

THE SPS-A SHORT OVERVIEW

SINGLE PAYMENT SCHEME (SPS) APPLICANTS IN 2007 SHOULD NOTE THE FOLLOWING POINTS

AS AN APPLICANT UNDER THE 2007 SINGLE PAYMENT SCHEME, YOU ARE REQUIRED TO READ THE 2007 SINGLE PAYMENT SCHEME HELPSHEET/TERMS AND CONDITIONS BEFORE YOU COMPLETE YOUR 2007 SPS APPLICATION FORM. THIS SUMMARY ONLY HIGHLIGHTS CERTAIN ASPECTS OF THE 2007 SPS FOR YOUR ATTENTION.

YEAR 3 OF THE SINGLE PAYMENT SCHEME – ENTITLEMENTS COULD BE LOST FOREVER

There is a basic 3-year "Use them or lose them" rule under the Single Payment Scheme. 2007 is the third year of the first 3-year Single Payment Scheme cycle and is therefore a crucial year for a number of farmers. Any farmer who has not declared enough eligible hectares when 2005 and 2006 are added together, and who still does not reach his/her total number of entitlements when the 2007 hectares are added to this sum, could lose some or even all of their entitlements to the National Reserve. Entitlements will be lost where the addition of the hectares declared in all 3 years is still less than the number of entitlements held. If you have 10 entitlements for example, and only declare 3 eligible hectares in each of the 2005, 2006 and 2007 scheme years (total 9 hectares), you will lose 1 entitlement.

PAYMENT ORDER OF ENTITLEMENTS

In a relatively small number of cases, SPS applicants hold entitlements of differing values. It may arise in these circumstances, for whatever reason, that sufficient hectares are not available to ensure payment on all of those entitlements in 2007. Payment in respect of entitlements will generally be made in the order set out on the pre-printed SPS application form, that is:

Firstly: Set-aside entitlements, where applicable, take priority over all other Single Payment entitlements.

Secondly: Entitlements that come in full from the National Reserve.

Thereafter, Standard, Transferred Standard entitlements or topped-up National Reserve entitlements commencing with the highest value entitlements. If you wish to choose a different order of payment in the context that you will not have met the "one eligible hectare of land for each entitlement" by 2007, you should apply to the Department specifying an order of payment of your choice on a "Payment Order of Entitlements" form. A copy of this form is being issued to all SPS applicants during March 2007. Most applicants will not need to return this form. If you do need to request a different order of payment, the completed form should be submitted by the 4 May 2007 closing date.

TRANSFER OF ENTITLEMENTS

Payment entitlements are not attached to land but are the property of the farmer who was farming during the reference period and was in receipt of direct payments under one or more of the Livestock Premium and/or Arable Aid schemes, 2000 - 2002. Entitlements may be transferred by way of sale/lease/gift or inheritance. Entitlements may be sold with or without land but can only be sold without land once 80% have been used in one calendar year. *Entitlements cannot be leased without land.* They can only be leased out to another farmer if accompanied by an equivalent number of hectares of eligible land. Entitlements may also be transferred, with or without land, by gift or through inheritance. See Chapter 13 of the 2007 SPS Helpsheet/Terms and Conditions. If a farmer wishes to apply to transfer Entitlements in respect of the 2007 Single Payment Scheme year the completed application form, along with any supporting documentation, must be submitted by the closing date of 4 May 2007.

CONSOLIDATION OF ENTITLEMENTS

In certain defined circumstances, a farmer may apply to consolidate his/her entitlements on fewer hectares than were available to that farmer during the reference period - see Chapter 15 of the 2007 SPS Helpsheet/Terms and Conditions. If you wish to apply for Consolidation in 2007, please submit the completed application form, along with any supporting documentation directly to the Consolidation Section, Single Payment Unit, Department of Agriculture & Food, Eircom Building, Knockmay, Portlaoise, Co Laois by the closing date of 4 May 2007.

CONTROLS AND INSPECTIONS

Single Farm Payment applications will be subject to administrative checks, controls by remote sensing using satellite imagery or aerial photography, and on-farm inspections. Applicants shall agree to permit officials or agents of the Department to carry out on-farm inspections with or without prior notice at any reasonable time(s) and without prejudice to public liability - see Chapter 24 of the 2007 SPS Helpsheet/Terms and Conditions.

