

Less Favoured Area Compensatory Allowances (LFACA) Scheme

2010

Explanatory Notes

March 2009

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1. Introduction

The Less Favoured Area Compensatory Allowances (LFACA) 2010 scheme is part of the Northern Ireland Rural Development Programme (NIRDP) 2007 – 2013.

The NIRDP 2007 - 2013 is part financed by the European Agricultural Fund for Rural Development (EAFRD) and the Department of Agriculture and Rural Development (DARD).

LFACA 2010 will be similar to the 2009 scheme.

The scheme has two parts:

1. An area based payment for eligible hectares of Severely Disadvantaged Land (SDA) and Disadvantaged Land (DA).
2. A `cattle bonus` which increases the area based payment for those producers who have 25% or more of their eligible livestock units (LUs) as suckler cows or heifers.

In short, to claim you must:

- have at least 3 hectares of eligible forage land in the SDA and/or DA;
- keep enough eligible stock to meet the minimum 0.2 LUs per hectare (ha) stocking density requirement;
- have the land available and accessible and meet the stocking density requirement throughout the period of 1 April 2009 to 31 October 2009;
- adhere to the Cross-Compliance requirements;
- undertake to farm in the Less Favoured Area (LFA) for five years from the first payment of a compensatory allowance; and
- complete the application.

More detail on these points is given under the headings below.

We must apply the rules of the scheme in line with EU Regulations. Please make sure you fully understand the scheme requirements and can meet them before completing your application.

You should note that administrative checks and on-farm inspections will be used to ensure compliance with the requirements of the scheme.

2. Eligible Forage Land

You must farm at least three hectares of eligible forage land (which may include your share of common land) lying within the designated LFA in NI.

Eligible forage land is land that has been accepted by us as either SDA or DA.

Your land must be declared on the 2009 IACS/Single Application Form (SAF 1) and on the Field Data Sheet (SAF 2) under land use codes FR1 GRASS (grass for grazing, hay and silage, rough grazing, grazed heather, lucerne, sainfoin, clovers, forage vetches) or OT3 ORCHARDS or WOODLANDS (non-commercial orchards and grazed woodlands which are grazed by livestock and which have been used to support subsidy payments in the past).

This land must have been available and accessible to you for use for maintaining livestock or producing a forage crop for the entire seven month period of 1 April 2009 to 31 October 2009.

The same area of land cannot be used by more than one farm business to claim payment for LFACA.

Although lowland is not eligible for LFACA payment, you must show the lowland you had available over the qualifying period as it is used when calculating milk quota reductions. We will use the milk quota held by you at 31 March 2009 and convert it to notional hectares at a rate of 10,000 litres = 1 hectare.

3. Eligible Stock

Eligible stock will continue to be:

- Suckler cows and heifers.
- Breeding ewes.
- Breeding female deer.
- Breeding female goats.

For LFACA 2010, you must have carried out, on a continuous basis, one or more of the following eligible activities throughout the entire period of 1 April 2009 to 31 October 2009. That is, maintaining a:

- herd of suckler cows forming part of a regular breeding herd for the rearing of calves for meat;
- flock of sheep comprising eligible ewes, as defined in Council Regulation (EC) No. 73/2009 (Article 100 (a));
- breeding herd of farmed deer;
- herd of goats, for milk or fibre production.

4. Cattle Bonus

To be eligible for the cattle bonus the number of suckler cows and heifers expressed in livestock units must be at least 25% of the total eligible animals expressed in LUs throughout the entire seven month period of 1 April 2009 to 31 October 2009.

Animals that can count towards the calculation to determine eligibility for the bonus payment are suckler cows, heifers, breeding ewes, breeding female goats and breeding female farmed deer. The number of heifers that can count as eligible animals must be no greater than 40% of your total number of suckler cows and heifers.

5. Stocking Density

To qualify for LFACA 2010, your stocking density must be at least 0.2 LU/ha throughout the entire seven month period of 1 April 2009 to 31 October 2009.

Additionally, the number of heifers that can count as eligible stock must be no greater than 40% of your total number of suckler cows and heifers.

