

# **Single Farm Payment, Grants and Subsidies for Deer Farms**

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# Single Farm Payment, Grants and Subsidies for Deer Farms

- Single Farm Payment and CAP Reform, including:
  - Payment regions
  - Entitlements
  - Transition from historic
  - Minimum activity/stocking density
  - National Reserve
- Other Grants and Support



# Single Farm Payment, Grants and Subsidies for Deer Farms

- Very important caveat:



**KEEP  
CALM**

**AND**

**DON'T SHOOT  
THE MESSENGER !!**



# CAP Reform

- Current scheme - historic (2000-2002)
- New Basic Payment Scheme / entitlements
- Move to Area Payments
- Active Farming
- Greening
- Two funding pillars



# What is it?

- Scottish Government proposals for new scheme from 2015; consultation December 2013 – March 2014
- New entitlements allocated from 1<sup>st</sup> January 2015 to farmers that successfully claimed in 2013 plus new entrants/previously excluded (deer)
- Allocation likely to be based on area of land claimed in May 2015
- Farmers will need to be active in 2015
- Will be ongoing National Reserve/New Entrants Category



# CAP Consultation – Payment Regions

- Original proposal for 2 areas :
  - Rough Grazing (Hill)
  - Everything else!
- Based on SAF declaration (historic)
- Makes life simpler (?), but at a price

• BUT .....

- Coupling? 3 payment regions? Straight to flat rate?!



# Transition Period

- 4 Options :
  - Convert to flat rate in 2015
  - Convert by 2017
  - Convert by 2019
  - Convert to 60% flat rate by 2019 (Irish Tunnel)
- SG wants to convert fully by 2019



# Active Farming Requirement

- “in line with the case law of the Court of Justice of the European Union, payment entitlements should be allocated to the person enjoying decision making power, benefits and financial risks in relation to the agricultural activity on the land for which such allocation is requested”



# Active Farming

- Main (general) issue is on the hills
- EU says cannot use minimum stocking rate only on the hills
- Need a plan B
- PLAN B
  - Stocking linked to carrying capacity
  - Demonstrate active efforts to maintain land in good condition



# Active Farming Issues for Deer Farms

- Must satisfy definition of agricultural activity / farming
- Representative stocking densities?
- Deer farming definitely eligible under new scheme
- Deer parks? Much less clear, and IF eligible at all likely to be subjected to much greater scrutiny
- Very useful clarification of Park vs. Farms at meeting 1 of Deer Project ( © A Sneddon!)



# What's the Difference Between a Park and a Farm?

## Park:

- Extensive enclosed herd
- Whole herd set stocked
- Managed by culling
- Limited animal health inputs and winter feeding
- Venison sold as wild game through game dealer by trained hunter
- Wild Game Handling facility
- Must adhere to statutory close seasons for respective species

## Farm:

- More intensive enclosed herd with subdivided areas
- Different classes of animals grazed separately
- Handling facility for drenching etc
- Weaning, live sales
- Venison sold as farmed game
- Ante mortem inspection required
- Farmed game facility / abattoir
- Does not have to adhere to close season



# Active Farmer Deer Park vs Farm

- Treaty on the Functioning of the European Union, Agriculture and Fisheries, Article 38
- *“1. The Union shall define and implement a common agriculture and fisheries policy. The internal market shall extend to agriculture, fisheries and trade in agricultural products. "Agricultural products" means the products of the soil, of stockfarming and of fisheries and products of first-stage processing directly related to these products.”*



# Other CAP Stuff

- Capping
- Windfall tax
- Siphon on entitlement transfer
- Greening on arable farms
- Crop diversification
- Ecological Focus Areas
- Voluntary Coupled Support



# Payment Rates?

Land Type	Basic Payment (£/Ha)	Greening Payment (£/Ha)	TOTAL PAYMENT (£/Ha)
RGR	13	7	20
TGRS /PGRS /Arable	120	62	182

