

Single Payment Scheme (SPS)

Allocation of new entitlements for 2010

Information Note 1

This Information Note is for:

- Existing SPS claimants who have land used for the crops listed below. These crops are becoming eligible under SPS.
- Farmers who have not claimed SPS before, but have land used for the crops listed below. These crops are becoming eligible under SPS.

In both cases, the claimant may be eligible for new entitlements, depending on the eligibility requirements set out in Section 3.

1 Introduction

The rules of SPS have recently been changed. This means farmers who have land under the crops listed below in 2008, may be eligible to apply in 2009 for new SPS payment entitlements (details below in Section 3). These new entitlements can then be used to claim payment for the first time in the 2010 scheme year. These new entitlements will be valued at the flat rate value. It is estimated this will be approximately €230 per entitlement for 2010 in the Non Severely Disadvantaged Area (Non SDA). Any payment will be reduced for modulation and any other deductions. Further information will be provided in Information Note 2.

The extra land eligible for new entitlements is:

- land under permanent fruit and vegetables (including commercial orchards);
- nursery crops; and
- vines.

Additionally, farmers with land under these crops can now claim payment against existing SPS entitlements for the 2009 scheme year (see Section 9).

2 An overview of SPS

To claim payments under SPS you must be a farmer, as defined in EU regulations, and you must hold SPS entitlements. Each entitlement has a value, and you may claim an annual payment against each one. You must have an eligible hectare of land for each entitlement you decide to claim payment on, and this land must be at your disposal on 15 May of the scheme year. The land must remain eligible for the entire calendar year.

You do not need to undertake any agricultural production in order to receive the SPS payment. However, whether or not you produce, you need to keep all agricultural land on your holding in Good Agricultural and Environmental Condition (GAEC) as set out in UK law, and summarised in our guidance booklets. You must also comply with other cross compliance requirements (EU standards covering public, animal and plant health, environmental and animal welfare) on all your agricultural land (whether you use this land to claim SPS or not). A proportion of farms applying under SPS, are selected for cross compliance and scheme eligibility inspections each year.

To receive payment, you must apply to the scheme once a year. For further details of SPS and cross compliance see our website (www.rpa.gov.uk).

3 Who can apply for these new entitlements? (Eligibility requirements)

To establish entitlements and claim payment under SPS, you must be a farmer as defined by the EU regulations. For the purposes of SPS a farmer is defined as a natural or legal person, or a group of natural or legal persons, whatever legal status is granted to the group and its members by national law, whose holding is situated within the EU and who exercises an agricultural activity. This includes legally constituted bodies such as a partnership, company or trust.

Three further requirements also apply to establish new entitlements:

a) You need to have eligible crops in your land parcels in 2008. These are listed below:

- Permanent fruit and vegetables.

The following meet these eligibility requirements (not all of these are commercially grown in the UK):

- apples, pears, apricots, peaches (including nectarines), cherries, plums, sloes and quinces;
- citrus fruit, plantains, figs, pineapples, avocados, guavas, mangoes, mangosteens, papayas and locust beans;
- mint, melissa and rosemary; and
- nuts - almonds, hazelnuts, walnuts, chestnuts, pistachios, pine nuts, macadamia nuts, pecans, other nuts (not areca or cola nuts).

If you have other crops which you think may be eligible let us know and we will consider them against the definitions in the EU regulations.

- Vines.
- Nursery crops.

These are defined as areas of young woody plants grown in the open air, on soil in greenhouses or under polytunnels for subsequent transplantation:

- vine and root-stock nurseries;
- fruit tree nurseries;
- ornamental nurseries;
- nurseries of forest trees (excluding those for the holding's own requirements grown within woodland); commercial forest-tree nurseries, whether in woodland or outside, are included in the definition, as are non commercial forest-tree nurseries for the holding's own requirements grown outside woodland. Christmas trees will not usually be eligible as they are not grown for subsequent transplantation;
- trees and bushes for planting in gardens, parks, at the roadside and on embankments, for example, hedgerow plants, rose trees and other ornamental bushes, ornamental conifers, including in all cases their stocks and young seedlings.

b) The land parcels must not have been eligible to establish entitlements in 2005 (even if the farmer chose not to establish entitlements with respect to this land). Land which was eligible to establish entitlements in 2005, was any agricultural area of the holding, taken up by arable land and permanent pasture, except areas under permanent crops, forests or used for non agricultural activities. Orchards managed using low intensity methods were eligible in 2005, therefore you cannot now use this land to apply for new entitlements.

c) The land parcels and your holding must be of a certain minimum size. The minimum holding size on which you can currently establish entitlements or claim SPS and other direct aid schemes is 0.3ha. The minimum individual land parcel size is 0.1ha. It is possible that the minimum claim size may change as a result of proposed changes to the EU regulations, we will issue details of any changes as soon as they are confirmed.