If your holding has an Agri-environment Scheme (AES) agreement or similar that sets a maximum stocking density at less than the LFACA minimum of 0.2 LU/ha, we may consider allowing the stocking density set in the agreement to replace the LFACA minimum stocking density requirement.

If you think this applies to you, please contact our LFACA Section on (028) 7131 9947 and they will look at your case.

To enable us to consider your case you must provide the entire formal document that covers the agreement.

This document must be signed by the parties involved and it must give the effective dates, clear details of the land covered and the stocking restrictions that apply.

The onus will be on you to produce the evidence we require and in a form that is acceptable to us.

To help you work out the stocking density using your total LUs and eligible hectares there is a blank worksheet and a worked example of the calculation at Annex A of this booklet.

6. Requirement to farm in the LFA for at least five years

Article 14(2) of Council Regulation 1257/1999 says you must, as in previous years, undertake to farm in the LFA for at least five years from the first payment of a compensatory allowance.

7. Cross-Compliance

In return for payment under LFACA, you must maintain your land in Good Agricultural and Environmental Condition (GAEC) and comply with a number of specific legal requirements known as Statutory Management Requirements (SMRs). This is known as Cross-Compliance. We will carry out inspections to verify that all these requirements (as relevant to your business) are being met.

If you do not meet the requirements of GAEC and the SMRs, you may be penalised and your payment reduced. Penalties for breaches of Cross-Compliance will be proportionate to the severity, extent, permanence and repetition of the non-compliance.

You can find full details of the Cross-Compliance requirements in the guidance booklets which are listed in Section 1 of `A Guide to the 2009 IACS/Single Application` which you will be sent.

Basic examples of Cross-Compliance penalties are at Section 11 of `A Guide to the 2009 IACS/Single Application`. You can also get details of the Cross-Compliance Verifiable Standards and information on the setting of penalties for breaches of the Cross-Compliance Verifiable Standards on our web-site at www.dardni.gov.uk/index/grants-and-funding

8. How to Claim

To apply for LFACA 2010 you must complete the 2009 IACS/Single Application (SAF 1) and the Field Data Sheet(s) (SAF 2).

You must insert the number of hectares claimed at Section 2, Question 3 of your SAF 1. If you have breeding ewes, you must put the number of them you have at the date of application in the box at Section 2, Question 3.1.

You must declare your land through the SAF 2, but only LFA land within Northern Ireland will be paid on. Use column I of the SAF 2 to identify the area of each field claimed for LFACA, you should note that only land which has been declared in column F of the SAF 2 as FR1 or OT3 will be eligible for LFACA payment (see Annex 6 of `A Guide to the 2009 IACS/Single Application` for information on Land Use Codes).

To help determine if the minimum stocking density requirement of 0.2 LU/ha is met, we will use the breeding ewe numbers you submit at Section 2, Question 3.1 of the SAF 1 and the cattle details held on the Animal and Public Health Information System (APHIS).

9. Penalties

If you do not meet the scheme rules, or we find an inaccuracy, we will apply reductions and exclusions (that is, penalties). You should read carefully the `Penalties, reductions, exclusions` part of Section 11 `Rules applicable to all schemes under the single application` of `A Guide to the 2009 IACS/Single Application` and in particular the `LFACA` insert that deals with some new penalty provisions on the over-declaration of land.

10. Conacre Land

Many farmers claim LFACA on conacre land. With the introduction of the Single Farm Payment (SFP) Scheme, some landowners established SFP entitlements on the LFA

land that they let in conacre. Landowners could establish and claim SFP entitlements on land they owned and continue to let to farmers provided they retained sufficient management control of the land to enable them to maintain it in GAEC. However, the farmer to whom the land is let may use this conacre land to support claims for LFACA payment.

In circumstances where the landowner is claiming SFP and the tenant is claiming LFACA for the same land, each must ensure that they meet the full requirements of the respective schemes to which they are applying. Failure to meet these requirements may result in penalties being applied.

In conacre and leasing agreements, great care should be taken to avoid both parties claiming under the same scheme for the same land.

