

## Single Farm Payment 2005



**CAP Reform**

**Part 6  
Land Matters**

**Department of Agriculture and Rural Development**

**Single Farm Payment 2005**

**CAP REFORM**

**Part 6**

**Land Matters**

**Guidance Booklet**

**MARCH 2005**

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Copies of this information leaflet can be made available on request in alternative formats, for example, in large print, Braille disc, audiocassette and other languages. If you wish to request an alternative version of this document, please use the contact details provided on page 18.

## 1 Introduction

This booklet is part of the series of information guides in relation to the Single Farm Payment Scheme (SFPS). It should be read in conjunction with the following booklets:

- CAP Reform: Part 1 Payment Entitlements;
- CAP Reform: Part 3 Cross-Compliance Verifiable Standards.

Other booklets, which will be available from mid March 2005, include:

- CAP Reform: Part 4 Cross-Compliance Inspections and Sanctions;
- CAP Reform: Part 5 Set-aside;
- CAP Reform: Part 7 National Reserve;
- CAP Reform: Part 8 IACS/2005 Single Application.

**A copy of these booklets can be requested from the Department (see contact details at Annex A, page 18 of this booklet).**

The new arrangements for Single Farm Payment (SFP) will be based on a system of payment Entitlements, which will be awarded to farmers who declare land for this purpose on their 2005 Single Application Form and submit their form to the Department on or before 16 May 2005.

This booklet provides information about how certain elements of the SFP and the land relate. It is intended to provide a guide to farmers and should not be taken as a legal interpretation of the EU Regulations governing the Single Farm Payment.

It is the responsibility of each farmer to ensure that his/her land is eligible for SFP purposes and that the land remains eligible so that SFP can be claimed (you should refer to CAP Reform: Part 1 Payment Entitlements for more detail). You must keep the land in Good Agricultural and Environmental Condition (GAEC) and comply with the Statutory Management Requirements (SMRs), which are based on existing European Legislation (further details of these requirements can be found in CAP Reform: Part 3 Cross-Compliance Verifiable Standards).

The Department will be carrying out checks on the eligibility of land used to support the establishment and payment of SFP Entitlements.

**The Department of Agriculture and Rural Development will take every possible step to identify and pursue all attempted fraudulent claims. It will also seek to ensure no payment is made to applicants who artificially create the conditions required for obtaining payments. Payments will be made only where eligibility can be confirmed beyond reasonable doubt.**

**DARD Fraud Hotline Number – FREEPHONE 0808 1100 2716**

## 2 Your land and the 2005 Single Application Form

If you wish to be awarded payment Entitlements under the Single Farm Payment Scheme, you will have to establish them in the first year of the scheme (2005). You can then (if you wish) claim payment against them in that year and in subsequent years if you meet the scheme conditions. Apart from a very few exceptional circumstances, Entitlements cannot be established after 2005.

To establish Entitlements you will be required to submit a 2005 Single Application Form on or before 16 May 2005 requesting that your Entitlements be established against the land you wish to enter for SFP purposes. If your 2005 Single Application Form is not submitted by 16 May 2005, it will result in a reduction to your Single Farm Payment in 2005.

**If the Department receives your 2005 Single Application Form after 10 June 2005, you will not be awarded any Entitlements and you will not be able to claim Single Farm Payments in 2005 or future years (unless you acquire Entitlements from another farmer).**

Details of how to apply to establish Entitlements and claim payment for them in 2005 will be contained within CAP Reform: Part 8 IACS/2005 Single Application booklet which will be available from mid March 2005. The 2005 Single Application Form and CAP Reform: Part 8 IACS/2005 Single Application booklet will be issued to those farmers who submitted an IACS form in 2004. If you do not receive a 2005 Single Application Form you can request one from the Single Farm Payment Section in Orchard House (see contact details at Annex A, page 18 of this booklet).

You can only establish and claim payment of your Entitlements against land which is eligible for SFP. A definition of eligible land can be found at Annex B, page 20 of this booklet.

### **What land must be declared on the 2005 Single Application Form?**

You will be required to declare all the land on your holding in your 2005 Single Application Field Data Sheet. You must include all land you own, lease or take in conacre, including any Common land you have a right to graze. If you do not declare all your land (under declaration) or you declare more than you have (over declaration) this may result in a penalty being applied to your SFP.

From the land on your holding, you will have to identify the area (fields) on which you wish to establish your Entitlements. You do not have to establish Entitlements on all the land that you have on your holding, but if you choose not to, then you will not be maximising the total payment of SFP that you could otherwise receive. It is important that you identify each field on which you are establishing your Entitlements.

#### **NOTE:**

**The person who establishes Entitlements will own them. This is irrespective of who owns the land on which they are established.**

## **Establishing Entitlements and the 10 month rule**

To **establish** Entitlements, you do not need to have land at your disposal for 10 consecutive months (10 month rule). You simply need to be a farmer within the definition at Annex B, page 20 of this booklet and have the associated eligible land on your holding on 16 May 2005. You will have to declare the number and location of the eligible hectares as part of your 2005 Single Application in order to establish your Entitlements.

