

**NOTICE TO PURCHASERS (CO-OPS) AND SUPPLIERS OF MILK**

**2012/2013 MILK QUOTA TRADING SCHEME – 1st STAGE**

**EXPLANATORY MEMORANDUM**

The 1st Stage of the 2012/2013 Milk Quota Trading Scheme for delivery milk quota, as provided for under Regulation 20 of the European Communities (Milk Quota) Regulations 2008, will be subject to the conditions set out in this Memorandum.

**CONTENTS**

A.	ADMINISTRATION OF SCHEME.....	3
B.	SALE OF QUOTA INTO SCHEME.....	4
C.	PURCHASE OF QUOTA.....	8
D.	PRIORITY POOL.....	9
E.	MARKET EXCHANGE.....	19
F.	OTHER REQUIREMENTS.....	22
	ANNEX I.....	25
	ANNEX II.....	27
	ANNEX III.....	30
	ANNEX IV.....	31

## **A. ADMINISTRATION OF SCHEME**

1. The Scheme will be managed by the Department of Agriculture, Fisheries and Food, and will be run for each Co-op or group of Co-ops. Co-ops will be allowed to group together for the purposes of buying and selling quota.
2. The Scheme will be comprised of three elements; a maximum price Priority Pool, a Market Exchange, and, if necessary, a National Pool. 30% of all quota offered for sale will be reserved for distribution at a maximum price from the Priority Pool, and the remaining 70% will be offered for sale on the Market Exchange. In the event that sellers only dispose of some of their quota on the market exchange in their Co-op areas, the balance of their quota will be redistributed, through a national pool, to buyers who have had only part of their demand satisfied on the market exchange in their Co-op areas.
3. The Minister has set the maximum price for quota in the Priority Pool at **5 cent (€0.05) per litre**. Quota purchased under this Scheme will be available to the buyer on 1<sup>st</sup> April 2012.
4. The closing date for receipt of applications in the Department of Agriculture, Fisheries and Food, Agriculture House, Dublin 2 is Friday, 7<sup>th</sup> October, 2011. Any applications received after this date will NOT be included in the Scheme.
5. The Priority Pool and Exchange for each Co-op will be run at a later date, after all details have been processed and verified.

## **B. SALE OF QUOTA INTO SCHEME**

This scheme provides for Milk Suppliers to sell all or part of their milk quota definitively.

### **1. ENTITLEMENT TO SURRENDER MILK QUOTA**

A person can offer to sell his/her quota or part of the quota in the Scheme operated at the level of the Milk Purchaser where the quota is held at the date of application<sup>1</sup>.

Where all or part of this quota is available to the producer on the basis of a lease of land/quota executed since 1983, the seller must provide:

- (a) the consent of the lessor (landlord) to the sale of the amount of the quota attaching to the leased lands; and
- (b) an undertaking by the lessor (landlord) that the proposed allocation of the payment is acceptable to him/her.

### **2. *SALE OF A PERSON'S ENTIRE QUOTA***

- (i) A person who sells his or her entire quota under this Scheme -

- (a) must cease milk deliveries definitively on or before 31 March 2012,

and

- (b) will not be entitled to be allocated quota in subsequent trading or other quota schemes for a period of 3 years.

A producer who sells his/her entire quota under this Scheme loses, with effect from 31 March 2012, his/her entitlement to any allocation received from the National Reserve.

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<sup>1</sup> In the case of quota which has been subject to a lease which expired on 31<sup>st</sup> March 2011 and has reverted to the lessor's milk purchaser, that purchaser's Scheme is the relevant scheme.

### 3. SALE OF PART OF A PRODUCER'S MILK QUOTA

A producer may offer part of his or her milk quota for sale under this Scheme.

A producer who avails of the option of selling part of his or her quota under a Milk Quota Trading Scheme will be subject to the following further conditions:

- (i) he or she will not be entitled to acquire additional quota under another or subsequent Trading Scheme for a period of 3 years;
- (ii) he or she will not be entitled to benefit from the reallocation of unused milk quota ("flexi-milk") to cover any milk deliveries in excess of his or her quota, for a period of 3 years;
- (iii) he or she will not be entitled to acquire additional quota under the temporary leasing scheme for a period of 3 years;
- (iv) he or she will lose, with effect from 31<sup>st</sup> March, 2012, his/her entitlement to any allocation received from the National Reserve.

### 4. *QUOTA INELIGIBLE FOR SALE*

(i) **Direct Sales Quota:**

Direct sales quota may not be traded under this Scheme. A separate Restructuring Scheme for direct sales quota is being operated directly by the Department of Agriculture, Fisheries and Food.

(ii) **Allocations from the National Reserve:**

Where any of a producer's quota has been allocated under any of the following measures, such quota will not be eligible for sale and must be returned to the national reserve:

- **Clawback Reserve:** allocations to certain small-scale producers and young farmers on 1 April 1989;
- **1% (11 million gallons) Reserve:** allocations to small scale producers and New Entrants on 1 April 1989 and all subsequent allocations from the Milk Quota Appeals Tribunal (Hardship Reserve);
- allocations from the **1993/94 (0.6%) Reserve;**
- allocations from the **15 million gallon Reserve** granted to producers with a quota of less than 250,035 litres (55,000 gallons) – 2000/2001;
- allocations from the **5 million gallon Reserve** granted to younger dairy farmers with a quota of less than 159,113 litres (35,000 gallons) – 2000/2001;
- allocations from the Agenda 2000 Reserve established for younger dairy farmers – **2001/2002;**
- allocations from the 32 million litre scheme - **2002/03 and 2003/04**

- other allocations from the National Reserve since 1989;
- (iii) A person may not sell quota purchased through the Trading Scheme into a Trading Scheme in a different area, for a period of three years.

#### 5. **SELLING QUOTA.**

- (i) 30% of the quantity offered will be sold through the Priority Pool at a maximum price. The Minister has set the maximum price for quota from the Priority Pool at **5 cent (€0.05) per litre**. However, in the event that the Market Clearing Price in a Market Exchange is lower than 5 cent, then the maximum price in that Co-op shall be the Market Clearing Price.
- (ii) The remaining 70% will be offered for sale on the Market Exchange. However, if the demand for quota from the Priority Pool is less than 30% of the quota offered for sale, then the surplus will also be offered on the exchange.
- (iii) The 30% Priority Pool portion will not be returned in the event that the market proportion fails to sell. However, no more than 30% of the total quota offered for sale in all trading schemes by any applicant will be taken for the Priority Pool. See examples A, B, C, D and E at Annex 1.