You should read carefully the 'Leased Land' part of Section 2 of 'A Guide to the 2009 Single Application'.

Your stocking density calculation

The information that follows is to help you work out the stocking density from your total LUs and eligible hectares. We will do the calculation for your claim, based on your 2009 IACS/Single Application and other information we already hold, or may obtain, and/or the additional information we gather about your deer and goat enterprise, where applicable.

Please see the worked example that follows. We have included a blank form to help you work out your stocking density.

LU values

The LU values used are:

Suckler Cow/heifer over 24 months =	1.0 LU
Heifers over 8 months and up to and including 24 months =	0.6 LU
Breeding ewe =	0.15 LU
Breeding female goat =	0.15 LU
Breeding female farmed deer 27 months and over =	0.3 LU
Breeding female farmed deer over 6 months but less than 27 months =	0.2 LU

Reduction of Land Used to Support Dairy Production

LFA land used to maintain dairy production is ineligible for a LFACA payment. We will calculate the hectares notionally used for dairying by converting the milk quota you held at 31 March 2009 to hectares at the rate of 10,000 litres = 1 hectare.

We will deduct the notional hectares used for dairying from any lowland area first, followed by DA, SDA and finally from any common land. This maximises the payment due to you.

Stocking Density – Worked Example

LUs

Number of Suckler Cows and heifers over 24 months:

$$\underline{20} \times 1.0 =$$

(that is, animals on your holding at any moment in time during the period of 1 April 2009 to 31 October 2009).

20 LU A

Number of heifers over 8 months and up to and including 24 months:

$$\underline{10} \times 0.6 =$$

(that is, animals on your holding at any moment in time during the period of 1 April 2009 to 31 October 2009).

6 LU B

Number of breeding ewes:

$$\underline{60} \times 0.15 =$$

(that is, animals on your holding at any moment in time during the period of 1 April 2009 to 31 October 2009).

9 LU C

Number of breeding female goats:

$$\underline{0} \times 0.15 =$$

0 LU D

Number of breeding female deer 27 months and over:

$$\underline{0} \times 0.3 =$$

0 LU E

Number of breeding female deer over 6 months but less than 27 months:

$$\underline{0} \times 0.2 =$$

0 LU F

Total LFACA LUs (A+B+C+D+E+F)

=

35 LU G

Eligible Area

Milk quota held on 31 March 2009: 120,000 litres divided by 10,000

12 ha H

Eligible forage area declared for LFACA 2010		Hectares notionally used for dairying	Hectares remaining after deduction for dairying	
Lowland	10 ha	10 ha	0 ha	
DA	30 ha	2 ha	28 ha	I
SDA	10 ha	0 ha	10 ha	J
Common	20 ha	0 ha	20 ha	K

Total LFA forage area eligible for LFACA (I+J+K)

=

58 ha L

LFACA stocking density = G divided by L

=

0.6 LU/ha M

LUs

Number of Suckler Cows and heifers over 24 months:
 _____ x 1.0 = A LU

Number of heifers over 8 months and up to and including 24 months:
 _____ x 0.6 = B LU

Number of breeding ewes:
 _____ x 0.15 = C LU

Number of breeding female goats:
 _____ x 0.15 = D LU

Number of breeding female deer 27 months and over:
 _____ x 0.3 = E LU

Number of breeding female deer over 6 months but less than 27 months:
 _____ x 0.2 = F LU

Total LFACA LUs (A+B+C+D+E+F) = G LU

Eligible Area

Milk quota held on 31 March 2009 _____ litres divided by 10,000 ha H

Eligible forage area declared for LFACA 2010	Hectares notionally used for dairying	Hectares remaining after deduction for dairying	
Lowland ha	ha	ha	
DA ha	ha	ha	I
SDA ha	ha	ha	J
Common ha	ha	ha	K

Total LFA forage area eligible for LFACA (I+J+K) = _____ ha L

LFACA stocking density = G divided by L = _____ * LU/ha M

***Note:** If your stocking density is less than 0.2LU/ha at any time during the period of 1 April 2009 to 31 October 2009 you will not receive any LFACA payment unless you are exempt from the minimum stocking density requirement.

