

Basics of the Basic Payment Scheme

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In January 2015, the new Basic Payment Scheme was introduced. Let's review its key elements.

All eligible farmers will receive the Basic Payment and Greening Payment. Over 90% of applicants will automatically qualify for the greening payment on the basis of their current farming practices. The exception to this are the arable farmers who fall into the category of 10ha or more land under arable production. Farmers who fell into this category in 2015 are aware of the rules, but new arable farmers or arable farmers who are increasing their acreage should be aware of the following:

- Greening comprises three parts:
- Crop diversification.
- Ecological focus area (EFA).
- Ploughing permanent pasture.

Crop diversification

- If you farm between 10ha and 30ha of arable land, then you are obliged to grow at least two crops. Any one crop cannot exceed 75% of the arable area i.e. spring barley and winter barley are considered two different crops.
- If you farm more than 30ha you are obliged to grow at least three crops. The main crop cannot exceed more than 75% of the arable land and the two main crops together cannot cover more than 95% of the arable land.

Permanent grassland does not count as a crop for the three crop rule. Temporary grassland can be counted as a crop and therefore comes into the calculation, if required.

The main exemptions are as follows:

- Where 75% of the eligible land is grassland and the tillage area is not greater than 30ha.
- Certified organic farmers.
- Arable area less than 10ha.

Ecological focus areas (EFA)

For 2016, there will be no changes to EFA rules. EFAs only apply to farmers with 15ha or more of arable land. EFAs need to be equivalent to at least 5% of the total arable land. Land that is considered as EFA may include any one or more of the following:

- Hedges (1m length = 10m² EFA).



Arable applications of 10ha or greater must be completed online.

- Drains (1m length = 6m² EFA).
- Fallow (1m² = 1m² EFA).
- Cover crops (1m² = 0.3m² EFA).
- Protein crops (1m² = 0.7m² EFA).
- Buffer strips (1m length = 9m² EFA).
- Short rotation coppice (1m² = 1m² EFA).
- SPS eligible forestry (1m² = 1m² EFA).

The calculation of EFAs is more complex when there are both tillage and grassland areas on the farm.

Permanent grassland

There are no restrictions in ploughing permanent pasture except in areas of natural habitats. Ploughing grassland will be monitored at national level. In effect, Ireland would have to convert more than 5% of its grassland area into arable crops for individual farmers to be affected.

At this stage, every farmer should have received a provisional statement of their entitlements. This will show how many entitlements are issued to them for the duration of this CAP agreement. The statement should also show any entitlements leased onto the holding. The amount of land needed for 2016 can then be calculated based on this statement. One important point to note is that there may be some errors in the calculation of entitlements and the Department will be issuing a definitive statement of entitlements in March/April.

What is different this year?

- Entitlements can now be leased without land. Up to now, you could only lease entitlements with land.
- There is no rotation of entitlements,

i.e. you must use 100% of your entitlements once every two years otherwise you will lose undeclared entitlements. Previously, if you used 50% or more every year you wouldn't lose entitlements.

- 50% clawback applies to sales of entitlements without land.
- There is no consolidation of entitlements (even where land is lost e.g. CPO).

How to prepare for 2016 application

Applications can be completed either online or manually. Arable applications of 10ha or greater must be completed online. This can be done through a nominated agent such as Teagasc or by an individual through agfood online services.

The online system will allow you to view how greening might affect your farm. You can adjust maps, add/delete hedges drains, etc. It is important to note that calculations are based on "reference areas" and not claimed areas. If you have nominated an agent to complete your application it would be important to do the following before your appointment:

- Check maps, both land parcel maps and ecological focus maps (arable farmers only).
- Check statement of entitlements – either provisional or definitive statement if you have received it. If there are errors, they need to be checked out (contact Department or advisor if required).
- If you are an arable farmer, familiarise yourself with the terms and conditions for a greening application. The "Guide to Greening" produced by DAFM can help with this.
- Check that the crop diversification two and three crops rule is calculated in advance.

Errors: Make sure to check the statement of entitlements 2015-2019. Unseen errors could lead to reductions in payment for the next four years. Check the number of entitlements (should be the lesser area declared in 2013 or 2015 Single Payment Form). Also check unit value and estimated payments.