CROSS COMPLIANCE

Under Cross Compliance requirements, a farmer receiving direct payments, including SPS, DAS, etc., must respect the various statutory management requirements set down in EU legislation (Directives and Regulations) on the environment, food safety, animal health and welfare, and plant health and must maintain the farm in good agricultural and environmental condition (GAEC). Booklets entitled "The Single Payment Scheme - Your Guide to the Cross Compliance," "Guide to Cross Compliance Requirements to be implemented in 2006 and 2007" and "Explanatory Handbook for Good Agricultural Practice Regulations" detailing obligations that should be respected by farmers who apply for the Single Payment Scheme were issued to all farmers in 2005 and 2006. These publications outline in detail the cross compliance requirements set out in EU Regulations that are applicable under the Single Payment Scheme - see Chapter 25 of the 2007 SPS Helpsheet/Terms and Conditions.

ONLINE APPLICATIONS IN 2007

A new service is being launched whereby SPS applications may be submitted online to the Department. This service, which is a pilot project in 2007, will be available with effect from early March 2007. A farmer who wishes to submit an online application must be registered with the Department's AgFood Online Services. Application for registration can be made online by logging on to the Department's website at www.agriculture.gov.ie or directly to www.agfood.ie. Register by filling in the details requested. For security purposes, this registration involves the issue of a unique Personal Access Code (PAC) when you have successfully registered. You will also be required to create your own 6-digit password. The PAC and Password, together with your PPS No, Vat No or CRO will allow you to gain access to SPS details and make your 2007 application online. If you wish to avail of this facility in 2007 but are not registered, you should apply *immediately* for registration. Further information on how to register for this service is available from the Agfood.ie Helpdesk, Lo call 1890 252 118 or by email to agfood@agriculture.gov.ie.

If you cannot register yourself, you can, if you so wish, nominate your agricultural consultant (Agriculture Agent) to apply online on your behalf. Agriculture Agents, in the context of this pilot project, will be deemed suitable by the Department if they are qualified planners/ advisors/ consultants with recognised experience in completing significant application forms on behalf of farmers, for example SPS, REPS etc. In this instance, you should complete and submit a form entitled "Authorisation Form to allow an Agent to act on behalf of a Single Payment Scheme Applicant" - SPS Auth 1. If your SPS application is submitted in the name of a company, you should complete and submit the form SPS Auth 2. A copy of the appropriate form, pre-printed with details of your name, address, herd number etc. has issued to all SPS applicants.

DISADVANTAGED AREAS SCHEME

Your 2007 SPS application is also your application for the 2007 Disadvantaged Areas Scheme (DAS) provided you meet the requirements of that scheme – see Chapter 20 of the 2007 SPS Helpsheets/Terms and Conditions. It should be noted however that the DAS forms part of the Rural Development Programme 2007 – 2013 which is awaiting EU Commission approval and the conditions set down in the 2007 SPS Helpsheets/Terms and Conditions may therefore be subject to change.

THE ENERGY CROPS SCHEME

An aid of EUR45 per hectare per year will be paid for areas sown under energy crops used under the conditions laid down - see Chapter 21 of the 2007 SPS Helpsheets/Terms and Conditions. Energy crops are defined as crops supplied essentially for the production of (1) products considered bio-fuels and (2) electric and thermal energy produced from biomass. An additional top-up of EUR80 per hectare, funded by the National Exchequer, will also be paid. This additional payment will apply for three years, beginning with the 2007 Scheme additional payment and is subject to a maximum ceiling per producer over the three years.

A Bio-energy Establishment Scheme to grant-aid the planting of willow and miscanthus, funded by the National Exchequer, has been established for a limited period. Details can be obtained from Crops Policy Section, Department of Agriculture & Food, Kea-Lew Business Park, Mountrath Road, Portlaoise, Co. Laois, telephone: 057-8692231.

LAND USED FOR GROWING POTATOES, FRUIT AND VEGETABLES

The EU Regulations that set down details of the Single Payment Scheme state that land used for growing potatoes, fruit and vegetables is not eligible land for the purpose of drawing down an SPS entitlement. Following much debate, the EU Commission has agreed to review this position. While it is likely that such land will become eligible SPS land in the future, there is no guarantee that any such change will be made in time for the 2007 SPS applications. The Department will announce any change immediately it occurs.

SUGAR BEET ENTITLEMENTS

In 2006, in the context of the EU reform of the sugar regime, the rates of compensation applicable under the sugar beet element of the Single Payment Scheme were established. This compensation was incorporated as part of the Single Payment Scheme in 2006 and will be applicable as set out under for future years. The total amount per contracted tonne is increased from EUR9.62 in 2006 to EUR11.71 in 2007.