General Information

Fraud

We take every possible step to identify and pursue all attempted fraudulent claims and pay allowances only where eligibility can be confirmed beyond reasonable doubt.

DARD Fraud Hotline Number: FREEPHONE 0808 100 2716

How will payments be made?

We no longer issue Payable Orders. For LFACA 2010, you will not be paid if we do not have details of your bank account. All Schemes covered by the Single Application will be made electronically into your bank or building society account using the Bankers Automated Clearing System (BACS). A remittance advice note will continue to be issued providing details of the BACS payment made to you.

Credit Union accounts can also be used where farmers do not have a bank or building society account. Farmers must receive written approval from their Credit Union before submitting account details to us as there are limits to the amounts that can be kept in individual Credit Union accounts.

If you want to let us know about a change to the account details we already hold for your business, please contact System Management Section in Orchard House on (028) 7129 9074 to obtain the appropriate form.

BACS forms are also available on the DARD website: www.dardni.gov.uk

You should be aware that the same bank account cannot be used for more than one farm business.

If you have not yet made arrangements to be paid by BACS, or your current details need changed, you should contact Systems Management Section in Orchard House on (028) 7129 9074 for further information.

When will payments be made?

Payments will commence in early 2010

Will there be any on-farm inspections?

By submitting a Single Application, you agree to permit the Department to carry out on-farm inspections with or without prior notice at any reasonable time(s). When notified of an on-farm inspection you should arrange to be present for the inspection or, if unavailable, to have a representative nominated in your place to assist the inspecting officer. Every inspection will be the subject of a report and you (or your representative)

will be given the opportunity to sign the report indicating your presence at the inspection and to add your observations if you so wish.

If you are not present at an inspection where irregularities are found, we will send you a copy of the report.

We must carry out on-farm inspections on approximately 5% of applicants. This will involve around 2,000 applicants out of some 40,000 applications. In accordance with EU requirements, 1% of businesses are selected randomly. The remaining 4% of businesses are selected using risk based factors such as the length of time since their last inspection, results of previous inspections, changes in areas from previous years claim.

Approximately 1% of applicants will also be selected for verification of the Cross-Compliance standards that come under the responsibility of each of the authorities designated to undertake Cross-Compliance inspections.

Provided the purpose of the inspection is not jeopardised, we may give advance notice of our intention to undertake an inspection. For land related inspections this announcement may be up to 14 days in advance of the proposed inspection. However, for inspections involving livestock advance notice will not exceed 48 hours. If you, or others acting on your behalf, prevent an inspection from being carried out, no payment will be made.

It is not possible for an Inspector to advise of the effect on your claim of ineligible areas or non-compliances detected at inspection. If penalties are to be applied to your claim, you will be notified by SFP Branch or Grants & Subsidies Branch at a later date.

What is the legal basis of the scheme?

LFACA is administered under the authority of Council Regulation (EC) No. 1257/1999 and Council Regulation (EC) No. 1698/2005, under which the NIRD is implemented. It also operates under our domestic legislation, the Less Favoured Area Compensatory Allowances Regulations (Northern Ireland), which is made annually.

Will we pass details of your application to anyone else?

The information contained in your application may be used in support of any of our functions and may also be made available to other Departments/Agencies for the purposes of preventing or detecting crime.

If your Single Application contains any eligible forage area in Wales, Scotland or England it will also be necessary to copy your details to the relevant Administration.

Will any penalties be applied?

LFACA payments will be based on eligible forage area after account has been taken of any penalties that reduce your land, because of, for example, overdeclaration. You may also be penalised if, for example, if we get your application late.

You may be penalised if you do not adhere to the Cross-Compliance requirements. Any penalties will be proportionate to the severity, extent, permanence and repetition of the non-compliance.

Please read carefully the `Penalties, reductions, exclusions` part of Section 11 `Rules applicable to all schemes under the single application` of `A Guide to the 2009 IACS/Single Application` and in particular the `LFACA` insert that deals with some new penalty provisions on the over-declaration of land.

Do I have the right of appeal?