If you wish to claim **payment** of your SFP in 2005, you **will** be required to have the land at your disposal for your chosen 10 month period. Further detail of how the 10 month rule will operate can be found at Section 7, page 9 of this booklet.

## **Establishing more than one entitlement on a land parcel**

Requests to establish Entitlements on the same area of land by more than one farmer will not be accepted and the parties involved will be required to resolve any disputes over who has the right to the land. **As two people cannot establish Entitlements on the same parcel of land, one person may be penalised for over declaring the area of land in their 2005 Single Application Form.** You should consider carefully which areas of land you are entering into SFP, particularly any land you rent or take in conacre. **If there is a dispute relating to tenure, you must resolve this before submitting a 2005 Single Application Form.** Further details of the penalties that will be applied, can be found in CAP Reform: Part 8 IACS/2005 Single Application (available from mid March 2005).

## **Stacking your Reference Amount on your land**

You are free to choose how much of your eligible land you wish to use to establish Entitlements. The number of Entitlements you establish will equal to the number of hectares you enter for this purpose under the SFP Scheme.

The Area Reference Amount of the Northern Ireland Single Farm Payment hybrid model (approximately €68/hectare) will be awarded to each entitlement established against an area of land. Your Historic Reference Amount will be divided equally across the Entitlements that you establish. Added together, these two elements (Area Reference Amount and Historic Reference Amount) will give you the total value of each entitlement established.

### **NOTE:**

**Only in a very limited number of circumstances will additional Entitlements be allocated after 2005. If in future years, you wish to increase the number of Entitlements you hold, you must acquire them from another farmer.**

**If you are considering stacking your Historic Reference Amount on the land that you own and allowing a relative (for example husband, wife, son or daughter) to claim the Area Reference Amount (approximately €68/hectare) for land under lease or conacre, this may be considered creating artificial conditions to obtain SFP Entitlements and will result in no Entitlements being allocated to any of the parties involved.**

## **Stacking and Special Entitlements**

Stacking your Historic Reference Amount onto a lesser area will increase the unit value of your Entitlements. However, only in a limited number of cases can the unit values of Entitlements exceed €5,000. Where this occurs, the amounts in excess of €5,000 are amalgamated to create Special Entitlements valued at up to €5,000 each.

These Special Entitlements do not need to be established against land (though you must still request their establishment). To claim payment against Special Entitlements, you must maintain a minimum level of agricultural activity related to the number of livestock units on your holding during the Reference Period 2000 – 2002.

You can avoid the creation of Special Entitlements by entering sufficient land in your 2005 Single Application to ensure that the unit value of your Entitlements is less than €5,000. For further details on Special Entitlements you should refer to the CAP Reform: Part 8 IACS/2005 Single Application (available from mid March 2005).

## **Minimum area on which you can establish Entitlements**

The minimum area on which you can establish Entitlements is 0.3 hectare (except for Special Entitlements). The minimum field parcel size that can be used to establish and claim Entitlements is 0.1 hectare.

### **3 Landowners and SFP**

Under the SFP Scheme, non-producing landowners may, in certain circumstances, apply to establish Entitlements relating to the land they own, even if they have never received direct support payments in the past.

The Northern Ireland Single Farm Payment hybrid model is made up of two separate elements, which are combined to create Entitlements for farm businesses and are as follows:

1. A flat rate element which will be approximately €68/hectare (Area Reference Amount);
2. A historic element based on previous history of direct support claims during the period 2000 - 2002 (Historic Reference Amount). In the case of dairy farmers, there will be further additions based on quota held at 31 March 2005.

If you have a history of claims in the period 2000 – 2002, you will have received an information pack and statement of your Historic Reference Amount in October 2004 and should follow the procedures set out in the pack. The following only relates to those applicants who do not have a history of direct support claims.

## **Non-producing landowners establishing Entitlements**

Non-producing landowners may, in certain circumstance, apply to the SFP Scheme in 2005 to establish Entitlements and claim payment in respect of their land. To do so, they must apply for a Business Reference Number on or before 16 May 2005 (if not already registered as a business with the Department) and submit a 2005 Single Application Form by that same date. A copy of the Single Application Form and the new Business Reference Number application form can be obtained from the Single Farm Payment Section in Orchard House or your local County Agricultural Office after mid March 2005 (see contact details at Annex A, page 18 of this booklet).

### **NOTE:**

**If you are not already registered as a farm business and intend to apply to the SFP Scheme in 2005, you should contact your local County Agricultural Office and submit an application for registration before 16 May 2005.**

If Entitlements are established by non-producing landowners in 2005, it is likely that they will wish to claim payment against them in 2005. By doing so, the landowners will be assuming responsibility for meeting the Cross-Compliance obligations relating to all of the land under their control, even if this land is being used for production purposes by a tenant. Details of the Cross-Compliance requirements can be found in CAP Reform: Part 3 Cross-Compliance Verifiable Standards.

Landowners may choose only to establish the Entitlements and not claim the payment in 2005. This may occur where, for example, the land is being used for a horticultural crop and the landowner is not applying for a Horticultural Authorisation.