#### 6. **OPTIONAL SELLING PRICE**

After assessing the outcomes of previous exchanges, the Department has identified the following Co-op areas as areas where, either because of the presence of a significant excess of supply over demand or because of the failure of buyers and sellers to converge on price, low, or perhaps no, volumes of quota are likely to be traded:

Arrabawn	Drombane
Centenary	Kerry
Connacht Gold	Kill
Doapey	Lakeland Dairies
Donegal	Lee Strand
Drogheda	

Milk producers in these areas who wish to sell quota will be asked to indicate whether, in order to match the Market Clearing Price, they would be prepared to sell their quota at one or two cent per litre less than their original offer price. If the normal running of the exchange, i.e. using sellers' original offer prices, results in a very small amount of quota, or no quota at all, being traded, then this option will be activated by the Department in order to generate more trade in that area.

Milk Producers, who avail of this option but only dispose of part of the quota they offer in the market exchange, will have the unsold portion transferred to the national pool for redistribution. Please refer to Section E.6 for further information in this regard.

**7. APPLICATIONS TO SELL QUOTA**

A person wishing to sell quota must submit an application form, available from Milk Purchasers/Co-ops, detailing the quantity in litres offered for sale, the minimum selling price per litre and, where appropriate, willingness to sell at one or two cent per litre below the offer price in order to match the Market Clearing Price. The application forms must be completed fully and submitted to the Department by **Friday, 7<sup>th</sup> October, 2011.**

Completed application forms must be forwarded to:

Milk Quota Trading Scheme  
Milk Quota Section  
Department of Agriculture, Fisheries and Food  
Agriculture House  
Kildare Street  
Dublin 2

**Verification of Title forms must be returned to the Milk Purchaser by 7<sup>th</sup> October, 2011.**

## **C. PURCHASE OF QUOTA BY PRODUCERS**

1. Milk producers may apply to purchase quota from a Trading Scheme operated by a Milk Purchaser/Co-op where they hold permanent owned quota and to which they have made deliveries in the 2011/2012 quota year. Producers may purchase quota from one Co-op only.
2. A person wishing to purchase quota must submit an application form detailing the quantity in litres they wish to buy, the maximum price per litre and, if appropriate, the priority category under which they wish to apply.
3. A cheque to the value of the bid, made payable to the Co-op, must accompany the application. Cheques in respect of successful bids will be cashed after the exchange has been run. The cheque must be for the full value of the bid, i.e. the quantity of litres requested multiplied by bid price per litre. If there is a surplus it will be refunded to the producer by the Co-op.
4. If a priority category request for quota is not satisfied from the Priority Pool, the balance of the bid will be placed on the Exchange. See example F at Annex I.
5. A Priority category applicant who only wishes to buy from the Priority Pool, at a maximum price of 5 cent per litre, should ensure that the cheque amount is sufficient to cover the cost. See example G at Annex I.
6. Non-Priority category applicants will have their entire bid placed on the Exchange.
7. The maximum quantity that can be purchased from this Scheme is 100,000 litres, except for Priority Pool categories 1 and 2 detailed in Section D below.
8. Applicants who successfully purchase quota in the market exchange but do not have their request fully satisfied will have their allocations augmented by a further amount from any National Pool established as a result of sellers' failure to dispose of their entire quotas in their own Co-op areas. See Section E.6 for further information in this regard.

### **9. APPLICATIONS TO BUY QUOTA**

A person wishing to buy quota must submit an application form, available from Milk Purchasers/Co-ops, detailing the quantity in litres requested and the maximum price per litre. The application forms must be completed fully and submitted to the Department by **7<sup>th</sup> October, 2011** to the following address:

Milk Quota Trading Scheme  
 Milk Quota Section  
 Department of Agriculture, Fisheries and Food  
 Agriculture House  
 Kildare Street  
 Dublin 2

## **D. PRIORITY POOL**

The Minister has set the maximum price for quota from the Priority Pool at **5 cent (€0.05) per litre**. However, in the event that the Market Clearing Price in a Market Exchange is lower than 5 cent, then the maximum price in that Co-op shall be the Market Clearing Price.

Access to the quota from the Priority Pool shall be to priority categories in the following order of preference:

### **1. SUCCESSORS**

First priority for the allocation of surrendered quota is granted to a son, daughter, nephew or niece (hereinafter referred to as the successor) of

- (i) a person who was no longer entitled to temporary lease his/her quota in accordance with Regulation 27 of S.I. No. 94 of 2000, as amended, and who sold his/her quota under the 2000, 2001 or the 2002 Milk Quota Restructuring Scheme,

OR

- (ii) a person who sold his/her quota under the 2003-2006 Milk Quota Restructuring Schemes, or the 2007/2008, 2008/2009 or 2009/2010 Trading Scheme.

Applicants under this category must meet the following conditions:

- (a) at the time of application the successor has acquired, by way of gift or inheritance, the lands to which the surrendered quota was attached,  
and
- (b) in the case of (ii) above, the successor must also satisfy the educational conditions applicable for New Entrants in this Trading Scheme.

The successor will have priority to purchase up to an equivalent amount of the quantity surrendered under a Restructuring Scheme in the 2000 to 2006 period, or under the 2007/2008, 2008/2009 or 2009/2010 Milk Quota Trading Scheme, provided that there is sufficient quota available in the Priority Pool in the Milk Purchaser Scheme where the quota was surrendered.

The following further criteria shall also apply to applicants under this priority category:

- (i) the successor shall provide a copy of the instrument of transfer in respect of the lands to which the restructured milk quota previously attached;
- (ii) the successor must inform the Department, in writing, 30 days prior to the commencement of milk production, that he or she intends to commence such production.

Quota acquired under this priority category of the Trading Scheme shall not be offered for temporary leasing under the Temporary Leasing Scheme and may only be sold back into a subsequent Milk Quota Trading Scheme at the prevailing priority pool price.

Before commencing milk production, the holding of each recipient of quota in this category must be registered as a food business operator under the European Communities (Food and Feed Hygiene) Regulations, 2009, S.I. No. 432 of 2009.

Recipients of quota in this category are subject to the dormancy provisions of the Regulations in the same manner as other quota holders.

## 2. PRODUCERS WITH “LOST LEASE” ENTITLEMENTS<sup>2</sup>

2.1 The remaining quota after allocation in accordance with 1 above is available for allocation to producers who had taken out a land and quota lease before 1 April 2000, which has expired. The net entitlement to quota is based on the following criteria:

Producers whose land and quota leases expired on 31 March 2011 and/or expired on 31 March 2010, or earlier, on the following basis:

- (a)  $\frac{2}{3}$  of milk quota leased with land where the lease expired on 31 March, 2011 and which has not been or will not be renewed,

**and/or**

- (b)  $\frac{1}{3}$  of milk quota leased with land where the lease expired on 31 March 2010 and where permanent allocations from previous Restructuring or Trading Schemes have not satisfied the full entitlement arising from the lease,

**and/or**

- (c) any previous entitlements arising from land and quota leases that expired on 31 March 2009, or earlier and which have not already been satisfied by permanent allocations under previous Restructuring or Trading Schemes.

