

Basic Payment Application – How important is it to your farm?

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1 Preparation

Every year, Teagasc advisors complete in excess of 40,000 BPS applications. Many advisors spend almost as much time completing transfer of entitlement applications. Appointments can take up to an hour, so it's a significant investment in time.

The process of completing the application can be onerous, but if you are 'on your game' it will ensure that you, and your advisor, get the task completed as efficiently as possible. COVID-19 restrictions prevent face-to-face meetings, and communication is harder over the phone, so it is important that you carefully check your completed application.

Do not make any assumptions when talking to your advisor – make sure all aspects of the application are discussed. The ANC, Straw Incorporation Measure, Organics, GLAS and Young Farmer Scheme all have elements on the Basic Payment Scheme application form.

A good protocol to follow is:

- Check with your advisor first about what you need to do. Then prepare well for the meeting by reading through the information DAFM has sent you.
- Make the most of your consultation – update the advisor on the general farm situation.
- Find yourself a comfortable location with good signal. A speaker phone is useful, as it frees your hands during the conversation. If you have an email account, you should have it open on your computer/tablet.
- If you wish to discuss other farm-related items, having a list of them will allow both you and the advisor to get maximum use from the consultation. You may want to review your farm plan, farm finances, increase the amount of silage conserved, or plan an investment. You may need to make a further appointment. If so, do it there and then.



2 The importance of the Basic Payment as income

The "cheque in the post" continues to be one of the most important sources of income for Irish farm families. See Table 1 – although average direct payments (DP) are lowest on cattle rearing farms at €14,562, the reliance on these payments and their overall

contribution to FFI was 162% in 2019, the highest on record.

This indicates that the average suckler farm, with DPs of €14,562, spent over €5,500 of those direct payments over the course of the year to cover the farm's operating loss. These are the average figures for 2019, so some farmers are much better off and oth-

Table 1: Average value of Direct Payments and Contribution to Family Farm income (FFI) 2019 (Source NFS 2019 results).

Farm Enterprise	Direct Payment	FFI contribution
Dairy	€20,360	31%
Cattle Rearing	€14,562	162%
Cattle Other	€17,775	129%
Sheep	€19,495	132%
Tillage	€24,775	76%
All	€18,325	78%



ers have significantly worse figures. If these payments are making up more than 100% of your income year after year, you really need to have a discussion with your advisor about how to improve them.

The 2021 application

It is important that the application and associated forms are completed on time with due diligence. In this article, I will discuss the completion of the 2021 Basic Payment Application form.

The Basic Payment Scheme application must be made if you wish to participate in other schemes such as GLAS, TAMS, and Organics etc.

There are other schemes also intertwined in the BPS application process it. Overall it encompasses:

- The Basic Payment Scheme itself.
- Greening Payment.
- Continuation of the Young Farmers Scheme if you were an applicant in 2017, 2018, 2019 and 2020.
- Aid for Protein Crops (Peas, Beans, Lupins).
- Areas of Natural Constraint.
- Straw Incorporation Measure.
- Commencing Organic production in 2021.

Making changes to the herd/crop/flock identifier

Every year, a significant number of farmers make changes to the herd/crop/flock number for one reason or another. For example, a herd number (identifier) in a single name was “joined” by a child to avail of the National Reserve and/or the Young Farmer Scheme. Registered Farm Partnerships and farming “compa-

nies” 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 Regional Veterinary Office to process the application.

Making changes to the “identifier” can result in late or slow processing of the BPS application, as there are extra steps involved in this processing.

3 Farm succession

The average age of farmers is continuing to increase. This is not just an Irish trend, it is happening throughout the world. It is important that every farmer has thought about farm succession.

The first step is to write a will. This is vital in case you ‘pass on’ unexpectedly. Have a conversation with your advisor about farm succession. Succession is a complex area with lots to be considered. Leaving things to the last minute can result in things going

horribly wrong.

Early discussions allow planning to take place. There are taxation reliefs available to minimise the tax paid on succession transactions, but they have very specific conditions, relating to, for example, age or being an active farmer.

For more information, log on to the Teagasc succession page, where you can view a webinar at <https://www.teagasc.ie/rural-economy/farm-management/succession--inheritance/>.

National Reserve (NR)

This scheme is aimed at new entrants to farming. The National Reserve has also opened for applications. Successful applicants will expect to receive entitlements worth just over €180.

There may be a cap applied similar to previous years. On top of this, all of the applicants were also paid Greening, which was worth a further 44% (€77), and some of these applicants also qualified for the Young Farmer

For Herd Number changes, please note:

- If a change must be made, it should be completed immediately, to allow the RVO adequate processing time.
- The date the application is received becomes the date of change. (When making a change to the identifier, include a copy of the application and a Stamped Addressed Envelope and request the copy to be returned “stamped received.” This should be given to your advisor to upload with the BPS application.
- If you don't receive correspondence from the RVO by the time of your

BPS appointment, you must inform your advisor of this fact, as a new blank online BPS application must be completed instead of the pre-populated one.

- The partnership registration office will not accept applications between 26 February 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.



Scheme (~€68).

The National Reserve scheme has two mandatory categories

- Young farmers.
- New entrants.

The full terms and conditions are available to download from your Agfood online account. Applications can be submitted through this online service also.

The Young Farmer Scheme

This scheme delivers a “top-up” to young farmers who have recently taken up farming, depending on when you started. To be eligible, you must have started in the last five years and you must be 40 years old or younger in 2021. 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 2021, you should expect to receive at least two payments – the final payments will depend on what happens in the next CAP negotiations.

The payment is payable on a maximum of 50 entitlements and is worth about €68. The terms and conditions are similar to last year. Applications can also be completed on the Agfood online web service.

Applicants who were successful in previous years must reapply for the next payment on the online BPS application system as part of the BPS

application. New applicants will have to complete a separate online YFS application.

Deadlines

The deadline for all schemes (BPS, NR and YFS) is Monday 17 May 2021. This will not be extended. As with 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 the use of a parcel.
- Ticking/un-ticking the ANC box.
- Ticking of the YFS box (where applicable).

All amendment forms will be acknowledged in writing.

Making the appointment:

Before you visit your advisor, review all the documentation you have received from the Department of Agriculture, Food and the Marine. If you plan to make significant changes to the 2021 application, state that you may require a longer appointment than usual, so that it can be completed in one call.

More complex cases may also involve a solicitor, accountant and valuer, and include 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.

The next CAP.

Many of you will have questions about the next CAP. Unfortunately, negotiations are ongoing and there has not been much movement in the last year, due to COVID-19. Your advisor will not have the answer yet. The EU presidency is currently with Portugal, who would like to see it all agreed by 30 June 2021.

Entitlement values are expected to continue to converge towards the average figure. Greening is to become a voluntary eco-scheme, so some farm tasks might need to be completed dif to get this payment.

Land leasing scenarios are commonly discussed, given that the market is so buoyant at present. The lessors are concerned about losing entitlements and the lessees would like longer leases.

The definition of a “genuine farmer” when agreed, will answer many of those questions. Fingers crossed that it is all agreed soon, so that we all have time to adjust to the new CAP in 2023.