Non-producing landowners may, of course, decide not to apply to the SFP Scheme and forgo any Entitlements and the associated annual payment that may arise. Alternatively, they may decide to allow their tenants to establish Entitlements against the land they have rented in 2005. In these circumstances, the tenant will own the Entitlements once they are established and if payment of SFP is claimed, it will be the tenant's responsibility to meet the Cross-Compliance obligations relating to that land.

### **NOTE:**

**Two sets of Entitlements cannot be established on the same parcel of land. It is a matter for landowners and tenants to decide who is using the land to support the SFP application.**

**There must be a clear agreement and understanding between landowners and tenants that the person who is claiming the Entitlements has sufficient management control over the land in question in order to meet the requirements of the SFP Scheme and, in particular, the ability to maintain the land in Good Agricultural and Environmental Condition (which is a minimum requirement). If a formal leasing agreement exists between the landowner and the tenant, it is unlikely that the landowner will have retained sufficient management control of the land to enable him/her to apply for SFP.**

The value of the Entitlements awarded to applicants with no Historic Reference Amount will be equivalent to the Area Reference Amount, which is approximately €68/hectare for the Northern Ireland Single Farm Payment hybrid model. The final value will not be known until all 2005 Single Application Forms have been processed.

## **NOTE:**

The Department will accept only one application to establish Entitlements on a given area of land. If you as the landowner enter your land on your 2005 Single Application Form and subsequently sell or let your land before 16 May 2005, the person to whom you sold or let the land cannot also use it to establish Entitlements. If the person who bought or let your land wishes to establish Entitlements using that land, then you as the landowner will either have to withdraw or amend your 2005 Single Application Form. If the land is not transferred before 30 April 2005 then the person who bought or let the land will not be able to use the land to claim payment of SFP due to the 10 month rule.

## **What can landowners do after establishing Entitlements?**

If you as a landowner establish Entitlements and claim payment in 2005 you have a number of choices as to what you can do with your Entitlements in 2006 and subsequent years. These are:

- You can retain your Entitlements for your own use and claim payment against them on an annual basis provided you have the appropriate area of land at your disposal for at least 10 consecutive months (10 month rule) and comply with the Cross-Compliance and other scheme requirements;
- You can lease your Entitlements with land to a tenant for use by the tenant for the 2006 scheme year. It is then the tenant's sole responsibility to meet the conditions of the SFP Scheme. You cannot lease out Entitlements without an equivalent area of land;
- You can rent the use of your land to a tenant without the Entitlements. If this is your choice, you should consider if you wish to claim payment against your Entitlements or forgo payment for the period of the rental agreement. If you wish to claim payment of SFP, you must ensure that you have sufficient managerial control of the land to allow you to meet the Cross-Compliance conditions relating to that land, for which you will be responsible. You should give careful consideration to the terms of your rental agreement with tenants. If you do not claim payment against any individual Entitlement for three consecutive years, it will be confiscated and returned to the National Reserve;
- You may sell your Entitlements with or without land.

## **4 Dual claims on land**

### **SFP and LFA Compensatory Allowance Scheme**

Land in the LFA region of Northern Ireland can be used to support claims for payment under the Less Favoured Area Compensatory Allowance Scheme (LFACAS). Many farmers claim the LFACA on conacre land. With the introduction of the SFP Scheme, some landowners may wish to establish Entitlements on the LFA land they own and then let the land.

Landowners can establish and claim Entitlements on the LFA land they own (see Section 3, page 5 of this booklet) and continue to let it to farmers, provided they retain sufficient management control of the land to enable them to maintain it in Good Agricultural and

Environmental Condition (GAEC). The farmer to whom the land is let may use this conacre land to support claims for payment under the LFACA Scheme. In these circumstances, the landowner and the farmer taking the land must each ensure that they meet the full requirements of the respective schemes. A failure to meet these requirements will result in the relevant penalty being applied.

## **SFP and Agri-environment schemes**

If part or all of your holding is subject to an Agri-environment scheme agreement, you can use this land to support the establishment and payment of SFP Entitlements provided the land is eligible. You must ensure that you can meet both Agri-environment and SFP Scheme requirements in order to be eligible for payments from both. It will be your responsibility to ensure compliance with the scheme requirements. If you breach requirements for either scheme you will be subject to the penalty regime for that scheme.

Any land used to support SFP Set-aside Entitlements may also be used in an Agri-environment scheme. In these cases an Agri-environment scheme payment will be paid only if the requirements of the Agri-environment scheme exceed what is required under the SFP Set-aside management rules.

There is a small number of Agri-environment scheme options where it may be possible to receive an Agri-environment scheme payment in addition to your Set-aside payment. For further information on this contact your Countryside Management Adviser.

## **5 Common land**

All land known as Common land in Northern Ireland will be eligible to support the establishment and payment of SFP Entitlements.

For the purposes of the SFP Scheme, an applicant's right to graze livestock on a Common will have to be converted to a notional area. The sum of these notional areas cannot be greater than the total area of the Common. Where possible, the notional area of each Common allocated to those that have grazing rights will be pre-printed on the 2005 Single Application Field Data Sheet using the 2004 IACS information. This will be issued to farmers mid March 2005. These notional areas may be subject to adjustment once all the 2005 Single Application Forms have been processed to ensure that the total area of the Common is not exceeded.

