partnership

Date: 18th August 2008

Re: Recent changes in Milk Production Partnership Regulations

Modifications have recently been introduced for milk production partnerships and these changes are effective from 1st April 2008. The main changes are as follows:

- The off-farm income restriction has been removed except for new entrants and farm managers and the limit in their situation has been increased to €40,000.
- The off-farm income restriction will only apply to new entrants & managers who are under 35 years of age.
- There is no longer a distance limit between farms in partnership
- Upper age limits no longer apply
- The 500,000 litre limit for new entrant/parent partnerships has been removed
- All Regulations involving quota transactions now applies to both the new entrant and the parent in new entrant/parent MPPs. This means that both the new entrant and the parent(s) can apply individually to purchase quota from the trading scheme.
- More than one new entrant can be in a partnership
- New entrants, parents and other farmers can be in the same partnership.
- A farm manager can enter into a partnership with a dairy farmer
- A non-dairy farmer can enter into partnership with a dairy farmer and acquire quota in his/her own right.
- For further information regarding access to milk quota referred to above please check details of the Milk Quota Trading Scheme.

Special provisions were introduced during 2007 under REPS 4 for milk production partnerships.

Because of the relaxation of the distance and off-farm income requirements all partnerships will in future have to show evidence that they are operating and continue to operate as a partnership. This will involve:

1. Providing evidence that the partnership is operating through a joint bank account for the partnership business
2. Submitting on an annual basis evidence to show that profit is distributed according to partnership regulations.