

INSTALMENT SCHEME FOR THE PAYMENT OF THE 2014/2015 SUPER LEVY



Department of
**Agriculture,
Food and the Marine**

An Roinn
**Talmhaíochta,
Bia agus Mara**

FREQUENTLY ASKED QUESTIONS

Q: Who can apply for this Scheme?

A: *The Scheme is open to all milk producers who have incurred a super levy liability in the 2014/2015 Milk Quota year and who meet the eligibility requirements.*

Q: Is the scheme compulsory?

A: *No, the scheme is voluntary and it is not necessary to apply if that is the producer's preference. Those not applying will have to pay their superlevy bill in full in 2015.*

Q: Can I repay all of my outstanding superlevy in 2015?

A: *Yes, you may repay all of your superlevy bill this year. Do not apply for this scheme if you wish to do this.*

Q: What are the eligibility requirements of the Scheme?

A: *To be eligible to avail of this Scheme, a milk producer:*

- *Must be an active milk producer;*
- *Must accept liability for the entire super levy attributable to him/her*
- *Must agree to a formal repayment agreement with the milk purchaser to whom he/she was supplying milk when the levy was incurred; or*
- *If the current purchaser is different to the purchaser with whom the debt was incurred, the producer must agree to a formal repayment agreement with both.*
- *Must complete the agreement and confirm willingness to be bound by the requirements contained therein.*
and
- *Must not have a history of debt default with the Department;*

Q: How do I apply to join the Scheme?

A: *You should contact your current milk purchaser for a copy of the detailed rules and application forms.*

Q: If I join the Scheme what do I have to do?

A: *You have to complete a formal Agreement Form, in which you will confirm the value of the levy paid by the Department on your behalf. This is a contract between you and the Department in which you commit to repaying the money paid on your behalf by the Department.*

Q: How will I repay the money?

A: *Your milk purchaser will withhold equal instalments from your milk payments¹ in respect of the months of May, June, July, August and September in both 2016 and 2017 to cover the cost of the debt. Your milk purchaser will then transfer this money to the Department on your behalf.*

Q: Is there a minimum threshold of super levy, below which I cannot apply?

A: *No*

Q: What if I am no longer supplying milk to the milk purchaser with whom I incurred the levy?

A: *The Scheme allows for such scenarios, but you should ensure that you complete the appropriate Agreement Form (Form II), which must be countersigned by your current milk purchaser and the milk purchaser with whom you have incurred the levy.*

Q: Can I switch my milk purchaser during the lifetime of this scheme?

A: *Yes, you may switch milk purchaser at any time subject to your own milk supply arrangements with your purchaser. In order to continue to benefit from the scheme your new milk purchaser must agree with the Department that they will continue to deduct the repayments due to the Department in the same way as your existing purchaser.*

Q: Is there a closing date for submitting the Agreement form?

A: *Completed Agreement forms must be returned to the milk purchaser by **30 June 2015***

Q: When must I have the first instalment paid?

A: *At least one third of your super levy liability (first instalment) must be paid to your milk purchaser to allow it to pay the Department before 1 October 2015.*

¹ **Note:** Milk payments relate to milk deliveries in the *previous* month.

Q: When must I have the subsequent instalments paid?

A: *The second and third instalments must be paid in accordance with the formal Agreement that you will sign. The total amount paid by 30 September 2016 must be at least two thirds of the entire levy due and the balance must be paid by September 2017. As outlined previously these instalments will be deducted from **payments** in respect of the months of May to September in both years.*

Q: What happens if I miss a payment?

A: *If the payment is not made to the milk purchaser by 15th of the month following the due date, the full value of the debt shall fall due immediately, with interest;*

Q: What happens if I change my status or my farming arrangements?

A: *If a milk producer changes his/her status or farming arrangements (e.g. incorporates into company status; transfers SPS entitlements; ceases to supply milk to their current Milk Purchaser; creates a farm partnership or share farming arrangement, or exits milk production, etc.) the full value of the debt shall fall due with interest **unless** a new payment arrangement is agreed **in advance** with the Department;*

Q: Can I pay a different amount each month?

A: *For proper administration and credit control, monthly payments should be of equal value. Alternative arrangements may be considered in very exceptional circumstances*

Q: If I meet the above eligibility requirements of the Scheme are there any other circumstances that would render me ineligible to participate.?

A: *The Department will process all Agreements received and will assess them against the Department's list of clients who have outstanding debts. Each participant must also meet the "de minimis" state aid requirements.*

Q: What are the 'de minimis' considerations in relation to this Scheme?

A:

- *Under EU Rules, the maximum National Aid that Member States can provide to producers is €15,000 in any 3 year period.*
- *Major EU funded and co-funded payment schemes, such as the Single Payment, Disadvantaged Areas and REPS, AEOS, etc. DO NOT FALL INTO THIS CATEGORY. State Aid, schemes are listed below.*
- *For the purposes of this scheme, the interest relief is regarded as a State Aid.*
- *In exceptional circumstances, it is conceivable that the benefit of this scheme in terms of interest relief, when added to the cumulative benefit of State Schemes, listed below, could lead to the producer breaching the relevant threshold.*

- *If you believe you may exceed this threshold you may contact the Department to check your current status.*
- *Even in the event of breaching the relevant threshold, producers may still avail of the option to pay in instalments, but will be required to pay interest on the amount of the debt.*

Q: What Schemes will fall under the relevant categorisation in terms of calculating my payments in relation to the *de minimis* ceiling?

A: *Major payment schemes, such as the Single Payment, Disadvantaged Areas and REPS, DO NOT FALL INTO THIS CATEGORY.*

*Schemes that **ARE SUBJECT** to the *de minimis* ceiling include:*

- *Premium from Kerry Cattle live calves;*
- *BVD Scheme;*
- *Beef Technology Adaption Programme (BTAP);*
- *Sheep Technology Adaption Programme (STAP);*
- *Development Programme for Dairy (DPD);*
- *Bord Bia Beef & Lamb Quality Assurance Scheme (BLQAS);*
- *Beef Genomics Programme;*
- *Milking Skills Programme;*
- *Dairy Cash Plan 2014; and*
- *Imported Fodder Transport Scheme 2013*

If you have further queries on the scheme, please contact the Milk Policy Unit of the Department on 01-6072857

**Department of Agriculture, Food and the Marine
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