### **NOTE:**

**If you hold grazing rights to an area of Common land and have not exercised that right in the past you must write to the Department to have your grazing rights converted into a notional area for SFP purposes (see contact details at Annex A, page 18 of this booklet). You will be required to provide documentary evidence that you have the right to graze the Common land.**

## 6 Non-agricultural use of SFP land

To be eligible under SFP for the establishment and payment of Entitlements, land should be in agricultural use or be suitable for agricultural use (and as a minimum, kept in Good Agricultural and Environmental Condition). Use of the land for non-agricultural purposes will generally render it ineligible to support the establishment or payment of SFP Entitlements.

There may be some circumstances where specific types/or limited periods of non-agricultural activity can be undertaken without affecting the eligibility of the land. You must seek advice from the Single Farm Payment Section in Orchard House in advance of any proposed non-agricultural use (see contact details at Annex A, page 18 of this booklet). Failure to do so may jeopardise your SFP payment.

Where limited non-agricultural use is permitted, it is important to remember that the Cross-Compliance requirements, as set out in the guide CAP Reform: Part 3 Cross-Compliance Verifiable Standards, must be respected. Any non-compliance will result in penalties being applied to the claimant of SFP.

## 7 10 MONTH RULE

If you wish to claim payment of your SFP Entitlements, you will be required to have the land at your disposal for at least 10 consecutive months. You can choose the start date of this continuous 10 month period.

The start date can be between 1 October of the year before the claim for payment of SFP and 30 April of the year of claim. For the 2005 scheme year this means between 1 October 2004 and 30 April 2005. If you do not indicate your preferred start date on your 2005 Single Application Form, the Department will use 1 February 2005 as the start date. If 1 February 2005 is the start date for your holding, all of the land used to claim payment of SFP will have to be at your disposal until 30 November 2005.

For 2005 only one start date is allowed per business. If you have land in another region of the United Kingdom (Scotland, England or Wales) you may choose a different date for each region. If you are considering short-term lets and/or conacre to support your claim for payment of SFP, you should consider carefully when your rental agreement commences and its duration as you will be required to have that land at your disposal for your chosen 10 month period.

### **What does at your disposal mean?**

For some farmers, it will be clear that land is at your disposal. For example, the land is owned, or rented under a formal leasing/tenancy arrangement giving full responsibility for management of the land to the tenant.

Where more than one farmer carries out agricultural activity on the same area of land (through conacre, contract farming or sharing arrangements) and that land is being used to support an SFP claim, it is vitally important to ensure that the SFP applicant has a clear responsibility for the maintenance of the land in Good Agricultural and Environmental Condition and has sufficient management control to enforce this and to meet the Cross-Compliance condition in respect of that land.

If you have a dispute over who has the land at his/her disposal for the purposes of claiming payment of SFP, or if you are not sure about the effects of your particular agreement, it is in your interests to resolve any such uncertainty with the person(s) concerned before claiming SFP. If there is any uncertainty about who has right to claim SFP, no payment will be made until the matter is resolved.

### **Transferring your land and the 10 month rule**

If you transfer parcels of your land to another person before your chosen 10 month period is up, you will not be able to use the transferred land to support your claim for payment of SFP as the land will not have been at your disposal for the full 10 consecutive months. Rules for the transfer of whole holdings are different and you should refer to the next paragraph in this booklet.

#### **Example:**

You own 50 hectares of land (and have established 50 SFP Entitlements) and have chosen 1 October 2004 as the start date for your 10 month period. This means that the land used to support your claim for 2005 SFP must be at your disposal until 31 July 2005. If you transfer 10 hectares of your land on 1 June 2005 you will not be able to support your claim for payment of SFP in 2005 on 10 of your Entitlements as the 10 hectares you transferred was not at your disposal for the full 10 months you have chosen. If you transfer the 10 hectares on or after 1 August 2005 you will be able to claim payment of SFP for all 50 SFP Entitlements.

If you transfer a whole holding along with the SFP Entitlements, the position is different. The farmer receiving the land and Entitlements can continue the 10 month period you have begun, and receive the associated SFP payment in full. You will not be eligible for payment of SFP as you did not retain the land for the full 10 month period. The 10 month period for the transferred land does not have to have started at the same time as the 10 month period for any other land already being used by the purchaser to support his/her payment of SFP.

#### **Example:**

You have a holding of 70 hectares and your chosen 10 month period is from 1 October 2004 to 31 July 2005. Another landowner has a holding of 50 hectares and sells the whole holding including payment Entitlements to you on 20 May 2005 and his/her chosen 10 month period was 1 February 2005 to 30 November 2005. As you have purchased both Entitlements and land you will be able to use the total 120 hectares to support your claim for payment of SFP arising from both holdings in 2005. The previous owner of the 50 hectares you acquired will not be able to claim SFP in 2005, as he/she did not have the land at his/her disposal for the full 10 month period stated.