We have a formal appeals procedure. If you wish to challenge our decision and have it reviewed, you can get an appeal application form (AP1) by phoning the Appeals Section on (028) 7129 9085.

You have 60 calendar days from the date of decision to lodge an appeal. We cannot consider your case if you exceed this time limit.

Quality of Service – can I complain?

Tell us if you do not receive the quality of service you expect and we will fully and fairly investigate your complaint. You can do this in person, by letter, fax or phone.

First of all, speak or write to the person who has been dealing with your application or with your local Office Manager. Give them as much information as possible and they will try and settle your complaint quickly. If you do not get a satisfactory answer, you will be given the name of a Senior Manager who has not been involved in the matter. You can contact them if you want your complaint to be taken further.

If you would like more information about our complaints procedure please pick up a leaflet from any of our public offices. You can also download a copy of the leaflet from our website at www.dardni.gov.uk

We must however apply the rules of the scheme strictly in line with EU Regulations.

Data Protection and Freedom of Information

The Department takes data protection and freedom of information issues seriously and takes care to ensure that any personal information supplied on application forms is dealt with in a way which complies with the requirements of the Data Protection Act 1998.

The Department will use any personal information you supply mainly for the purpose for which it has been provided. But we may also use it for other legitimate purposes in line with the Data Protection Act 1998 and Freedom of Information legislation. These include:

- Administration of the Common Agricultural Policy and other aid schemes;
- The production and safety of food;
- Management of land and other environmental controls;
- Animal health and welfare;
- Occupational health and welfare;
- Compilation of statistics;
- Disclosure to other organisations when required to do so; and
- Disclosure under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 where such disclosure is in the public interest.

We are also required under EU legislation to publish the amount of subsidy paid to farmers on payments made since 16 October 2007. This will include the business name and postcode.

For LFACA, which is part financed by the European Agricultural Fund for Rural Development (EAFRD) and DARD, this will be the total amount of public funding received, including both the Community and the UK contribution.

Form Fillers

Where a form filler has completed your application we will treat the information as having been provided by you and we may reduce your claim if we find the information is incorrect.

If we have any queries on your claim, we will contact you directly in the first place. If you have provided details of your form filler on the Single Application, you can ask the form filler to contact us to discuss any queries.

Useful addresses and phone numbers

If you need any help or advice in relation to your application please contact LFACA Section in Orchard House or your local DARD Office. Contact details are shown below.

**LFACA Section,
Orchard House, 40 Foyle Street,
Derry/Londonderry, BT48 6AT**

Tel: (028) 7131 9947

Fax: (028) 7131 9800

Website Address: www.dardni.gov.uk/index/grants-and-funding

DARD Helpline: Tel: 028 90 524999
or e-mail dardhelpline@dardni.gov.uk

Local DARD Offices

Location	Address	Telephone	Fax
Armagh	2 Newry Road Armagh BT60 1EN	028 3751 5600	028 3751 5611
Downpatrick	Rathkeltair House Market Street Downpatrick BT30 6LZ	028 4461 2211	028 4461 8226
Enniskillen	DARD Direct Inishkeen House Killyhevin Industrial Estate Enniskillen BT74 4EJ	028 6632 5004	028 6634 3043
Dungannon	Crown Buildings Thomas Street Dungannon BT70 1HR	028 8775 4777	028 8775 4888
Omagh	Sperrin House Sedan Avenue Omagh BT79 7AQ	028 8225 1020	028 8225 3500
Ballymena	Kilpatrick House 38-54 High Street Ballymena BT43 6DP	028 2566 2800	028 2566 2838
Coleraine	Crown Buildings Artillery Road Coleraine BT52 2AJ	028 7034 1111	028 7034 1140
Newry	Glenree House Unit 2, Springhill Road Carnbane Industrial Estate Newry BT35 6EF	028 3025 3200	028 3025 3222



Department of
**Agriculture and
Rural Development**

www.dardni.gov.uk

AN ROINN

**Talmhaíochta agus
Forbartha Tuaithe**

MÁNNYSTRIE O

**Fairms an
Kintra Fordèrin**

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