APPLICATION FORMS FOR VARIOUS SPS MEASURES

Application forms for the Single Payment Scheme and all associated measures are available from the Single Payment Unit, Department of Agriculture and Food, Government Buildings, Portlaoise, Co. Laois or from Local Offices of the Department, or the Department's website at www.agriculture.gov.ie or from TEAGASC.

COMPLETING YOUR 2007 SPS APPLICATION FORM

THE FOLLOWING ISSUES HAVE BEEN IDENTIFIED AS THE MOST COMMON CAUSE OF PROCESSING DELAYS AND/OR REDUCED PAYMENTS. PLEASE TAKE NOTE OF THESE ISSUES IN COMPLETING YOUR 2007 SPS FORM IN ORDER TO ENSURE THAT YOU BENEFIT FROM YOUR FULL PAYMENTS WITHOUT UNNECESSARY DELAY OR PENALTY.

- ✓ ONE ENTITLEMENT = ONE ELIGIBLE HECTARE OF LAND
IF YOU HAVE 10 ENTITLEMENTS FOR EXAMPLE, YOU MUST DECLARE 10 ELIGIBLE HECTARES IN ORDER TO BENEFIT FROM YOUR FULL SINGLE PAYMENT. APPLICANTS MUST DECLARE ALL THE LAND AVAILABLE TO THEM IN 2007.
- ✓ SUPPORTING DOCUMENTATION, FOR EXAMPLE MAPS, COMMONAGE EVIDENCE, etc. MUST BE ENCLOSED WITH THE SPS APPLICATION AS APPROPRIATE, OR FORWARDED SEPARATELY IF SUBMITTING AN ONLINE APPLICATION.
- ✓ ENTER, OR AMEND IF NECESSARY, THE 10-MONTH START DATE FOR EACH LAND PARCEL/PLOT DECLARED ON YOUR FORM – SEE CHAPTER 19 OF THE 2007 SPS HELPSHEET/TERMS AND CONDITIONS
- ✓ DO NOT OVERCLAIM ON THE AREA OF A PARCEL – MAKE DEDUCTIONS WHERE NECESSARY FOR BUILDINGS, FARMYARDS, WOODS, DENSE SCRUB etc. WHERE A PARCEL HAS A REFERENCE AREA, YOU CANNOT GENERALLY CLAIM A GREATER AREA AS THIS WILL CAUSE AN OVERCLAIM AND POSSIBLY A PENALTY. NOTE THE DEFINITIONS OF PARCELS IN THE 2007 SPS HELPSHEET/TERMS AND CONDITIONS
- ✓ DECLARE ALL THE PARCELS IN YOUR HOLDING IN 2007. THERE IS ALSO A PENALTY FOR THE UNDER-DECLARATION OF LAND PARCELS.
- ✓ THOROUGHLY CHECK THE PRE-PRINTED DETAILS ON YOUR FORM AND MAKE ANY NECESSARY AMENDMENTS. FILL IN THE APPROPRIATE DETAILS IN ANY BOX THAT IS BLANK. OTHERWISE YOUR APPLICATION WILL BE REGARDED AS INCOMPLETE AND PROCESSING WILL BE DELAYED.
- ✓ YOU MUST OBSERVE THE REQUIREMENTS RELATING TO THE IDENTIFICATION AND REGISTRATION OF ANIMALS.

CLOSING DATE FOR APPLICATIONS

The closing date for applications under the 2007 Single Payment Scheme (SPS) is Monday 4 May 2007. Late applications will be accepted up to Tuesday 29 May 2007. However, a penalty of a 1% loss in payments for each working day that the application is received late will apply to applications received during the 5 May -29 May period. Except in cases of force majeure, there will be a total loss of payments for applications received after Tuesday 29 May 2007.

AMENDMENTS TO SPS APPLICATION FORMS

Amendments to 2007 Single Payment Scheme applications, online or written, may be made up to 31 MAY 2007. The Department will not accept amendment forms after that date. A specific form – SPS2007 AMENDMENT FORM - is available for this purpose. This Form, which includes full details of the circumstances under which Amendments will be accepted, is available from the Single Payment Unit, Local Offices of the Department, TEAGASC and on the Department's website at www.agriculture.gov.ie