#### **NOTE:**

**You should consider carefully if you are considering transferring your entire holding in 2005. If you transfer your holding before your chosen 10 month period is up you will not be able to claim your SFP payment. If you transfer your holding and entitlement / Reference Amount, you must inform the Single Farm Payment Section in Orchard House (see contact details at Annex A, page 18 of this booklet).**

If you are a horticulture grower who wishes to lease in or take in conacre land that still has some of the previous crop growing, you are allowed to grant the previous producer access to clear this crop, providing you took full and effective control of the land for a full 10 month period. The same applies if at the end of an agreement the existing person allows you access (under conditions controlled by him/her) to commence your operation providing you have control of the land for a full 10 month period. You should ensure that the other party does nothing to affect your Cross-Compliance obligations.

### **Cross-Compliance and the 10 month rule**

If you own land against which you are claiming SFP, the Cross-Compliance Statutory Management Requirements and Good Agricultural and Environmental Condition Standards will apply for the full 12 calendar months of each year, not just your chosen 10 month period. Details of the sanction framework for Cross-Compliance can be found in the explanatory guide CAP Reform: Part 4 Cross-Compliance Inspections and Sanctions, which will be available from mid March 2005.

## **8 Set-aside land**

The rules associated with Set-aside have changed with the introduction of the SFP. Farmers with a Set-aside obligation will be required to set land aside as part of the conditions of the SFP Scheme. Those who are required to set land aside will be allocated Set-aside Entitlements. Set-aside Entitlements will be valued at the Area Reference Amount for the Northern Ireland Single Farm Payment hybrid model (approximately €68/hectare). Details of the management rules for Set-aside can be found in CAP Reform: Part 5 Set-aside (available from mid March 2005).

Under the arrangements, which applied before 1 January 2005, Set-aside obligations only applied to those who were arable producers declaring land each year on their IACS forms. **The concept of eligible arable land that existed under the old Arable Area Payments Scheme (AAPS) is no longer of any relevance under the SFP Scheme. It has no bearing on your possible current or future Set-aside obligations. It is important that you are aware of the Set-aside requirement and the status of the land you are using for SFP as you may now have a Set-aside requirement, which you did not have in the past.** This includes those who have never claimed Arable Aid payment.

### **NOTE:**

**The arrangements described in 8.2 differ from, and replace, those in the booklet CAP Reform Part 1: Payment Entitlements, which you received with your Statement of Historic Reference Amount last October.**

## **Set-aside requirements**

Under the 2005 SFP Scheme in Northern Ireland, farmers who enter more than a certain threshold area of Set-aside eligible land to the Scheme will have to set aside 4.7% of this land. For 2005, this threshold area is fixed at 38.63 hectares in the LFA and 37.22 hectares in the non-LFA. In cases where farmers have some Set-aside eligible land in both the LFA and non-LFA, the threshold that applies will be the one where the majority of the Set-aside eligible land lies. For example, if most of the Set-aside eligible land is located in the non-LFA, then the non-LFA threshold is the one that is applicable.

### **What is Set-aside eligible land?**

The definition of Set-aside eligible land is made up of two parts.

**Part One:** Firstly, the land must have been used for an arable crop (such as cereals, potatoes or forage maize) in at least one of the years 1998 to 2003 (inclusive). The Department will have a record of this from the IACS declarations made during this period for the vast majority of fields in Northern Ireland. Where an IACS record is not held for any given year, the Department will assume that the field was not in arable production (unless producers or landowners provide evidence to the contrary).

Land that was in pasture over this **entire** period is **not** Set-aside eligible.

**Part Two:** The second stage is to determine if the land identified at Part One as being used for crops sometime between 1998 and 2003 was **also** used for an arable crop at some point in the period from 2000 to 2005 (inclusive). Again, the Department holds records on this for the period up to 2004. How land is used in 2005 (therefore whether it is in an arable crop or in pasture) depends, of course, on the choice of individual farmers, but this will be recorded in the 2005 Single Application Form.

It is only where the land meets both of the conditions at Part One and Part Two that it will be regarded as Set-aside eligible.

#### **NOTE:**

**A definition of an arable crop can be found at Annex B, page 20 of this booklet (Arable Land).**

**A Set-aside Entitlement can be claimed (activated for payment) by managing 1 hectare of Set-aside eligible land as Set-aside (according to the Set-aside management rules as detailed in CAP Reform: Part 5 Set-aside). Only Set-aside eligible land may be used to activate Set-aside Entitlements. If you receive Set-aside Entitlements you must activate these before all other Entitlements you hold. If you do not do so you may incur substantial reduction to your Single Farm Payment.**

**The number of Set-aside Entitlements allocated to each producer will be reviewed by 1 August 2005. It is possible that after this review you may receive a Set-aside requirement (even if you did not have to set land aside in 2005) or the area you are required to set aside may increase. This will only affect the area of land you are required to set aside from 2006 onwards.**

### **What do I do now?**

It is important that you now check to see if you have a Set-aside obligation for 2005. Your first step is to identify those land parcels that you intend to use to establish SFP

Entitlements this year. You must then determine which of these land parcels are Set-aside eligible (by going through the two stage process described in the previous paragraph). If the total area of Set-aside eligible land that you are using to establish SFP Entitlements in 2005 is greater than 38.63 hectares (in the LFA) or greater than 37.22 hectares (in the non-LFA), then you must set aside 4.7% of your Set-aside eligible land this year. It is important to stress that the land you are setting aside must be Set-aside eligible land.

