

Update on Direct Payments and Farm Schemes

Simplification

- EU Commissioner for Agriculture Phil Hogan has put forward a number of proposals under the simplification process which will have direct benefit for many farmers.
- These changes allow for preventive preliminary cross checks on area aid applications, simplification of the system of administrative penalties and a yellow card system for first offenders with reduced penalties.
- Under the preliminary checks of aid applications the Department of Agriculture will be able to identify problems with applications so that, during a period of up to 35 days after the final date of submission, farmers will be allowed to make corrections to their aid applications without any penalties. It is very important that the Department of Agriculture provide this service to farmers this year as it would undoubtedly reduce errors and penalties.
- Commissioner Hogan has also announced that he will introduce a simplified system of administrative penalties for 2016 for direct payment schemes. He said the current system calculates penalties which can result in fines of more than double that which is over-declared, this will be replaced with a simple penalty of 1.5 times the area over declared. Small over-declarations that are up to 3% of the area declared or 2 hectares will not be penalised.
- Commissioner Hogan has also announced a yellow card system for first offenders, where the over declaration is minor (below 10% of the area declared) with a reduced penalty of 50%. The Commissioner pointed out these farmers will be subject to an on the spot inspection the following year.
- By way of example the Commissioner outlined a case of a farmer with 10 hectares. Under the current system, if this farmer declares 11 hectares. His payment is reduced to the actual *10 hectares to which he is entitled*; He is penalised twice the difference. Therefore, as it is a 10% over-declaration i.e. *2 hectares*, he would be paid for only 8 hectares of his holding.
- Under the new system, before the yellow card kicks in, that same farmer would be penalised for only 1.5 hectares, ie he would receive a payment of 8.5 hectares. However, with the yellow card system, the penalty would be halved if he is a first offender, to 3 quarters of a hectare (.75ha). This means he would receive a payment for 9.25 hectares.
- IFA has welcomed this work by Commissioner Hogan on simplification as positive and going in the right direction. It will reduce penalties and the unnecessary stress burden on farmers. Simplification and reducing penalties was one of the very first issues IFA raised with Phil Hogan when he became EU Agriculture Commissioner
- IFA is pressing for the Commissioner to go further with his simplification proposals and extend them to cover cross compliance, tolerances and reduced inspections and penalties across this area. Elimination of the excessive compliance burden and unnecessary costs on farming under the Direct Payments system. Flexibility to allow the practical operation of greening.

Charter of Rights

- The next Charter Monitoring Committee meeting is being held on Friday 29th January.

Basic Payment

- At this stage around 121,500 farmers out of a total of 124,000 have received a total of €1.089bn. Remaining payments are being paid out once files are being cleared. The delays primarily relate to dual claims, overclaims, some outstanding inspection cases, partnerships, and some very complex PCC cases.
- IFA continues to apply maximum pressure to ensure that all payments are made without delay.

- IFA has called on Minister Coveney to insist that the Department of Agriculture meets the early February deadline he has set to pay out all remaining Basic Payment, National Reserve, Young Farmer and ANC payments. He said these payments should have been made last year but the Minister has set a new deadline of early February and there can be no excuses for failure to meet this.
- The remaining 3% payment will be paid in April/May of 2016 as the convergence figure is finalised for each farmer.
- A crisis reserve reduction of 1.345% will be taken off farmers who get more than €2,000. This is to create the 2016 crisis reserve, which will be returned to farmers if it is not used.
- The total ceiling for Ireland is €1.21bn. With the 3% (€36m) that is held back, plus national reserve cases not yet dealt with and payments still to be made, this means that around €76m is still outstanding at this stage.

National Reserve

- About 3,700 have so far received their National payment out of a total of 7,000 applications.
- Farmers are being notified of the number of entitlements that they have received at a value of approximately €250 (BPS + Greening).
- Payments are continuing to be paid out and farmers who have not responded to queries from the Department of Agriculture should do so immediately as otherwise their case will be held up.
- It is expected that the allocation of €25m may not be fully used up meaning that the maximum number of hectares eligible will remain at 90.
- Unused money may be added to the NR for next year. IFA will be meeting the Department on this issue shortly.

Young Farmer Top-up

- Young Farmers top-up payment of €64/ha has already been paid to 3,500 farmers out of 6,000 applicants.
- Queries mainly relate to educational qualifications and Young Farmers in partnerships.
- Following on the EU Commission ruling, Young Farmers who did not have the qualifications but who had planned to start an educational course next September must commence their course at the end of December. The Commission insisted that in the year that the farmers qualify for the payment that the Young Farmer must have started the course.
- Teagasc have verified to the Department 1,600 applicants who undertook these courses. These farmers are now being paid their top-up.

Old Young Farmer/Scottish Derogation

- In the case of the Old Young Farmer, 1,200 farmers have applied with around 1,000 qualified. These farmers are now being paid.
- In the case of the Scottish Derogation, 3,000 farmers have qualified with most having now been paid.

Areas of Natural Constraint Payments

- At this stage 92,500 farmers have been paid almost €198m in ANC payments.
- It is expected that a further 5,000 farmers are due payment when stocking rates levels are reached for 2015.

Beef Data & Genomics

- 27,000 farmers have been accepted into the scheme out of a total of 29,500 who initially applied.

- On December 16th, the Minister announced the payment of €28m to 15,000 farmers who have verified their compliance with the 2015 requirements.

GLAS

- The closing date for the second phase of GLAS was Friday 18th December.
- IFA will be insisting that all farmers who have applied will be eligible.
- 3 month payments for first phase GLAS have been made to 17,625 farmers worth €11.5m. This represents 85% of the payment, with the remaining 15% being paid once inspections have been completed. Remaining payments will be paid shortly.
- The total number who will receive a part-payment for 3 months is expected to be about 24,000.

REPS/AEOS

- REPS/AEOS payments commenced in December last with full payments being made. In the case of REPS 75/25% to 850 farmers. Also 1,500 farmers received the top-up payment for the mixed grazing measure of €1,000 which is paid in the year following completion of REPS for most farmers.
- In the case of AEOS, 85% of payments commenced for 19,000 farmers. Once a farmer receives his first phase payment of 85% the second phase of 15% is paid shortly afterwards. It is expected that €45m will be paid out.
- Some AOES 1 final payments have been held up as there are cross checks with area claimed.

TAMS II

- Approvals on TAMS II have commenced particularly for Dairy priority cases.
- In the first tranche the number of applicants was - Young Farmers 513; Dairy Equipment 1,086; AWSNSS 942; Pigs & Poultry 57; Low Emission Slurry 194 and Organic Capital Investment 191.
- Approvals should be made over the coming weeks.

TAMS I Payments

- Grant payments for TAMS I are being made with €12m paid out to date.

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