### LESS

- (i) additional quota granted to such lessees under the Agenda 2000 Schemes with effect from the 2000/2001 and subsequent milk quota years (excluding allocations made under the 32 million litre scheme);
- (ii) other allocations (other than temporary) granted to such lessees from the National Reserve with effect from the 2000/2001 or subsequent milk quota years;
- (iii) any Priority allocations, other than Lost Lease Allocations, from the 2011/2012 Trading Scheme.

## 2.2 ENTITLEMENT TO RETAIN ALLOCATIONS

Producers who purchase quota in this scheme based on an entitlement established in accordance with paragraph 2.1 above shall surrender to the Milk Purchaser the quota purchased in respect of that entitlement, if they subsequently renew the lease or leases of land and quota in question or purchase the leased quota with or without the leased lands under Regulation 10 of SI 227/2008.

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<sup>2</sup> The term “entitlements” in this Memorandum has no connection with the Single Payment Scheme

Where the entitlement exists because the lease has been lost due to the lands being in sale, the lessee shall surrender the quota purchased in respect of that entitlement to the Milk Purchaser if (a) the previous lessee subsequently buys that land and quota, or (b) he/she is in a Milk Production Partnership, or forms such, with the person who buys the land and quota.

### **2.3 LEASES DUE TO EXPIRE**

Producers whose leases have not yet expired, but are due to expire by 31<sup>st</sup> March, 2012 will not receive priority in this Scheme. However, they will receive priority under the 2012/2013 Temporary Leasing Scheme and the 2013/2014 Milk Quota Trading Scheme.

### 3. NEW AND RECENT ENTRANTS TO DAIRYING

The quota remaining in the Priority Pool after the allocation of quota in accordance with 1 and 2 above will be allocated on a distribution ratio of 3:2 between:

- **New And Recent Entrants To Dairying Under 35 Years Of Age On 31<sup>st</sup> March 2012 (including those who have obtained quota from the Scheme for New Entrant to Dairying but who have not yet commenced production).**
- **Category 1 Producers/New And Recent Entrants To Dairying Over 35 Years Of Age On 31<sup>st</sup> March 2012 (including those who have obtained quota from the Scheme for New Entrant to Dairying but who have not yet commenced production).**

Access to quota from the priority pool for these categories expires when the applicant's total permanent quota reaches 350,000 litres.

Producers who reduce their total permanent quota below 350,000 litres by way of a:

- family transfer;
- sale of part of their quota in a restructuring/trading scheme;
- sale of quota with land on the open market;
- lease of land and quota;
- purchase of milk quota by lessee;

will not be eligible for an allocation of quota from the priority pool.

#### **New And Recent Entrants To Dairying Under 35 Years Of Age**

Three-fifths of the remaining pool will be set aside for distribution between the following sub-categories.

All applicants to the following sub-categories must be under 35 years of age on 31 March 2012 and satisfy, as appropriate, the educational and training qualifications as outlined in Annex II or Annex III.

##### **(i) New entrant entering dairying for the first time**

The New Entrant must never have had a milk quota, nor have been a producer previously, either in his/her own name or jointly, and, at the time of application:

- (a) have/will have his/her own separate independent herd number in which the dairy animals are/will be registered,
- (b) have/will have a holding comprised of lands owned and/or leased by him or her,
- (c) have/will have his/her own separate milking and milk storage facilities situated on his/her holding.

The Applicant is required to submit, to his/her Milk Purchaser, a map of the holding on which the quota will be produced, and the legal documentation which effected the land transfer of the holding to him/her. The map must clearly identify the milking and milk storage facilities that will be used.

In the case that a person's holding is comprised of leased lands and the facilities are on leased lands, those facilities must have been used for the milking of cows and the storage of milk, which has been delivered to a Milk Purchaser, within the past 3 years.

In the event that the only grounds on which the applicant does not, in the view of the Milk Purchaser, satisfy the requirements are those at (c) above, the Milk Purchaser should consult with the Dairy Produce Inspector (DPI) before completing consideration of the application.

### **Applicant Interviews**

Where an applicant for New Entrant quota appears to satisfy the eligibility criteria set down above on the basis of his/her application form, the Milk Purchaser is required to arrange a further vetting procedure by way of an interview process. A Dairy Produce Inspector (DPI) of this Department should also be present at such interviews.

The main purpose of this interview procedure is to establish the *bona fides* of the application in order to ensure, insofar as possible, that the person who is to benefit from this priority treatment is a genuine new entrant to dairying, and that the quota is not intended to be used as part of an existing dairying enterprise, as per the application.

### **Commencing Production**

A New Entrant who acquires quota under this category is required **to commence milk production within 15 months of the allocation.**

Where he or she fails to do so, the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme, unless an exemption from this condition has been granted by the Minister following an application by the new entrant.

Before commencing milk production, the holding of each recipient of quota in this category must be registered as a food business operator under the European Communities (Food and Feed Hygiene) Regulations, 2009, S.I. No. 432 of 2009.

Milk Purchasers are obliged to inform New Entrants of the requirement on them to **notify this Department** of their intention to commence milk deliveries on foot of the quota purchased by them under this scheme **30 days prior to the date of such commencement.** A special form for this purpose is attached at Annex IV. A copy of this form should be given to all successful New Entrants under this heading who are allocated quota.

#### **(ii) Non-dairy farmer in partnership with a milk producer**

Farmers intending to enter into a partnership with a milk producer may purchase quota through the Trading Scheme before the partnership is registered with Teagasc's Dairy Partnership Registration Office. This registration must take effect within 15 months of the quota allocation. Where this requirement is not complied with the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme.

**(iii) Son/daughter participating in a partnership in which a parent, who is a milk producer, is also a participant**

A New Entrant in this category must

- (a) have no milk quota, nor have held quota previously, either in his/her own name or jointly,
- (b) establish and register a Milk Production Partnership.

An applicant for an allocation in this category may apply to the Milk Purchaser at which his/her parent holds his/her quota, and in the event that the parent holds quota at more than one Milk Purchaser, the Milk Purchaser at which the parent holds the largest part of his/her quota. The applicant must declare that they have not delivered milk to any purchaser.

In order to activate the allocation, the New Entrant Farming in Partnership must hold a Certificate of Registration issued by Teagasc's Dairy Partnership Registration Office in respect of the partnership. Applicants should submit the required documentation to the Partnership Registration Office by **31<sup>st</sup> March 2012**. The Certificate of Registration must be presented to the Milk Purchaser before **30<sup>th</sup> April 2012**. This documentation must be presented to allow the parent and new entrant quotas to be combined in the partnership name and deliveries attributed to the partnership. Where this requirement is not complied with the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme.