The following step-by-step approach and flow chart will help you work your way through this process. If you have queries, or if you need help in establishing the cropping history of a particular field, please contact the Single Farm Payment Section at Orchard House (see contact details at Annex A, page 18 of this booklet). You should also check with the landowner or previous tenants if appropriate in trying to determine the past cropping history of a field. **This is particularly important in cases where the Department does not have a complete IACS history of the field since 1998.**

### **How to work out your Set-aside requirement**

To calculate if you need to set aside land and how much you have to set aside, follow the steps described below.

#### **Step 1**

Identify those field parcels that you are going to use to establish SFP Entitlements in 2005.

#### **Step 2**

For the field parcels identified at Step 1, select all those that were used for an arable crop in any year between 1998 and 2003 inclusive. Exclude all other field parcels.

#### **Step 3**

From the field parcels selected at Step 2, select those that were used for an arable crop in any year between 2000 and 2004 inclusive or that will be used for an arable crop in 2005. Exclude all remaining land parcels.

#### **Step 4**

Add up the area of the field parcels selected at Step 3. This is your total Set-aside eligible land area for 2005.

### **Where all or the majority of your Set-aside eligible land lies within the LFA**

If your total area of Set-aside eligible land is greater than 38.63 hectares, then you must set aside 4.7% of this Set-aside eligible land.

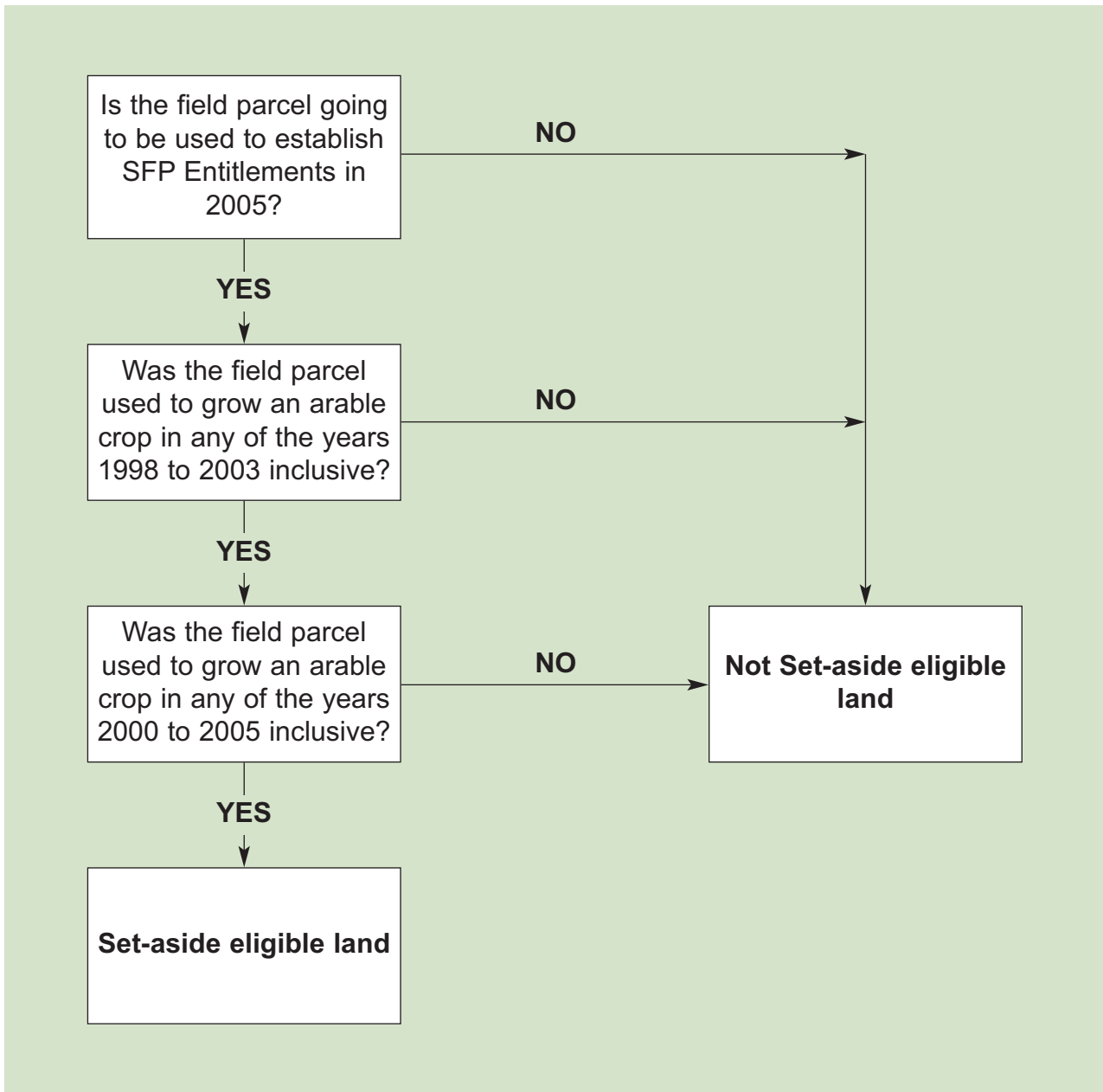
If you have less than 38.63 hectares of Set-aside eligible land, you do not need to set aside any land.