# Young Farmers and New Entrants

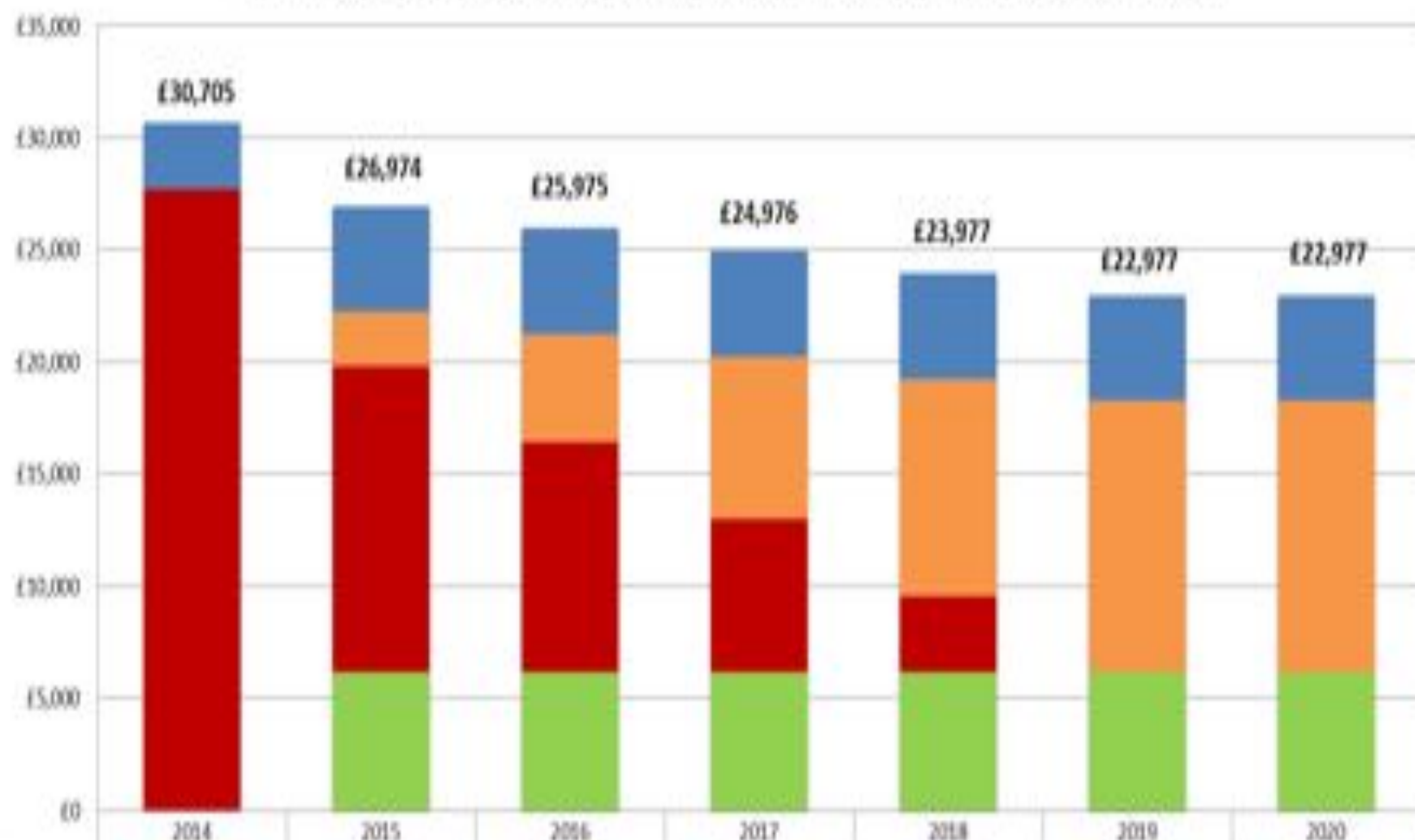
- 2 different things, not individually or mutually exclusive
- Young Farmer top-up proposal – 25% top-up on first 54Ha if <40 on 31/12/2015 and setting up as business head for 1<sup>st</sup> time (+ SRDP start up grant €70,000?)
- New Entrant - arguably since 2006, but certainly since 2013
- Ongoing National Reserve post 2015?



# Farm Level Effects

- Farm 1 - 100Ha (250ac) Beef and Sheep LFA, all PGRS
- 50 suckler cows, finishing all calves
- 400 ewes
- 6 Ha (15 acres) spring barley

# Expected Total Subsidy (excl LFASS) 2014-2020 100Ha Beef & Sheep:



Scottish Beef Scheme	£3,012	£4,695	£4,695	£4,695	£4,695	£4,695	£4,695
PGRS/ TGRS/Arable Area Rate	£0	£2,413	£4,826	£7,238	£9,651	£12,064	£12,064
RGR Area Rate	£0	£0	£0	£0	£0	£0	£0
Historic Rate	£27,693	£13,648	£10,236	£6,824	£3,412	£0	£0
Greening	£0	£6,219	£6,219	£6,219	£6,219	£6,219	£6,219
Total Subsidy (excl LFASS)	£30,705	£26,974	£25,975	£24,976	£23,977	£22,977	£22,977



# Farm Level Effects

- Farm 2 – 100Ha New Entrant Deer Farm
- Successful National Reserve Applicant
- AND Young Farmer Top-up +25% on first 54Ha





# CAP Reform

- Great opportunity for deer farming now finally on an even playing field
- BUT, must not fall into the same traps as supported livestock sectors
- Meeting 1 (© John Fletcher) on the subject of hill sheep in the 1960's, Sir Kenneth Baxter said
  - *“any meagre profit was entirely due to the amount of support. Indeed it was estimated, on the basis of careful costing, that 130 – 190 per cent of the net profit of these farms was accounted for by the subsidy payments they received”*
- Have clear objectives and budgeting- business or hobby?



# Other Support – Pillar II

- Capital grants largely out
- Increased funding for agri-environment
- Increased funding for forestry
- Maintained budget line for LFASS / ANC
- LFASS & ANC for deer farms?
- Young farmer start up grant
- Small diversification support scheme



# Other Support?

- New Rural Development Programme (RDP) agri-environment supposed to be rolled out in autumn 2014 in time for starting management in 2015
- Chances of this actually happening on time?

# Laurence Gould Partnership

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