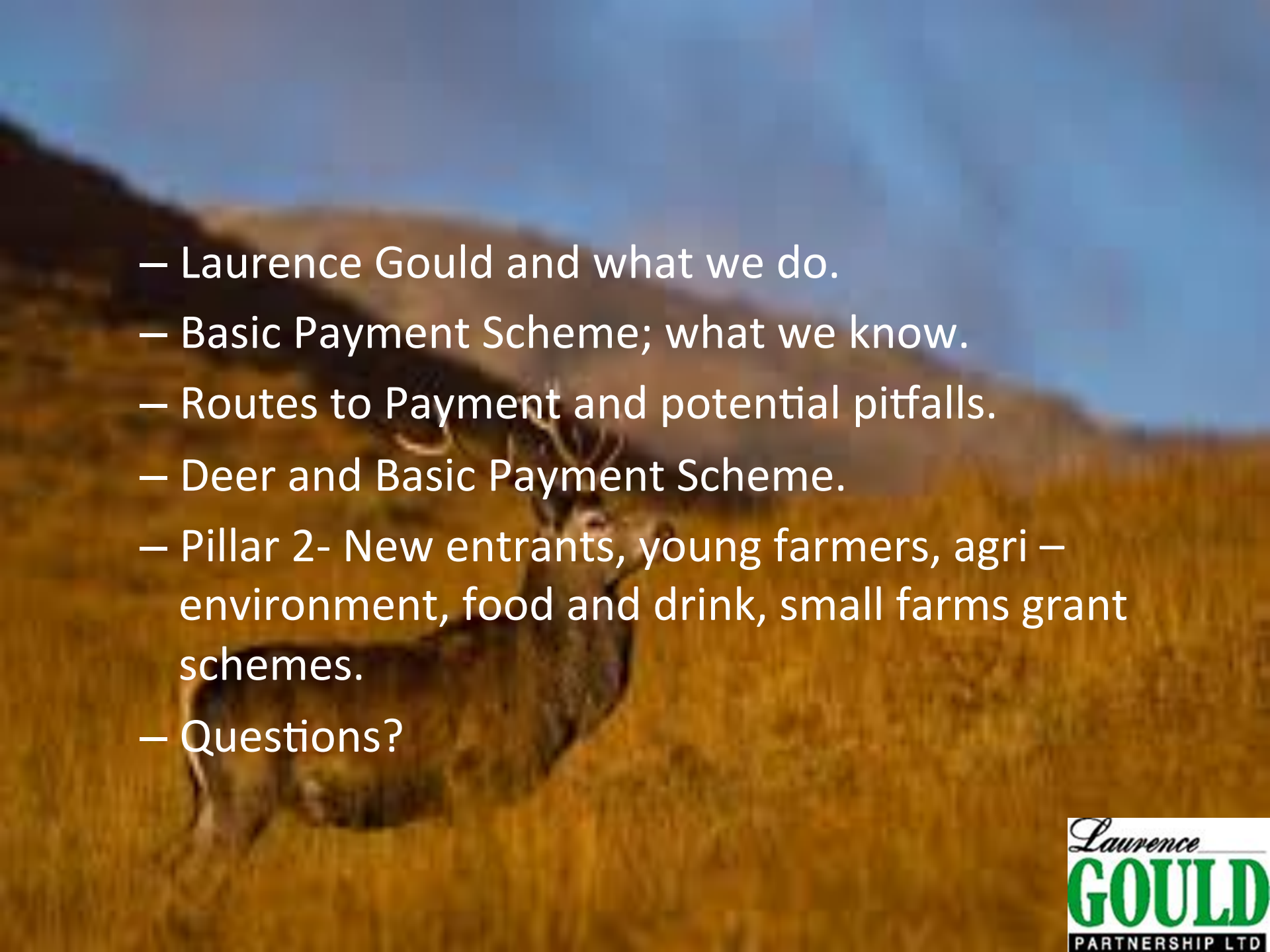


Grant Support and Options Available- An Update.



Sarah Allison
Laurence Gould Partnership

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- Laurence Gould and what we do.
 - Basic Payment Scheme; what we know.
 - Routes to Payment and potential pitfalls.
 - Deer and Basic Payment Scheme.
 - Pillar 2- New entrants, young farmers, agri – environment, food and drink, small farms grant schemes.
 - Questions?

Laurence Gould Introduction

- Agricultural and rural business consultants, UK wide.
- Scottish office in Dunfermline.
- Experience in an extensive variety of farming businesses, maximising grant support.

The New CAP

- Came into effect on 1st of January 2015.
- Pillar 1- direct payments- SAF deadline EXTENDED to 15th of June.
- Issues with online computer system- SG aware.
- Some well publicised issues with grass lets, and 'slipper farmers'.

