

Update on Direct Payments and Farm Schemes

On- Line Applications

- On line applications have opened for 2016 since early March.
- Campaign to increase online numbers from 90,000 in 2015 to 100,000+ this year.
- 4,700 GLAS applicants to move BPS online in 2016, as they already make GLAS online.
- By 2018, all farmers must be online. Where broadband is not available, the DAFM will be required to assist online applications.

Simplification

- IFA has had a number of meetings with the DAFM and the EU Commission on simplification and implementation of the measures brought forward by Commissioner Hogan.
- The main 3 measures involve; pre-checking, yellow card system and reduced penalties on eligible land.

Pre Checking

- Under the preliminary checks of BPS 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. The DAFM have indicated difficulties with providing this service because all applicants are not on-line.
- At meetings with IFA in Brussels the EU Commission confirmed that pre-checking of 2016 applications can be accommodated in situations where some applications are not on-line

Reduced 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.
- 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, i.e. 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.
- In all cases of over claims, the administrative penalties are reduced and no farmer can encounter a penalty greater than 100%.
- IFA has welcomed this move 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.

Yellow Card

- 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.

Payment Update

- BPS: 124,310 applicants have been paid €1.129 billion.
- Small number of BDGS partnership cases help up for payment.
- Outstanding cases primarily relate to some very complex PCC cases, complex National Reserve and Young Farmer cases as well as some partnerships.
- IFA continues to apply maximum pressure to ensure that all payments are made without delay.
- 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. IFA resisted attempts by the Commission and some member states to use the crisis reserve to deal with the current dairy and pigmeat crisis.
- 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

- IFA due to meet DAFM on the 2016 National Reserve arrangements.

Young Farmer Top-up

- Young farmers top up is available again in 2016.
- Young farmers setting up for the first time can apply this year.
- Young farmers who qualified with less than 50 ha in 2015, can apply for additional hectares up to 50 ha in 2016 or future years, if they are applying within 5 years of setting up.

Areas of Natural Constraint Payments

- 94,924 applicants paid a total of €202 million.
- For 2016, partnerships must apply for BPS using the online system and ANC is also applied for by ticking the appropriate ANC box on the online BPS application form.
- Each partner will be given the opportunity to declare the lands they individually bring to the partnership.
- Once each of the partners declare ANC eligible lands they will be considered for the ANC scheme and will be subject to the individual land thresholds within the scheme. The partnership is thereafter subject to meeting the 7 month stock retention and Annual Stock density requirements based on the stock held at a whole holding or partnership level.

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

- 3 month payments for first phase GLAS are been made to 24,000 farmers worth €20m.
- Full year payments will be made to the 38,000 farmers in the scheme, commencing in October.

AEOS

- In the case of AEOS, 85% of payments have been made. 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, as it is their last year in the scheme.

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.
- Second tranche closes on March 25th and the third tranche will open on March 28th.

TAMS I Payments

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

Fodder Aid/Flood damage schemes.

- 382 applications for fodder aid scheme. €630,000 paid to 305 cases to date.
- 158 applications for flood damage scheme. Applications being processed. No payment to date
- €2m funding available for both schemes.

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