A Recent Entrant in this category, i.e. a person who received an allocation under a previous Restructuring/Trading Scheme as a New Entrant Farming in Partnership and commenced operations in partnership with his/her parents since the 2003/04 quota year, will qualify under this category.

**(iv) Farm manager in partnership with a milk producer**

Farm managers intending to enter into a partnership with a milk producer may purchase quota through the Trading Scheme before the partnership is registered with Teagasc's Dairy Partnership Registration Office. This registration must take effect within 15 months of the quota allocation. Where this requirement is not complied with the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme.

**(v) Recent entrant with quota**

Existing producers with a total permanent quota of less than 350,000 litres may apply under this category.

**Registration of Milk Production Partnerships**

There are a number of conditions which must be satisfied before a Milk Production Partnership can be registered. These conditions are set out in the Detailed Rules for the Operation of Milk Production Partnerships (MPPs), copies of which are available from Milk Policy Division of the Department or from the Dairy Partnership Registration Office, Teagasc, Moorepark, Fermoy, Co. Cork. They may also be accessed on the Department's website, [www.agriculture.gov.ie](http://www.agriculture.gov.ie)

**CALCULATION OF ALLOCATIONS IN PRIORITY CATEGORY 3**

Where the amount of quota available for re-allocation to this category (three-fifths of the pool remaining after allocations to priority categories 1 and 2) is insufficient to meet the requirements of eligible applicants defined in (i), (ii), (iii) (iv) and (v) above, the quota shall be re-allocated on a proportionate basis, i.e., in proportion to the quantity requested by applicants. The allocation will have to take account of the following:

- the quota ceiling of 350,000 litres;
- the amount of additional quota requested by the applicant;
- the maximum allocation of 100,000 litres.

#### **4. ALLOCATION OF QUOTA FROM THE REMAINING PRIORITY POOL**

Two-fifths of the quota remaining in the Priority Pool after the allocation of quota in accordance with 1 and 2 above will be allocated on a proportionate basis, i.e., in proportion to the quantity requested, to Category 1 applicants and New/Recent Entrants to Dairying who are over 35 years of age on 31<sup>st</sup> March 2012.

Access to quota from the priority pool for these categories expires when the applicant's total permanent quota reaches 350,000 litres.

#### **Category 1 Producers and New And Recent Entrants To Dairying Over 35 Years Of Age**

##### **(i) Category 1 Producers**

Category 1 Producers are defined as those whose total permanent quota entitlement does not exceed 350,000 litres and who are operating an independent enterprise incorporating separate milking facilities, a separate herd number in which the dairy herd is registered and are operating their dairying enterprise on land which they either own or lease.

Producers who are partners in a Milk Production Partnership, and whose individual permanent quota does not exceed 350,000 litres, can apply to purchase quota under this Priority category.

Priority Pool allocations to Category 1 producers will be restricted so that their total permanent quota following their allocations does not exceed 350,000 litres.

An applicant who was previously a milk quota holder but disposed of their entire quota may receive quota under this category. Such applicants will only be entitled to a maximum allocation from the priority pool of the difference between their previous total permanent quota and the category 1 threshold of 350,000 litres.

##### **(ii) New entrant entering dairying for the first time**

The New Entrant must never have had a milk quota, nor have been a producer previously, either in his/her own name or jointly, and, at the time of application:

- (a) have/will have his/her own separate independent herd number in which the dairy animals are/will be registered,
- (b) have/will have a holding comprised of lands owned and/or leased by him or her,
- (c) have/will have his/her own separate milking and milk storage facilities situated on his/her holding.

The Applicant is required to submit, to his/her Milk Purchaser, a map of the holding on which the quota will be produced, and the legal documentation which effected the land transfer of the holding to him/her. The map must clearly identify the milking and milk storage facilities that will be used.

In the case that a person's holding is comprised of leased lands and the facilities are on leased lands, those facilities must have been used for the milking of cows and the storage of milk, which has been delivered to a Milk Purchaser, within the past 3 years.

In the event that the only grounds on which the applicant does not, in the view of the Milk Purchaser, satisfy the requirements are those at (c) above, the Milk Purchaser should consult with the Dairy Produce Inspector (DPI) before completing consideration of the application.

### **Applicant Interviews**

Where applicants for New Entrant quota appear to satisfy the eligibility criteria set down above on the basis of his/her application form, the Milk Purchaser is required to arrange a further vetting procedure by way of an interview process. A Dairy Produce Inspector (DPI) of this Department should also be present at such interviews.

The main purpose of this interview procedure is to establish the *bona fides* of the application in order to ensure, insofar as possible, that the person who is to benefit from this priority treatment is a genuine new entrant to dairying, and that the quota is not intended to be used as part of an existing dairying enterprise, as per the application.

### **Commencing Production**

A New Entrant who acquires quota under this category is required **to commence milk production within 15 months of the allocation.**

Where he or she fails to do so, the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme, unless an exemption from this condition has been granted by the Minister following an application by the new entrant.

Before commencing milk production, the holding of each recipient of quota in this category must be registered as a food business operator under the European Communities (Food and Feed Hygiene) Regulations, 2009, S.I. No. 432 of 2009.

Milk Purchasers are obliged to inform New Entrants of the requirement on them to **notify this Department** of their intention to commence milk deliveries on foot of the quota purchased by them under this scheme **30 days prior to the date of such commencement.** A special form for this purpose is attached at Annex IV. A copy of this form should be given to all successful New Entrants under this heading who are allocated quota.

### **(iii) Non-Dairy Farmer Over 35 Years Of Age In Partnership With A Milk Producer**

Farmers intending to enter into a partnership with a milk producer may purchase quota through the Trading Scheme before the partnership is registered with Teagasc's Dairy Partnership Registration Office. This registration must take effect within 15 months of the quota allocation. Where this requirement is not complied with the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme.

**(iv) Son/Daughter Over 35 Years Of Age Participating in a Partnership in which a Parent, who is a Milk Producer, is also a Participant**

A New Entrant in this category must

- (a) have no milk quota, nor have held quota previously, either in his/her own name or jointly,
- (b) establish and register a Milk Production Partnership.

An applicant for an allocation in this category may apply to the Milk Purchaser at which his/her parent holds his/her quota, and in the event that the parent holds quota at more than one Milk Purchaser, the Milk Purchaser at which the parent holds the largest part of his/her quota. The applicant must declare that they have not delivered milk to any purchaser.

In order to activate the allocation, the New Entrant Farming in Partnership must hold a Certificate of Registration issued by Teagasc's Dairy Partnership Registration Office in respect of the New Entrant Parent MPP. Applicants should submit the required documentation to the Partnership Registration Office by **31<sup>st</sup> March 2012**. The Certificate of Registration must be presented to the Milk Purchaser before **30<sup>th</sup> April 2012**.

This documentation must be presented to allow the parent and new entrant quotas to be combined in the partnership name and deliveries attributed to the partnership. Where this requirement is not complied with the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme.