The New CAP

- Pillar 2 (Scottish Rural Development Programme)- legislation not yet passed by Europe!
- A focus on new entrants, young farmers and the environment.
- Some major design flaws to be aware of! (will become clear later on.)

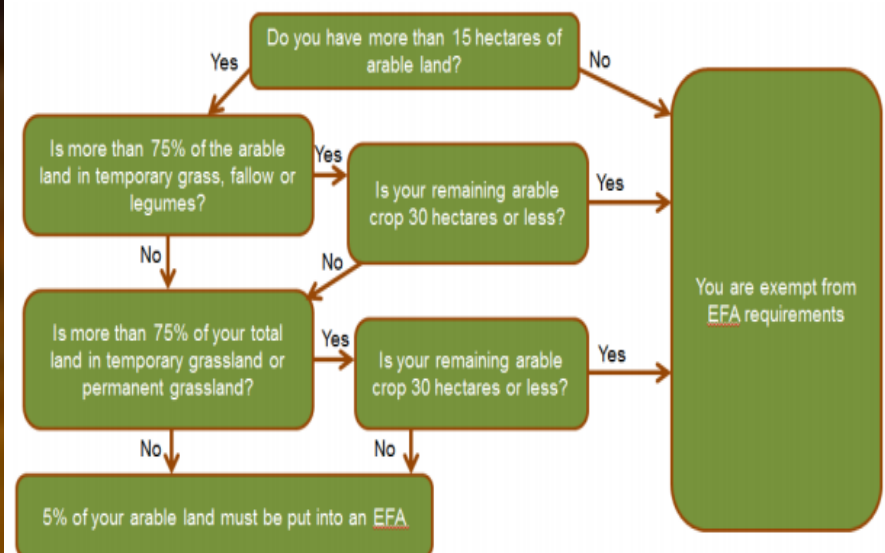
Basic Payment Scheme and Deer Farming

- New BPS has 3 payment regions- 1,2 and 3.
- Region 1- Arable, TGRS, PGRS. No minimum stocking density. €220/ha/year
- Region 2- RGR- LFA category B,C or D- 0.05LU/ha stocking density.€35/ha/year
- Region 3- RGR-LFA category A - 0.05LU/ha stocking density.€10/ha/year
- ‘Farmed deer over six months, managed on eligible land enclosed by a deer proof barrier and kept primarily for meat production’.

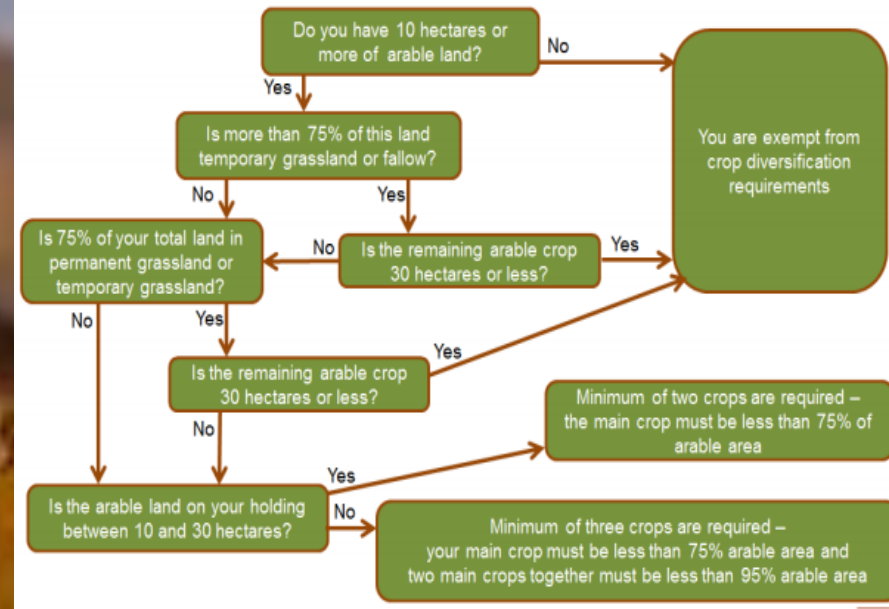
Number of breeding female deer (hinds over 27 months)		X 0.3 = _ F_LU
Number of breeding female deer (over 6 months but less than 27 months)		X 0.2 = _ G_LU

How the new BPS is Calculated- Greening

If you're not an organic farmer, use our flowchart to see what applies.



Use our flowchart to see what applies to you.



