



CAP 2015

**Department of Agriculture Food
and the Marine**

Teagasc National Crops Forum

Bernie Brennan

Summary of 2015 Schemes

Single Payment Scheme

replaced by

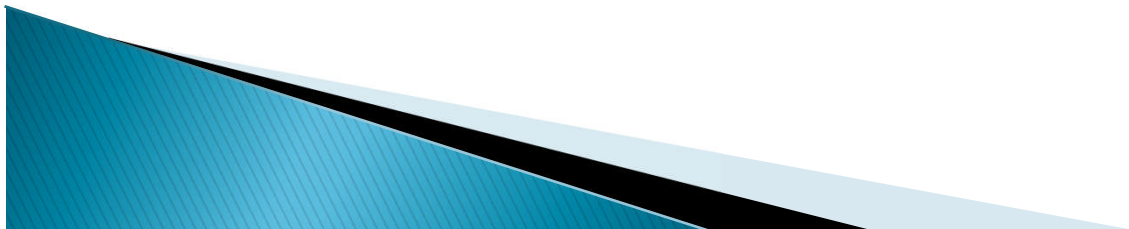
Basic Payment Scheme

▶ Ireland will also implement:

- Young Farmers Scheme
- Greening
- Coupled Support for Protein Crops

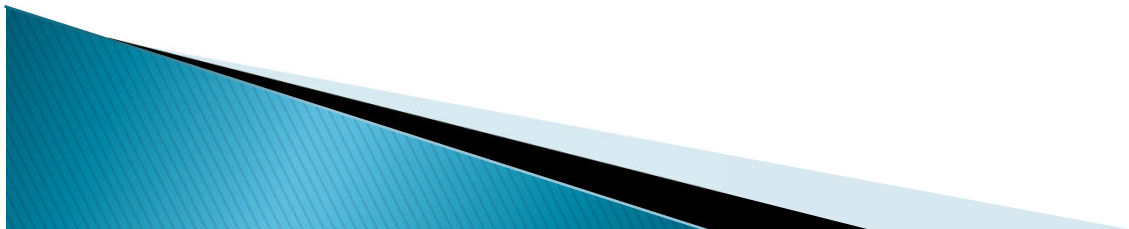
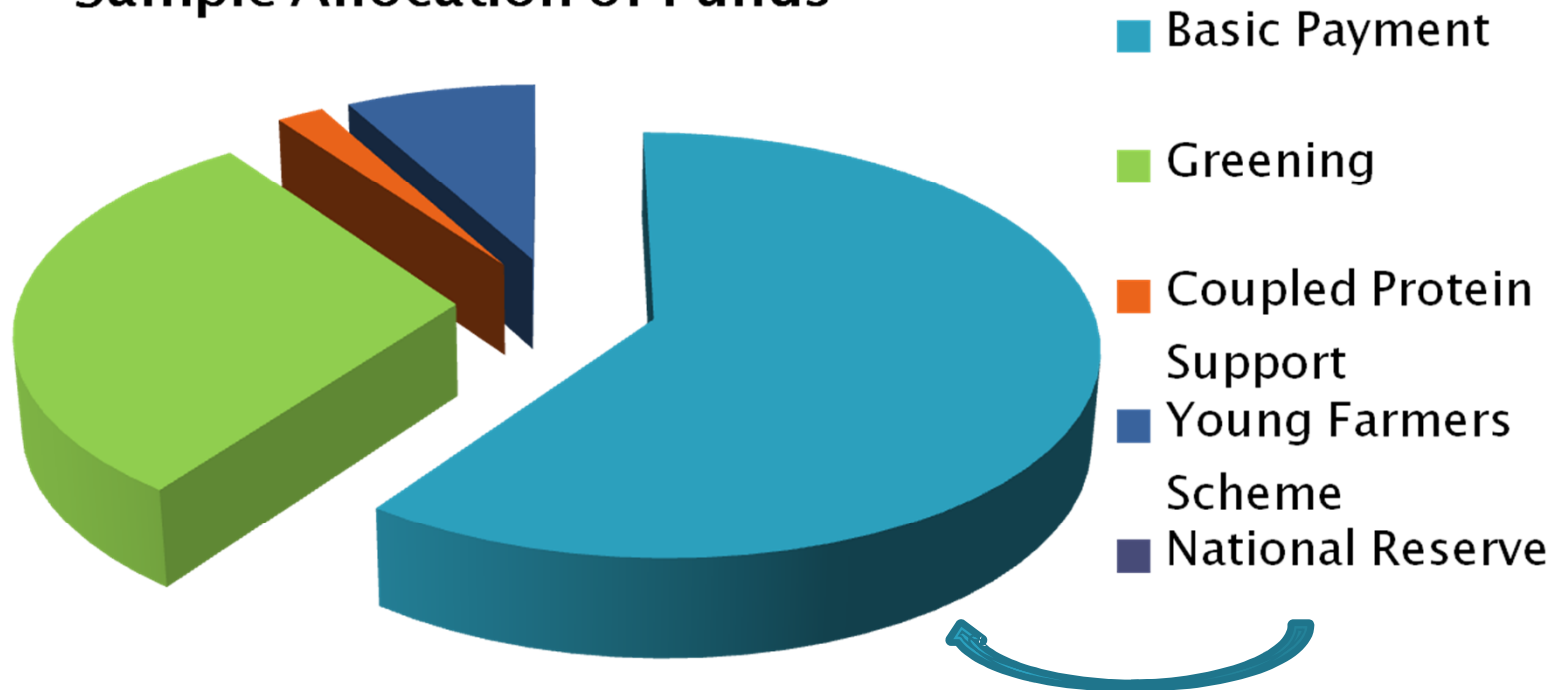
- National Reserve