A Recent Entrant in this category, i.e., a person who received an allocation under a previous Restructuring/Trading Scheme as a New Entrant Farming in Partnership and commenced operations in partnership with his/her parents since the 2003/04 quota year, will qualify under this category.

**(v) Farm Manager Over 35 Years Of Age In Partnership With A Milk Producer**

Farm managers intending to enter into a partnership with a milk producer may purchase quota through the Trading Scheme before the partnership is registered with Teagasc's Dairy Partnership Registration Office. This registration must take effect within 15 months of the quota allocation. Where this requirement is not complied with the allocation may be rescinded and the recipient required to sell the quota back to the Priority Pool in the next Scheme.

Where the requirements of eligible applicants are insufficient to absorb the full amount of quota available, the remaining quota shall be re-allocated to New and Recent Entrants to Dairying under 35 years of age on a proportionate basis.

## **E. MARKET EXCHANGE**

### **1. Calculation of Equilibrium Price**

Offers to sell quota and bids to buy quota are entered onto the Exchange, which calculates the initial Equilibrium price for the Exchange. The quantity of quota offered for sale on the Exchange will be 70% of the total quantity offered under the Scheme, excluding the 30% being sold from the Priority Pool. The quantity requested from the Exchange will be adjusted for Priority category applicants to take account of the quantity they received from the Priority Pool.

All offers and demands are collated on the basis of the price quoted. Quota being offered is added up starting from the lowest price, while quota being demanded is added up starting from the highest price. The initial Equilibrium price is that at which (a) the quantity offered and demanded is the same, or (b) where the least difference between the quantities offered and demanded arises, where demand exceeds supply. In this situation, the quantity demanded by all applicants will be reduced by this proportion.

### **2. Price corridor of 40%**

All bids to buy that exceed the initial Equilibrium price by 40% or more are removed from the Exchange. The Exchange will then be run without those excluded bids, in order to calculate the Market Clearing price.

### **3. Market Clearing Price**

Offers to sell quota, which are at or below the Market Clearing price, are deemed to be sold at the Market Clearing price. Offers for sale above this price are rejected, except as provided for in paragraph 5 below.

Bids to buy quota at or above the Market Clearing price are deemed to have been purchased at the Market Clearing price. Bids to buy below this price are rejected.

There is only one Market Clearing price at which buyer and seller transactions are cleared in each Exchange.

### **4. Quantity Limits.**

The maximum quantity that can be purchased from this Scheme is 100,000 litres, except for Priority Pool categories 1 and 2 in Section D. Where a priority category applicant does not have their entitlement satisfied from the Priority Pool, the balance of the bid will be placed on the Exchange. Non-priority category applicants will have their entire bid placed on the Exchange.

### **5. Adjustments to Exchange**

Based on the outcome of previous exchanges, 11 Co-op areas have been identified in which, primarily due to significant over-supply of milk quota, low volumes of quota, or perhaps no volumes at all, are likely to be traded (see also Section B6).

Applicants wishing to sell quota in these Co-op areas will receive an application form which, in addition to requesting the offer price, will also ask the applicant to indicate whether he/she would be prepared to accept the Market Clearing Price if it is one or two cent per litre below their offer price.

Applicants must clearly indicate their preference by ticking one of the “Yes” or “No” boxes provided in response to each question. If neither box is ticked in response to a question, the answer will be taken as “No”.

A decision on whether those applicants that have offered quota at a price one or two cent per litre above the Market Clearing Price will be allowed to sell their quota at the Market Clearing Price will be taken by the Department based on the results of the exchange. The following criteria will guide this decision:

- If the proportion of demand satisfied at the Market Clearing Price is more than 50 per cent, then the exchange will remain unaltered.
- If, however, the proportion of demand satisfied at the Market Clearing Price is less than 50 per cent, then sellers who indicated their willingness to sell at one cent per litre less than their original offer price will sell as much quota as necessary to fully satisfy the level of demand at the Market Clearing Price.
- If demand is not fully satisfied, then sellers who indicated their willingness to sell at two cent per litre less than their original offer price will sell as much quota as necessary to satisfy the remaining level of demand.

If no Market Clearing Price is struck in one of the Co-op areas in section B6, then the following procedure will be implemented:

- The price details in respect of those sellers who indicated a willingness to accept 1 cent per litre less than their original offer price will be amended accordingly, and the exchange will be re-run.
- If this is not sufficient to generate a Market Clearing Price, or if a Market Clearing Price is generated but less than 50 per cent of demand at this price is satisfied, then the same change will be made in respect of those who indicated a willingness to accept 2 cent per litre less than their original offer price, and the exchange will be re-run.
- The result after two price changes will be the final result of the exchange for that Co-op area.

## **6. National Redistribution of Unsold Quota**

Immediately following each of the two stages of the Scheme a redistributive mechanism will be used to allow any sellers who have been successful in selling some, but not all, of their quota on the market exchange to dispose of their remaining quota through a national pool.

This mechanism can only arise in the 11 Co-op areas availing of the 1 or 2 cent option. It will only be employed if an insufficient level of demand at the market clearing price has made the use of the 1 or 2 cent option necessary, with the result that some sellers have not been able to dispose of their entire quotas. If such a national pool is established, it will mean that buyers in other Co-op areas who have purchased some quota in the market exchange, but whose demand has not been fully satisfied, will be able to acquire additional quota.

The Department will administer this national redistribution where the need arises. Eligibility will be confined to only those sellers and buyers who have sold or purchased milk quota in their Co-op exchanges but have not had their full requirements in either respect met. Those who sell or buy via the priority pool only, with nothing traded on the exchange, will not be eligible to trade through the

national pool. In the event that a Co-op has no quota offered for sale in the local exchange but has buyers seeking to purchase quota, these buyers will be eligible to receive quota from the national pool.

The price that sellers receive for this portion of their quota will be the same as the market clearing price achieved in their Co-op exchange. The Department will then calculate a national weighted average selling price for all of the quota made available through this mechanism, using the volumes and market clearing prices in the relevant Co-op areas. This weighted average will be the price that eligible buyers will pay for any additional quota acquired from the national pool. Redistributed quota will be allocated to eligible buyers on a flat rate basis.

If the national weighted average selling price is greater than the market clearing price in a Co-op exchange, then eligible buyers in that Co-op will only receive an additional quota allocation from the national pool to the remaining value of the cheque submitted with their application.

Co-ops will be informed by the Department of the results of both the exchanges in their areas and the volumes redistributed through the national pool. They will in turn notify individual buyers and sellers of the outcome in their cases, and administer the resultant financial transactions – including those arising from the national pool - in the normal manner.

## F. **OTHER REQUIREMENTS**

### 1. **PRICE**

The maximum price for quota from the Priority Pool will be **5 cent (€0.05) per litre**. However, in the event that the Market Clearing Price in a Market Exchange is lower than **5 cent**, then the maximum price in that Co-op shall be the Market Clearing Price.