How the new BPS is calculated

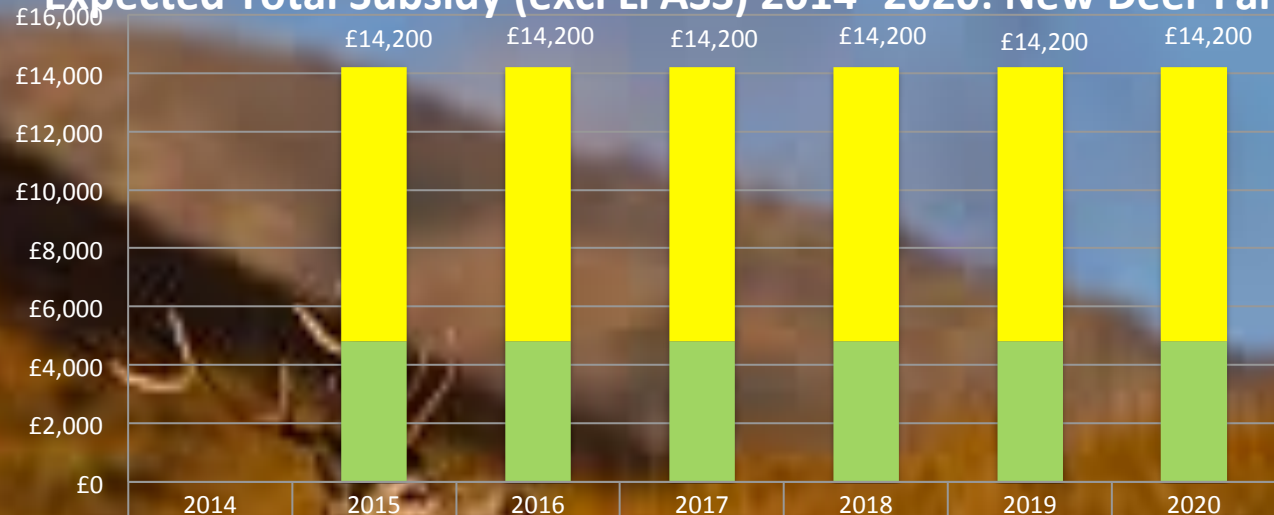
Continued...

- Historic element-phased out by 2018.
- Regional payment-phased in by 2019.
- YF top up (25% of regional average on the first 90HA).

What This Looks Like...

-100HA region 1
-Accessed
scheme through
the national
reserve as a new
entrant having
set up business
in 2014.
-0.71 £/€

Expected Total Subsidy (excl LFASS) 2014- 2020: New Deer Farm



	2014	2015	2016	2017	2018	2019	2020
Sheep Scheme	£0	£0	£0	£0	£0	£0	£0
Scottish Beef Scheme	£0	£0	£0	£0	£0	£0	£0
Region 3: Rough Grazing LFA A.	£0	£0	£0	£0	£0	£0	£0
Region 2: Rough Grazing , LFA: B,C ,D	£0	£0	£0	£0	£0	£0	£0
Region 1: Arable, Temp, Perm	£0	£9,372	£9,372	£9,372	£9,372	£9,372	£9,372
Historic Rate	£1	£0	£0	£0	£0	£0	£0
Greening	£0	£4,828	£4,828	£4,828	£4,828	£4,828	£4,828
Total Subsidy Excl LFASS	£1	£14,200	£14,200	£14,200	£14,200	£14,200	£14,200

Routes to BPS Entry

Route one – automatic allocation

If you have held entitlements in the past, you may be allocated them automatically

Route two – activity in 2013

If you were actively farming on May 15, 2013 you may be able to claim entitlements

Route three – the National Reserve

If you can't gain entitlements from route one or two, try using the National Reserve

Route four – private contract clause

If you buy or lease land, you may also be able to take on the relevant entitlements

The National Reserve:

National Reserve categories

New Entrant – if you started an agricultural activity in 2013 as a head of holding or later and didn't farm in your own name or at your own risk in the five years before

Young Farmer – if you are less than 41 years of age on 31 December of the year you apply for an award and are setting up for the first time as head of the holding

Force majeure or exceptional circumstance – if you have experienced a force majeure or exceptional circumstance event which has affected the potential value of your payment entitlements under the Basic Payment Scheme

Specific Disadvantage – if you were allocated National Reserve-type entitlements in 2005, as a result of an application under the New Entrant or Investor categories of the 2005 National Reserve.

Alternatively, if you did not receive an automatic allocation of standard, set-aside or Payment Entitlements with Special Conditions type entitlements, including businesses that purchased payment entitlements in any year since 2006 and still held these in 2014

Pillar 2- Scottish Rural Development Programme

- NOT YET APPROVED BY EUROPE.
- Agri-environment scheme-deadline 12th June 2015.
- Food and Drink Processing and Marketing- Opens 14th May 2015, closes 6 weeks after.
- Young Farmers Start up grant- Closes 30th September 2015.
- New Entrants Start up Grant- Closes 30th September 2015.
- New Entrants Capital Grant- Open all year round.
- Small farms grant- Open all year round.