Priority access: Young farmers and new entrants



Potential Payments

Sample Allocation of Funds



Basic Payment Scheme



Reference Points

- ▶ receive a direct payment in 2013 (single payment scheme, grassland sheep scheme, Burren Life, or Beef Data Programme)



2013 Allocation Right

- ▶ Eligible land declared in 2013



*2013 Land Reference

- ▶ Value of Entitlements owned in 2014 (including entitlements leased out) plus value of 2014 Grassland Sheep Scheme



2014 Value Reference
(a fixed % of this value will be carried forward)

- ▶ Eligible land declared in 2015



*2015 Land Reference

- ▶ *The number of entitlements is established by using the lesser of the eligible hectares declared in 2013 or 2015

Sample Calculation

2014 Value
€9000 SPS+€1000 GLS



Value of Entitlements =
€10,000 X 65% = €6500

2013 Land Reference
100



Number of Entitlements = 80

2015 Land Reference
80

Initial Unit Value is established
by dividing the value by the
number of entitlements=
€81.25

Convergence of Entitlements

- ▶ High Initial Unit Value



- ▶ National Average
- ▶ 90% National Average
- ▶ Minimum Value of 60%
 - (by 2019)



*€171.82



*€154.64



*€103.09



(Transfer of €103m)

- ▶ Low Initial Unit Value

*estimated values
based on 2013 data

Minimum and Maximum

- ▶ Maximum payment per hectare by 2019
- ▶ Minimum entitlement value by 2019

- ▶ €700
 - (approximately €481 per entitlement plus greening payment)
- ▶ 60% of national average (approximately €103 per entitlement)

*Calculator on Dept website

*Provisional entitlement statements will issue to all farmers in February 2015

Scottish Derogation

Scottish Derogation

(Non-Entitlement Holder)

- ▶ Never held entitlements (owned or leased) including in 2014
- ▶ actively farming on 15 May 2013
- ▶ Evidence of production in 2013
- ▶ Restricted to beef, dairy, sheep and tillage sectors
- ▶ Online application

▶ Evidence of Production in 2013

- Held Livestock
- Evidence of tillage production; e.g. Contract, seed receipts, sale receipts, etc

Active Farmer

- ▶ Entitlements will be allocated and transferred to 'active farmers' only

'Definition of Active Farmer'

1. Rearing, growing, harvesting, milking, keeping animals or
 2. Maintaining land in good agricultural and environmental condition or
 3. Minimum Activity on marginal land
- * Negative list applies

Active Farmer – Negative List

'The Negative List'

Persons who operate (own or manage)