Further information on the detailed eligibility requirements will be provided in September 2008.

4 How do you apply for the new entitlements?

What you need to do now:

- In the next few weeks (until mid September 2008), you should contact us (by telephone on 0845 603 7777) and register your initial interest in the new entitlements. We will record your details and send you Information Note 2 in September 2008. We will need to ask you for some basic information (described in Section 5), please have this ready when you telephone. You can ask us to remove your details if you are no longer interested, by telephoning us on the above number.
- You can still register an interest after mid September 2008, but we advise you to do so as soon as possible, and by the end of this year at the latest.

What you need to do after September 2008 will depend on whether you are already registered with us for another purpose, (see below):

- All farmers who may wish to apply for new entitlements should read Information Note 2 that we send to you in September 2008. If, having read this, you still wish to apply for new entitlements, you will need to contact us again to register for more information. We will also need to ask you for some additional information (described in the next section), please have this ready when you telephone. Following this contact with us, we will send you more detailed information and publications as soon as they are available.
- If you do not have a Single Business Identifier (SBI) then you will need to apply for one. We will send you details of how to apply for an SBI in October 2008.
- If you do not have a County, Parish, Holding (CPH) number then you will need to apply for one. We will send you details of how to apply for a CPH number in October 2008.
- If you have not registered your land with our Rural Land Register (RLR) then you will need to do so. We will send you details of how to register your land in October 2008.
- In June 2009 we will send you the new entitlements application form (SP20). You will need to complete and return this to us by mid August 2009.
- In March 2010 we will send you an SPS application form (SP5). If you wish to claim payment you will need to complete and return this to us by 17 May 2010.

You can find our contact details in Section 10.

5 What does RPA need to know?

When you contact us to express an interest in the new entitlements, we will ask you for the following details:

- Name.
- SBI if known.
- CPH number if known.
- Vendor number (if no SBI or CPH numbers) if known.
- Address.
- Telephone number.

If you ask for more information after we send you Information Note 2 in September 2008, we will also need to know:

- Whether your land has been registered on our RLR.
- How many eligible land parcels you wish to claim on.
- The approximate area of the land parcels (in hectares).
- The type of crops you have in the land parcels (permanent fruit or vegetables (including commercial orchards), nursery crops, vines).

6 Approximate timetable

The following is a provisional timetable and the dates could change as we further develop our detailed plans:

2008

August	We place Information Note 1 on our website. Farmers interested in new entitlements register their details.
September	We issue Information Note 2 and send it to interested parties. Farmers still intending to register for new entitlements should do this by telephone.
October	We send out customer registration forms, land registration forms and additional scheme information (including cross compliance information).
November	We begin to register customers and land (this could take several months).
31 December	Farmers should by now have registered their interest.

2009

June	We send out new entitlements application forms (SP20) and guidance notes. We begin the application process.
August (mid)	Provisional deadline for new entitlements applications to be received by us.
Dec/Feb '10	We send out Entitlements Statements. Entitlements will be available for transfer once you receive this statement.

2010

March	We send out 2010 SPS application forms (SP5).
17 May	Deadline for 2010 SPS application forms to be received by us.
December	2010 SPS payment window opens.

7 Where can I find out more information?

Our website (www.rpa.gov.uk) contains this Information Note 1, and our contact details, as well as full details of SPS. We will be updating it with further information about the new entitlements as soon as this becomes available.

8 How do I get paid each year?

SPS has an annual application process. If you apply for new entitlements and are successful, to receive payment you will need to apply for SPS in 2010 on an SPS application form (SP5). We will send you one of these during March 2010, but if for some reason we do not, it is your responsibility to obtain a form, complete it and return it to us by 17 May 2010. You will then have to meet the scheme rules and make an application every subsequent year to continue to be paid. The SPS payment window runs from 1 December of the scheme year to 30 June of the following year.

9 Claiming payment in 2009 using existing entitlements

New entitlements will not be available to claim for payment under SPS until 2010. Land used for permanent fruit and vegetables, nursery crops and vines in 2009, will be eligible to use to claim against any existing SPS entitlements, you either already have, or acquire by way of transfer for that year. These existing entitlements can then be used for your 2009 SPS application.

10 How can I contact RPA?

The easiest way for you to contact us is by telephone on 0845 603 7777.
Or you can e-mail us at csc@rpa.gsi.gov.uk

11 Regulations

The principal regulations of SPS are Council Regulation 1782/2003, and Commission Regulations 795/2004, and 796/2004 all as amended.

12 Disclaimer

The information in this Information Note is based on our current understanding of the EU regulations. In particular, the allocation of new entitlements to wine growers is subject to Commission approval of the UK's draft programme and, possibly, the adoption of detailed EU implementing rules. If these understandings change we will provide further clarification.