### 2. **ELIGIBILITY TO PURCHASE QUOTA**

Quota sold into a Trading Scheme is available for purchase by

- (i) other producers in the same Milk Purchaser area, and
- (ii) new entrants whose holding is in the same Milk Purchaser's area.

#### (a) **Definition of "Producer" in the Milk Purchaser's Area**

To be deemed a producer in a Milk Purchaser's area for the purpose of this scheme, the applicant must hold quota at the Milk Purchaser and have made deliveries to the Milk Purchaser in the 2011/2012 quota year.

#### (b) **Multiple Quota Holders**

Those who qualify as producers in more than one Milk Purchaser area as defined at (a) can only apply to purchase quota from one Purchaser. A producer may apply to purchase quota from the Milk Purchaser where the smaller part of their quota is held.

#### (c) **Location of a New Entrant's Holding**

For the purpose of this scheme, a holding of a new entrant is deemed to be in the Milk Purchaser's area where the most recent operator of the holding was a supplier to that Purchaser, or otherwise where the holding adjoins or is close to the holdings of other current suppliers of that Milk Purchaser.

#### (d) **Milking Facilities**

Milk producers must have their milking facilities inspected by their milk purchaser for confirmation of compliance with Regulations (EC) No 852/2004 & 853/2004 of the European Parliament and of the Council of 29 April 2004.

#### (e) **Disposal of Quota in Previous Schemes**

A person who sold all or part of his or her milk quota under the 2010/2011 or the 2011/2012 Milk Quota Trading Schemes shall not be entitled to purchase milk quota under this Milk Quota Trading Scheme.

#### (f) **Quota purchased from the Priority Pool in Previous Schemes.**

If a Seller has previously purchased quota from the priority pool, that amount of quota must be sold into the priority pool at the prevailing maximum price before the 30% surrender is applied to any additional quota offered for sale.

Example: A seller offers 150,000 litres, of which 100,000 was purchased from the priority pool in a previous trading scheme. 100,000 litres goes directly into the priority pool and the seller also surrenders 30% of the remaining 50,000 litres, i.e. 15,000 to the priority pool. The remaining 35,000 litres is placed on the exchange.

### **3. *QUOTA TO BE INCLUDED IN ELIGIBILITY AND CATEGORISATION ASSESSMENT***

The onus rests with the applicant for additional quota, and their Milk Purchaser, to ensure that the producer's entire quota, whether held with one or more Milk Purchasers, is taken into account in determining eligibility to purchase from the scheme and in categorisation.

After consideration of each applicant's eligibility to purchase quota in the scheme, in order to place eligible producers in the appropriate priority category, Milk Purchasers should assess the producer's permanent quota entitlement on the date of application.

In this regard, milk quota purchased by a lessee on expiry or termination of a land and quota lease, with or without the leased land, is regarded as part of the applicant's permanent quota for the purposes of this Scheme. The same applies where the producer purchases the land and quota previously leased or where the producer is in a Milk Production Partnership or forms a Milk Production Partnership with a person who purchases the land and quota.

#### **Assessment of eligibility where leased quota is substantial part of producer's available quota**

- A. The amount of the quota entitlement on 1 April 2011 of a producer whose available quota is comprised of leased quota i.e. a lease(s) of land to which milk quota attaches and, if appropriate, quota allocated from the national reserve and quota purchased under a Restructuring Scheme and/or a Trading Scheme, shall be regarded as permanent quota. The Minister may, however, consider a written request for an exception to this general rule.
- B. If a Milk Purchaser is aware that an applicant's quota consists of
- (i) quota permanently transferred by way of transfer from a family member,  
and
  - (ii) quota transferred by way of a lease of land and quota from the same family member,  
and
  - (iii) if appropriate, quota purchased by the applicant under a Restructuring Scheme(s)  
and
  - (iv) if appropriate, quota allocated to the applicant from the national reserve

the producer should be informed that his/her eligibility under the Scheme and category status is established by taking account of all of the quota referred to at (i) to (iv) above.

### **4. *RESTRICTION ON INTER-PURCHASER TRANSFER OF QUOTA***

Milk Quota purchased from a Trading Scheme in one Milk Purchaser area cannot be sold into another Trading Scheme in another area for a period of 3 years.

**5. ALTERATION TO THE BUTTERFAT REPRESENTATIVE LEVELS**

It will be necessary for Milk Purchasers to amend the butterfat representative level of each producer who purchases quota under this Trading Scheme. The amended butterfat representative level should be calculated as follows:

$$\frac{(A \times R) + (B \times S)}{R + S}$$

A = Producer's butterfat representative level  
 B = Representative level of the restructured pool\*  
 R = Producer's existing quota  
 S = Quantity of quota purchased under the Restructuring Scheme

\*The fat representative level of the restructured quota pool should be established on the basis of the cumulative fat representative level of all the producers who surrendered all or part of their quota under the Trading Scheme.

**6. FALSE OR MISLEADING INFORMATION**

All applicants to the Milk Quota Trading Scheme should note that any quota allocation made under this scheme, on the basis of false or misleading information, may be declared null and void. In these circumstances, the allocation will be rescinded and the quota returned to the Milk Purchaser.

7. Producers are advised to consult with their farm advisor with regard to the implications for their farming enterprise of the financial commitment required, particularly where loan repayment arrangements are involved.

The Minister may, on the basis of an application from a Milk Purchaser, decide to vary a condition/conditions of this scheme where that is justified by particular circumstances.

Milk Purchasers who require clarification of any of the procedures provided for in this memorandum, or where the operation of the Scheme is causing a particular difficulty, should contact the Milk Policy Division of this Department.

DEPARTMENT OF AGRICULTURE, FISHERIES AND FOOD

August, 2011.

**ANNEX I****SELLING QUOTA**Example A:

If an applicant offers to sell 100,000 litres in the Scheme, 30,000 litres will be sold into the Priority Pool at a maximum price of 5 cent (€0.05) per litre. The remaining 70,000 litres will be offered for sale on the Exchange. If it is not successfully sold on the Exchange, it can be offered into the next exchange without having a further 30% sold into the Priority Pool in the next stage of the scheme.

Example B:

If an applicant has a saleable quota of 100,000 litres and offers to sell 50,000 litres in the Scheme, 15,000 litres will be sold into the Priority Pool at a maximum price of 5 cent (€0.05) per litre. The remaining 35,000 litres is offered for sale on the Exchange and this is successfully sold on the Exchange. In the second stage of the Scheme, if the remaining 50,000 litres is offered for sale then 30% will be sold into the Priority Pool.