### **Where all or the majority of your Set-aside eligible land lies within the non-LFA**

If your total area of Set-aside eligible land is greater than 37.22 hectares, then you must set aside 4.7% of this Set-aside eligible land

If you have less than 37.22 hectares of Set-aside eligible land, you do not need to set aside any land.

## Is my field parcel Set-aside eligible?



## Examples:

The following examples demonstrate how to calculate your Set-aside requirement and are for illustration purposes only.

### Example 1 General

#### Step 1

Area to be used to establish Entitlements in 2005 . 100 hectares

#### Step 2

Land which was in an arable crop in any year between 1998 and 2003 inclusive. 70 hectares

#### Step 3

Field parcels selected at step 2, which were used for an arable crop in any year between 2000 and 2004 inclusive or that will be used for an arable crop in 2005. 60 hectares

#### Step 4

Land eligible for Set-aside. 60 hectares  
You are required to Set-aside the following.  $60 \text{ hectares} \times 4.7\% =$   
**2.82 hectares**

### Example 2 Arable Producer

You are an arable producer and have 66 hectares of land on your holding (9 hectares of which you take in conacre) and it is made up of the following fields:

Field Number	Area (hectares)	Use of land
1	9	In grass for the entire period 1998 to 2005
2	7	To be used for arable in 2005, but was in grass for the period 1998 – 2004
3	10	Used for arable in 2003 and 2005
4	2	Forestry
5	12	Used for arable in 2003 and 2005
6	2	Non-grazeable orchard
7	8	Used for arable in 2003 and 2005
8	9	Used for arable in 2003 and 2005 (taken in conacre)
9	7	Permanent crops

1. You decide that the total area of land to be used to establish Entitlements in 2005 is 55 hectares (fields 1, 2, 3, 5, 7 and 8). Fields 4, 6 and 9 are not eligible for SFP.
2. Land, which was in an arable crop in any year between 1998 and 2003 inclusive, is 39 hectares (fields 3, 5 7 and 8).
3. Fields 3, 5, 7 and 8 were used for arable crops for at least one year in the period 2000 – 2005 inclusive. Hence the total area of land eligible for Set-aside is 39 hectares.
4. Apply the Set-aside rate as follows: -  $39 \text{ hectares} \times 4.7\%$ , which gives 1.83 hectares. You will have to set aside 1.83 hectares between fields 3, 5, 7 and 8 and you will receive 1.83 Set-aside Entitlements. The Set-aside requirement applies only to fields 3, 5, 7 and 8, and not your whole farm.

### Example 3 Livestock Producer

You are a livestock farmer and you have 85 hectares of land (22 hectares of which you take in conacre each year) for 2005 and you use the following fields for your Single Farm Payment:

Field Number	Area (hectares)	Use of land
1	9	Arable in 1998 but grass since (taken in conacre in 2005)
2	7	In grass for the entire period 1998 - 2005
3	8	In grass for the entire period 1998 - 2005
4	2	Forestry
5	13	Arable in 2001 but in grass since (taken in conacre for 2005)
6	2	Non-grazeable orchard
7	12	Arable use in 1999 and 2003, now in grass
8	5	In grass for the entire period 1998 - 2005
9	7	In grass for the entire period 1998 - 2005
10	20	Arable use in 2003, now in grass

1. You decide that the total area of land to be used to establish Entitlements in 2005 is 81 hectares (fields 1,2, 3, 5, 7, 8, 9 and 10). Fields 4 and 6 are not eligible for SFPS.
2. Land which was in an arable crop in any year between 1998 and 2003 inclusive is 54 hectares (fields 1, 5, 7 and 10).
3. Fields 5, 7, and 10 were used for an arable crop for at least one year in the period 2000 – 2005 (45 hectares in total). Field 1 was in grass for the entire period 2000 – 2005 and is excluded. Therefore the total area of land eligible for Set-aside is 45 hectares.
4. Apply the Set-aside rate as follows: 45 hectares x 4.7%, which gives 2.12 hectares. You will have to set aside 2.12 hectares between fields 5 7 and 10 and you will receive 2.12 Set-aside Entitlements. The Set-aside requirement only applies to fields 5, 7 and 10, and not your whole farm.

### Organic farmers

You will be allocated Set-aside Entitlements but will not have to set land aside if all the following requirements are met:

- You are an organic farmer, or in organic conversion;
- All the productive land on your holding (therefore, all production units you manage in the United Kingdom) is managed in accordance with Regulation (EEC) No. 2092/91; and
- All the productive land on your holding is registered by 15 January 2005 with a recognised organic inspection body.

