

# Basic Payment Scheme: new developments

**James McDonnell**  
Financial Specialist, Teagasc Rural  
Economy & Development Programme



The 2016 application forms and information packs will be posted towards the end of March

As we go to print, the 2016 Basic Payment Scheme (BPS) application process is about to open. This is despite the fact that the process of changing from the old CAP to the new CAP is not complete yet. The final payment for 2015 has yet to be calculated. This payment of about 3% will be paid after a calculation is completed on the 31 March 2016.

The 2016 application forms (where online is not mandatory) and information packs will be posted towards the end of March, similar to other years. It is not necessary to wait for these to complete your application. In some cases, it would be prudent to get your preparatory work completed in the interim. This will be discussed later in the article.

The final calculation is to work out the definitive convergence path for all qualifying farmers. This could not be completed until all 2015 applications are completely processed (land and entitlement transactions). All farmers will then receive a final balancing payment and convergence path letter in April.

The Department of Agriculture, Food and the Marine has added extra functionality to the online process this year. This extra functionality is part of building the system to handle all applications online eventually and it will be mandatory to apply online for all by 2018. The online system this year incorporates some GLAS screens and extra warnings, if you are a GLAS participant.

There is another new element to the process this year called 'preliminary checking'. This extra functionality to the system will allow the Department to cross-check online applications for dual claims and other small errors.

It will allow the applicant to make late changes to the application prior to any penalty being applied, but it only works for online applications. This is another advantage of the

online system and will allow much faster processing of applications.

## The 2016 application

As with all the predecessor schemes, the BPS is an application that must be made if you wish to qualify for other schemes, for example: GLAS, TAMS, and organics.

In the BPS application process, there are other schemes intertwined with it. It encompasses:

- Basic Payment Scheme.
- Greening payment.
- Continuation of the Young Farmers Scheme if you applied in 2015.
- Aid for protein crops (peas, beans and lupins).
- Areas of natural constraint.

## Making changes to the herd identifier

Last year, many applicants made changes to the herd/crop/flock number to maximise payments to the farm family or perhaps minimise tax. For example, a herd number in a single name was "joined" with a child to avail of the National Reserve and/ or the Young Farmer Scheme. Registered farm partnerships and farming "Companies" are other examples.

If you are planning to make changes to the herd identifier number, it must be completed in good time to allow the District Veterinary Office to process the application; otherwise, it may not be possible to complete the BPS application.

The partnership registration office will not accept applications between 31 March and 1 June this year. This is to help make the BPS application process more efficient. If you are planning to make changes to your farm, be sure to consult with your Teagasc advisor early, so that all the relevant application forms and tasks can be lined up and completed in time.

## National Reserve (NR)

In 2015, there was just shy of €25m available for distribution to successful applicants. This was funded by a one-off cut to the national BPS fund. From now on, this fund will be significantly less. I expect it will be replenished



**If you are planning to make changes to the herd identifier number, it must be completed in good time to allow the District Veterinary Office to process the application.**

# GETTING HELP

If you intend to get help completing your application form for the Basic Payment Scheme or any of the other CAP schemes, it is important that you make an appointment with your advisor immediately. Completing the form this year should be more straightforward than last year. The online system should be more robust after having coped with the 2015 process. Before you visit your advisor, review all the documentation you have received from the Department.

If you plan on making significant changes to the 2016 application, state that you may require a longer appointment than usual, so that it can be completed in one visit. The more complex cases may also involve a solicitor, accountant and valuer and some or all of the following transactions:

- Adding and/or changing the name(s) on the herd number.
- Completing a partnership application.
- Transferring entitlements using the transfer application.
- Completing a capital gains tax return.
- Completing a VAT return.
- Updating your will.



from unused funds from the previous year (2015), unused entitlements and clawbacks.

The unused 2015 moneys are currently unknown. All entitlements were used in 2015, so there are none available from that source. To date this year from speaking to advisors, few farmers seem interested in selling entitlements due to the 50% clawback applied to sales. So this is unlikely to yield a large pot for the NR.

In 2015, the NR granted BPS entitlements to successful applicants worth €173. On top of this, all of the applicants were paid Greening which was worth a further 44% (€77). Some of these applicants also qualified for the Young Farmer Scheme (€65).

The rules of this year's NR scheme have not been announced yet. The scheme is expected to open in late March after the Department consult with the farm organisations on the shape of the scheme. The scheme is mandatory as part of CAP with two mandatory categories.

- Young farmers.
- New entrants.

If the funding available is very limited this year, there is a possibility of a lower allocation to successful applicants or perhaps tighter conditions.

## Young Farmers Scheme

This scheme delivers a top-up to young farmers who have recently taken up farming. To be eligible you must have started in the last five years and you must be 40 years or less in 2016. Once you qualify, you can avail of the payment for up to five years. The date your name appeared on the herd number is the year you started.

If you start farming in 2016, you are guaranteed to get at least four payments – the fifth and final payment depends upon what happens in the next CAP negotiations. The payment is payable on a maximum of 50 entitlements. The payment is worth about €65. I expect that the terms and conditions will be broadly similar to last year. The funding for this scheme is

similar every year during the current CAP agreement. Those who applied last year must reapply for the next payment on the online BPS application system as part of the BPS application. New applicants must complete a separate online YFS application. This application is in the Department's online application system.

## Deadlines

The deadline for all schemes (BPS, NR and YFS) will be Monday 16 May 2016. This will not be extended. As for other years, amendments can be made after submission of the application until the end of May. Reasons for making an amendment include:

- Correcting an obvious error (minor clerical error).
- Adding or deleting a parcel.
- Change of use of a parcel.
- All amendment forms will be acknowledged in writing.
- Ticking/unticking the ANC box.
- Ticking of the YFS box (where applicable).