Example C:

If an applicant has a saleable quota of 100,000 litres and offers to sell 50,000 litres in the Scheme, 15,000 litres will be sold into the Priority Pool at a maximum price of 5 cent (€0.05) per litre. If the remaining 35,000 litres is offered for sale on the Exchange and is NOT sold on the Exchange, it returns to the applicant. In the next stage of the Scheme, if this 35,000 litres, together with the remaining 50,000 litres, is offered for sale then only 15,000 will be sold into the Priority Pool in the next stage.

Example D:

An applicant started with a saleable quota of 100,000 litres, has tried unsuccessfully to sell on the previous two exchanges and now wishes to make a third attempt. If 30,000 litres has already been sold into the Priority Pool, then no further quota will be sold into the Priority Pool and the entire amount (i.e. 70,000 litres) will be sold on the exchange. If less than 30,000 litres has already been sold into the Priority Pool, then the balance up to 30,000 litres must be sold into the Priority Pool, and the remainder will be sold on the exchange

Example E:

An applicant has attempted to sell quota of 200,000 litres on the two previous exchanges, without success, but has sold the full requirement of 60,000 litres to the Priority Pool. If the applicant applies to the third scheme to sell the balance, i.e. 140,000 litres, then no further quota must be sold into the Priority Pool and the entire amount will go onto the exchange. However, if the applicant now attempts to sell 240,000 litres, then 30,000 litres, i.e. 30 per cent of the 'new' 100,000 litres, must be sold into the Priority Pool.

**BUYING QUOTA**Example F:

An applicant applies to buy 50,000 litres from the Scheme, and receives 20,000 litres from the Priority Pool, he will receive that at a maximum price of 5 cent (€0.05) per litre. The balance of his request, i.e. 30,000 litres, will be placed on the Exchange at his bid price. If his bid is successful he will buy that 30,000 litres at the Market Clearing Price.

In this scenario, where the applicant wishes to buy from both the Priority Pool and the Market Exchange, the value of the cheque should be the amount of litres demanded, multiplied by his bid price. A refund will be made, if applicable, for the proportion obtained at a lower price from the Priority Pool.

Example G:

An applicant requests 60,000 litres at a price of 4 cent (€0.04) per litre, and submits a cheque for €2,400. If the Priority Pool quota is sold at the maximum price of 5 cent (€0.05) per litre, and he/she is entitled to 50,000 litres from the Priority Pool, he/she would receive at most 48,000 litres, as the cheque was insufficient to cover the cost of the request at 5 cent (€0.05) per litre.

## ANNEX II

**List of Agricultural Qualifications****(NB: Evidence of the Award of the Exact Qualification as Listed Below Must be Provided)**

<b>Further Education Award Titles (Major)</b>	
<b>GENERAL AGRICULTURE</b>	ACOT/Teagasc Certificate in Farming or NCVA Certificate in Rural Enterprise FETAC Certificate in Farming FETAC National Vocational Certificate in Rural Enterprise – Level 2 FETAC National Vocational Certificate in Rural Enterprise – Level 5 FETAC Level 6 Advanced Certificate in Farming FETAC Level 3 Vocational Certificate in Agriculture FETAC Level 6 Vocational Certificate in Agriculture FETAC Level 6 Advanced Certificate in Agriculture
<b>EQUINE</b>	Teagasc Certificate in Horse Breeding and Training (Part 2) FETAC (Teagasc) Certificate in Horse Breeding and Training (Part 2) FETAC Level 3 Vocational Certificate in Horse Breeding and Training FETAC Level 6 Vocational Certificate in Horse Breeding & Training – Equitation or Stud Management FETAC Level 6 Advanced Certificate in Horsemanship FETAC Level 6 Advanced Certificate in Stud Management
<b>HORT</b>	FETAC Level 3 Vocational Certificate in Horticulture FETAC Level 6 Vocational Certificate in Horticulture FETAC/Teagasc Diploma in Horticulture FETAC Level 6 Advanced Certificate in Horticulture
<b>FORESTRY</b>	FETAC Level 3 Vocational Certificate in Forestry FETAC Level 6 Vocational Certificate in Forestry FETAC Level 6 Advanced Certificate in Forestry
<b>DAIRYING</b>	Teagasc/FETAC Advanced Certificate in Agriculture– Dairy Herd Management FETAC Diploma in Agriculture (Teagasc) – Dairy Herd Management FETAC Level 6 Advanced Certificate (Teagasc) in Agriculture - Dairy Herd Management FETAC Level 6 Advanced Certificate in Dairy Herd Management
<b>MACHINERY</b>	Teagasc/FETAC Advanced Certificate in Agriculture– Farm Machinery Teagasc Diploma in the Operation, Care and Maintenance of Farm Machinery Teagasc/FETAC Diploma in Agriculture – Farm Machinery FETAC Level 6 Advanced Certificate (Teagasc) in Agriculture – Farm Machinery FETAC Level 6 Advanced Certificate in Agricultural Mechanisation
<b>MACH/CROPS</b>	FETAC Advanced Certificate in Agriculture– Machinery and Arable Crops FETAC Diploma in Agriculture (Teagasc) – Machinery and Arable Crops FETAC Level 6 Advanced Certificate (Teagasc) in Agriculture – Machinery and Arable Crops FETAC Level 6 Advanced Certificate in Machinery and Crop Management
<b>DRYSTOCK</b>	FETAC Advanced Certificate in Agriculture – Drystock Management FETAC Level 6 Advanced Certificate in Agriculture – Drystock Management FETAC Level 6 Advanced Certificate in Drystock Management
<b>FARM MANAGEMENT</b>	Teagasc/FETAC Advanced Certificate in Agriculture– Farm Management FETAC Level 6 Advanced Certificate in Farm Management FAB First Farm Management Certificate/Certificate in Farm Management FAB/FETAC Certificate in Farm Husbandry FAB Trainee Farmer Certificate FAB/FETAC Certificate in Applied Farm Management FAB/FETAC Certificate in Farm Business Management