- ▶ Airports
- ▶ Railway services
- ▶ Waterworks
- ▶ Real Estate Services
 - Professional property developers
 - Property management services
- ▶ Sport and Recreational grounds
 - Golf courses, race courses, adventure/activity centres, caravan/camping centres, football pitches, etc.
- ▶ Includes applicants who act as director of a company which operates these services
- ▶ Persons on negative list may be deemed Active Farmers on submission of proof to satisfy required criteria
- ▶ The Department will examine options in relation to the application of the negative list

Defining the 'Young Farmer'

- ▶ 'Young farmer' status gives access to:
 - National Reserve
 - Young Farmers Scheme
- ▶ Aged 40 or less in first year of BPS application
- ▶ Established holding within previous 5 years
- ▶ Agricultural Qualification (FETAC Level 6)

Defining 'Young farmer' for Partnerships and Limited Companies

- ▶ Joint herdnumber

- ▶ Partnership

- ▶ Company

- ▶ At least one person must meet definition of 'young farmer'

- ▶ Must declare that effective control of decision making power lies solely or jointly with young farmer – and provide supporting evidence

- ▶ 'Five years' dates from when young farmer takes such control.

- ▶ Payment ceases when young farmer no longer in control

Young Farmers Scheme

Scheme details

- ▶ Additional payment for young farmers
- ▶ Maximum of five years of payment
- ▶ Legal entity eligible for payment if meets definition of 'young farmer'

The Payment

- ▶ 25% of national average payment per hectare
- ▶ Payment on number of entitlements activated: maximum of 50



National Reserve – Categories

Young Farmers

- Aged 40 or less in first year of BPS application
- Established the holding during the 5 years preceding the first submission of a BPS application
- Agricultural Qualification (FETAC Level 6).
- ▶ Consultation with advisory committee shortly

New Entrant

- No age restriction on applicants
- Commencing in 2013 or later and must apply to BPS within two years of commencing
- Agricultural qualification at FETAC level 6.

National Reserve – Allocation

Details

- ▶ Allocation to ‘Active farmers’
- ▶ Funded by 3% of BPS ceiling in 2015
- ▶ Replenished from unused entitlements
- ▶ May allocate new entitlements – on “naked land”
- ▶ May ‘top-up’ the value of existing entitlements to the National Average

Changes during Transition Period



Change in Status of Holding (Land) from June 2013 to May 2015

Event	Process	Result
Sale of holding	Private Contract Clause	Allows for sale of entitlements with land
Lease of holding	Private Contract Clause	Allows for lease of entitlements with land
Gift of holding	2015 Transfer Form	Allocation Right and '2014 Value' follows the land (Unless entitlements transferred in 2014)
Inheritance	2015 Transfer Form	Allocation Right and '2014 Value' follows the land (Unless entitlements transferred in 2014)
Partnership	2015 Transfer Form	Separate sets of entitlements established for each partner
Change of Legal Entity (company)	Various	Entitlements established for the company

Conditions for using PCC

The Transferor

- ▶ Must hold Allocation right
 - and
- ▶ Must be 'active farmer' in 2015 (at least 1 hectare)
 - and
- ▶ Must apply for and establish entitlements in 2015

The Transferee

- ▶ Must be 'active farmer'
 - and
- ▶ Must submit a BPS application in 2015 and declare land
 - and
- ▶ Must submit a PCC application (with lessor)
- ▶ Standard PCC form is available on Department Website

Inheritance/Gift

1 June 2013 – 15 May 2015

- ▶ Where land transferred by inheritance/gift, 'allocation right' transfers automatically with the land

Example

*Farm transferred by gift/
inheritance in October
2014*

- Farmer with 100 ha and 100 ents; value of €10,000
- Son A inherits 60 ha: will establish 60 ents with value of €6000
- Son B inherits 40 ha: will establish 40 ents with value of €4000

Partnerships

- Each partner brings own reference points
- Separate set of entitlements established for each partner
- Each set retains own identity, convergence path, etc.
- Partnership can benefit from Young Farmers Scheme
- (one threshold will apply)
- Must apply on line for BPS application in 2015

2015 Direct Payments Information Centre

- ▶ Telephone: 0761 064438
 - Email: CAPdirectpayments@agriculture.gov.ie

- ▶ Greening: 0761 064424
 - Email: greening@agriculture.gov.ie

Thank you for your attention