### What do I have to do on Set-aside land?

Land to be Set-aside in 2005 must be Set-aside by 15 January 2005 and remain as Set-aside until 31 August 2005. You must comply with the Set-aside management rules as detailed in CAP Reform: Part 5 Set-aside (booklet available mid March 2005). If you require a copy please contact the Single Farm Payment Section in Orchard House (see contact details at Annex A, page 18 of this booklet). As a minimum requirement for any

land, which you set aside, you must still meet the Cross-Compliance Statutory Management Requirements and Good Agricultural and Environmental Condition standards.

The following are the key dates and actions under the Set-aside rules for 2005:

15 January	Start of the Set-aside period. You must not harvest any crops remaining in the ground or graze the land.
1 March –15 July	You should avoid operations on Set-aside land in this period as you could harm nesting birds and other wildlife. If action is essential, you should take steps to minimise the disturbance to wildlife.
15 April	Earliest date on which you can use non-selective herbicides on Set-aside land.
16 May	Closing date for applications under the SFP. Final date for signing and lodging your non-food contract for industrial crops grown on Set-aside land under the SFP in 2005.
15 July	Sowing for harvest in 2006 permitted on Set-aside land.
15 July-15 August	Compulsory cut of Set-aside land.
31 August	End of the Set-aside period.

## 9 Horticultural land and SFP

If you grow horticultural crops such as fruit, vegetables and potatoes (FVP) on your land you will be able to **use this land to establish Entitlements**.

You will only be permitted to use land in FVP to **claim payment of Entitlements if the Entitlements you are using have a Horticultural Authorisation**.

Details of how Horticultural Authorisations and Entitlements relate can be found in CAP Reform: Part 1 Payment Entitlements. Further details of how to apply for an Authorisation will be included in the CAP Reform: Part 8 IACS/2005 Single Application, which will be available from mid March 2005. If you do not receive a IACS/2005 Single Application pack you can obtain one from the Single Farm Payment Section in Orchard House (see contact details at Annex A, page 18 of this booklet).

There may be circumstances where a tenant is growing FVP on land rented or taken in conacre from a landowner. The landowner may establish Entitlements in respect of this land but will not be able to claim payment of these Entitlements unless they have a Horticultural Authorisation attached. Horticultural Authorisations will be awarded only to the person who produced FVP, which in most cases will be the tenant. Landowners must consider carefully the use their tenants are making of the land. Alternatively, the tenant may establish and claim (provided the required number of Horticultural Authorisations are obtained) Entitlements in respect of this land. Entitlements established without Horticultural Authorisations but not claimed in 2005 may be claimed in 2006 against any eligible land provided the land concerned is not used to produce FVP in 2006. This also applies to subsequent years.

## Contacts

**If you have a specific query about the contents of this booklet or any SFP related issues please contact:**

Department of Agriculture and Rural Development  
 Single Farm Payment Section  
 Orchard House  
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 BT48 6AT

Tel: (028) 7131 9900  
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 E-mail: [gspd.sfps@dardni.gov.uk](mailto:gspd.sfps@dardni.gov.uk)

**If you require this explanatory guide in a different format please select one of the following options:**

Tel: The Single Farm Payment Section as above;  
 or  
 for those with hearing disability (028) 90524420 (text phone)

## County Agricultural Offices

### County Antrim

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### County Armagh

2 Newry Road  
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### County Tyrone

Sperrin House  
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## Definitions

### Farmer

Any natural or legal person, or group of natural or legal persons, whatever legal status is granted to the group and its members by national law, whose holding is situated in the United Kingdom and who exercise an agricultural activity.

### Holding

All production units managed by a farmer within the United Kingdom.

### Production unit

At least one area of land, which gave right to direct payments in the reference period 2000 – 2002, including forage areas, or one animal which would have given right to direct payments in the reference period, accompanied, where the case may be, by a corresponding premium right.

### Agricultural activity

The production, rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping animals for farming purposes, or maintaining the land in Good Agricultural and Environmental Condition (GAEC).

### Land eligible for SFP

Land eligible for SFP is land which is used or capable of being used for agricultural activities. This is the area taken up by arable land or permanent pasture. Areas where fruit, vegetables and potatoes are grown may be used to establish Entitlements but only Entitlements with a Horticultural Authorisation may be claimed in respect of this land. Land under permanent crops is not eligible either to establish or claim Entitlements.

### Arable land

Arable land is land used to grow crops. As a general rule, all annual or biennial crops (or mixtures of these) will count as arable crops. This will include cereals, potatoes, vegetables, oilseeds, forage maize and wholecrop silage. Under sown cereals will count as arable crops, as will multi-annual vegetable crops such as asparagus. Land that was used to meet Set-aside obligations will also count as arable. However, forestry land used to meet Set-aside obligations is not regarded as arable and should be excluded from Set-aside calculations completely. Grasses, and other perennial crops such as clover (or mixtures containing these) will count as pasture (that is, non-arable).

### Permanent pasture

Permanent pasture is land used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown) and that is not included in the crop rotation of the holding for five years or longer.





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Kintra Fordèrin**

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