Higher Education Award Titles	
<b>GENERAL AGRIC</b>	NCEA/HETAC/Individual IT College National Certificate in Agriculture HETAC/Individual IT College Higher Certificate in Agriculture HETAC/Individual IT College National Diploma in Agriculture HETAC/Individual IT College Bachelor of Science in Agriculture
<b>HORT</b>	NCEA/HETAC/Individual IT College National Diploma in Horticulture HETAC/Individual IT College Ordinary Bachelor Degree in Horticulture HETAC/Individual IT College Bachelor of Science in Horticulture
<b>ATHLONE IT</b>	NCEA/HETAC National Certificate in Business in Equine Studies HETAC Higher Certificate in Business in Equine Studies HETAC Bachelor of Business in Equine Studies
<b>LIMERICK IT</b>	HETAC National Certificate in Technology in Agricultural Mechanisation HETAC Higher Certificate in Technology in Agricultural Mechanisation
<b>WATERFORD IT</b>	NCEA/HETAC National Certificate in Science in Agricultural Science HETAC/Individual IT College Higher Certificate in Science in Agricultural Science NCEA/HETAC National Diploma in Science in Agricultural Science HETAC/WIT Bachelor of Science in Agricultural Science HETAC/WIT Bachelor of Science (Honours) in Land Management, Agriculture HETAC/WIT Bachelor of Science (Honours) in Land Management, Horticulture HETAC/WIT Bachelor of Science (Honours) in Land Management, Forestry HETAC/WIT National Diploma in Forestry HETAC/WIT Bachelor of Science in Forestry
<b>GALWAY-MAYO IT</b>	NCEA/HETAC National Certificate in Business in AgriBusiness HETAC/GMIT Higher Certificate in Business Studies (Agri-Business) HETAC/GMIT Bachelor of Business in Rural Enterprise and Agri-Business HETAC/GMIT Bachelor of Science in Agriculture and Environmental Management
<b>UCD</b>	Degree in Agriculture/Horticulture/Forestry from UCD Primary Degrees awarded by the Faculty of Agriculture at UCD – NUI Bachelor of Agricultural Science – Animal & Crop Production – UCD Bachelor of Agricultural Science – Animal Science – UCD Bachelor of Agricultural Science – Food & Agribusiness Management – UCD Bachelor of Agricultural Science – Forestry – UCD Bachelor of Agricultural Science – Horticulture, Landscape & Sportsturf Management – UCD Batchelor of Agricultural Science – Agri-Environmental Science
<b>VETUCD</b>	Degree in Veterinary Science Bachelor of Veterinary Science – UCD
<b>LIMERICK</b>	Bachelor in Science in Equine Science Degree – UL Diploma in Equine Science – UL
<b>DAIRY SCIENCE</b>	Degree/Diploma in Dairy Science plus a FETAC Award for an 80-hours Teagasc approved training programme**
<b>RURAL SCIENCE</b>	Degree/Diploma in Rural Science plus a FETAC Award for an 80-hours Teagasc approved training programme** Degree/Diploma in Science (Education) in Biological Science plus a FETAC Award for an 80-hours Teagasc approved training programme** Bachelor of Science (Education) in Biological Sciences plus a FETAC Award for an 80-hours Teagasc approved training programme**

<b>Equivalent Qualifications</b>	
<b>1.</b>	<p>Achievement of the required standards for the second (2<sup>nd</sup>) year (eligible to proceed to year three as testified by the Third Level Institution) of a fulltime ab initio Third Level course of three years duration (or more) in any discipline and be a holder of a FETAC Award for an 180 hours Teagasc approved training programme***, both being completed prior to 31 December 2012</p> <p>Non-agricultural awards or qualifications (FETAC/HETAC/IT Colleges/Universities/foreign awards) placed at or equivalent to Level 6 or higher on the National Framework of Qualifications (NFQ) and a FETAC award for an 180 hours Teagasc approved training programme***, both being completed prior to 31 December 2012</p> <p>FETAC Level 6 Advanced Certificate in Agriculture (to be awarded on completion of a special Teagasc training programme for those who hold a non-agricultural award at Level 6 or higher on the NFQ)</p>

\*\* The Teagasc approved Training Programme will comprise a minimum 80 hours course in farm management. In addition, applicants must achieve the minimum stipulated standards for assessments in the course and achieve the appropriate FETAC certificate.

\*\*\* The Teagasc approved Training Programme will comprise a minimum 100 hours course in technical agriculture/horticulture and a minimum 80 hours course in farm management. In addition, applicants must achieve the minimum stipulated standards for assessments in both courses and achieve the appropriate FETAC certificates.

**NOTES:**

- (1) The FETAC Certificates for 100 Hours and/or 80 Hours Teagasc approved training programme comprise the following:

<b>Course</b>	<b>Certificate Title</b>
100 hours - Agriculture	FETAC Certificate in Agriculture (100 hours)
	FETAC Level 5 Specific Purpose Certificate in Animal & Crop Production
80 hours – Farm Management	FETAC Certificate in Farm Management (80 hours)
	FETAC Level 6 Specific Purpose Certificate in Farm Business

- (2) Holders of Teagasc Certificates/Letters regarding satisfactory attendance/completion of 180 or 80 hours agricultural training courses completed *prior to March 2004* satisfy the requirement for FETAC Certificates for 100 and/or 80 hour courses referred to above.

**ANNEX III****List of Farm Manager Qualifications**

A Farm manager is defined for the purposes of this scheme as a person who holds one of the following qualifications:

- (i) Teagasc/FETAC Advanced Certificate in Agriculture – Dairy Herd Management
- (ii) FETAC Diploma in Agriculture (Teagasc) – Dairy Herd Management
- (iii) FETAC Level 6 Advanced Certificate (Teagasc) in Agriculture – Dairy Herd Management
- (iv) FETAC Level 6 Advanced Certificate in Dairy Herd Management
- (v) Teagasc/FETAC Advanced Certificate in Agriculture – Farm Management
- (vi) FETAC Level 6 Advanced Certificate in Farm Management
- (vii) FAB First Farm Management Certificate/Certificate in Farm Management
- (viii) FAB/FETAC Certificate in Farm Husbandry
- (ix) FAB/FETAC Certificate in Applied Farm Management
- (x) FAB/FETAC Certificate in Farm Business Management
- (xi) A qualification deemed to be equivalent or greater to one of those listed in (i) to (x) above

and

has worked post qualification for a minimum of three years as a farm manager and contributed PRSI during that period(s) under Class A as defined by the Department of Social and Family Affairs.

## ANNEX IV

**MILK QUOTA PURCHASED BY NEW ENTRANTS WITH NO QUOTA  
UNDER THE 2012/2013 MILK QUOTA TRADING SCHEME****NOTICE OF COMMENCEMENT OF MILK PRODUCTION**

I, \_\_\_\_\_ (Producer)

of \_\_\_\_\_ (Address)

wish to confirm that I will commence milk production on \_\_\_\_\_ for crediting  
against a milk quota amounting to \_\_\_\_\_ litres held by me

at \_\_\_\_\_ (Milk Purchaser)

Supplier No. \_\_\_\_\_

My holding is as follows:

<u>County</u>	<u>Folio No(s)</u>	<u>Townland(s)</u>	<u>Area (Hectares)</u>	<u>Estate (Freehold/ Leasehold)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

My Herd Number is \_\_\_\_\_

I own at present \_\_\_\_\_ milch cows

Applicant's Signature \_\_\_\_\_

Date \_\_\_\_\_ 201\_\_\_\_\_

**Notes: This form should be completed and sent, 30 days prior to commencement of milk production, to Meat & Milk Policy Division (Milk Quota Trading Scheme), Department of Agriculture, Fisheries and Food, Kildare Street, Dublin 2.**