Agri- Environment Scheme

- No upper limit on scheme.
- Worth looking at especially if you have SSSI, SAC, scheduled historic monuments on your holding.
- Scoring criteria gives additional points for collaboration, value for money and diffuse pollution mitigation.
- Some options have deer specific payments:-
 - Enhancing or modifying deer fencing- £6.45/m (in areas where blackgrouse and capercaillie will benefit).
 - Deer fencing - £8.50/metre (where you are creating or protecting a newly created habitat from deer damage).
- For non farmed deer (wild deer) that are present on holdings, there are a range of options also available, including a higher rate payment on the moorland management option, capital payment for a helicopter count towards a deer census.

Young Farmers Start Up Grant

- £58,000 available, can be used as working capital within the business.
- Must be <41 years old to claim and 'at the point of setting up a new business'.
- Eligibility to this scheme is confusing:

- Businesses who commenced trading in January 2015 are NOT eligible.

-A Farmers son/daughter who became head of holding on 1st April 2015 and has not yet applied is NOT eligible.

However:-

A farmers son/daughter who is due to take over as head of holding on the 30th of April and who applied to the scheme on the 15th of April IS ELIGIBLE.

A new entrant who has been awarded a 10 year LDT but has not yet taken occupation IS ELIGIBLE.

Look at this scheme BEFORE setting up the business.

New Entrants Start Up Grant

- £12,500 available to new entrants who's output is <€10,000/year and who have set up business in the last 12 months.
- Can be used for working capital within the business.
- Equates to 150 ewes (approx.)

New Entrants Capital Grant

- Upto £25,000 available towards capital projects.
- Must of set up business or became head of holding in the last 5 years.
- 80% grant relief if you are under 41, and in an LFA area, 60% non LFA but under 41.
- 60% grant relief if your over 41 but in LFA area, 40% non LFA.
- Eligible projects include erection and conversion of agricultural buildings, investing in land management, provision of handling equipment for livestock.

Small Farms Grant Scheme

Who can apply for Small Farms Grant Scheme?

Provided your holding is between three and 30 hectares of eligible agricultural area and the work you are undertaking is one assisted under the scheme (see Appendix A), the following categories of applicant can submit an application for consideration:

1. owner-occupiers
2. applicants under the following categories of tenancy agreement, must have at least five years remaining on their lease on the date of application:
 - small landholders (Scotland) Acts 1911–31
 - 1991 Act Tenancy
 - limited duration tenancy
3. owners / landlords of holdings where the length, remaining or whole, of a tenancy is five years or less

£25,000 available towards capital projects, similar to the new entrants £25,000 capital grant.

Income test for Small Farm Grant Scheme

You must prove that you are financially eligible to receive support. To do this, you should provide details of any income you have, including income you get from the farm business and income from any other source.

There are two thresholds:

- for individual sole traders, your total income should be no more than £30,700
- for couples or any kind of group, the total income should be no more than £41,000

Food and Drink Processing and Marketing Grant Scheme

- Launching 14th of May- full guidance available then.
- No maximum ceiling of grant award.
- Can be used towards capital costs of starting a new food and drink business, or towards improving production facilities.

Forestry Grant Scheme

- Available for the creation or management of woodland.
- Agro-forestry scheme pays for creation and a management payment for 5 years.
- Trees must be planted on PGRS, on land suitable for broadleaf species.

Planting density	Initial payment	Annual maintenance
400 trees/hectare	£3600/hectare	£84/ha/year
200 trees/hectare	£1860/hectare	£48/ha/year

LFASS

- Is open to new applicants previously excluded to the scheme because of wrong land type or wrong livestock type between 2010-2014.
- Deer are an acceptable type of livestock to claim LFASS on.

Number of breeding female deer (hinds over 27 months)		X 0.3 = _ F_LU
Number of breeding female deer (over 6 months but less than 27 months)		X 0.2 = _ G_LU

LFASS Example

- 200 hinds over 27 months $\times 0.3 = 60\text{Lu}$
- 40 hinds 6-27 months $\times 0.2 = \underline{8\text{Lu}}$
- Based on 100ha, this would place land in grazing category D.
- Category D Grazing Category multiplier 0.80
- Payment = Area (100Ha) \times (grazing category multiplier (0.80) \times area payment for standard area (£34.12)

LFASS £2729.60

Paid March of the year following application.

Key Points

- There is A LOT of new guidance that has changed several times since the launch of the new scheme on January 1st. 4 different versions of the greening book!
- If in doubt- check with your local RPID office. Make sure all answers are given in written form.
- The SAF may take significantly longer than usual to complete, so don't leave it until the last moment.
- The Scottish Government say they are behind new entrants and encouraging young people into the agricultural industry. Developing the venison supply chain is also seen as a key priority.
- There is no such thing as a 'stupid question'. It is important to get IACS correct for your farming business and not to take any risks.

QUESTIONS?

