

## **Allocation of reference amounts for farmers with land in more than one region of the UK (Cross Border Farmers)**

If you farm land in more than one region of the UK, the allocation of your historical reference amount and calculation of the value of your entitlements will have taken into account the different rules (e.g. arable yield figures) which applied in the devolved administrations in 2000-2002 reference period. This note attempts to explain how this worked in practice with reference to detailed examples.

### **Arable farmers**

If you are an arable farmer, the arable part of your reference amount was allocated according to where your crops were grown during the reference period. If you grew other crops that received support during the reference period and are included in the SPS, for example seeds, the same principle applied.

#### **Example 1**

A farmer received Arable Area Payments in England during the reference period as follows:

2000 – 60ha  
2001 – 80ha  
2002 – 70ha

The average arable area in England is 70ha [i.e.  $(60+80+70) \div 3$ ]. This figure is available from page 2 of the farmer's Information Statement SP1 (which will have been sent by RPA).

Multiply this figure by €371.07 (this figure is the €63.0 a tonne noted in Annex VII of Council Regulation (EU) No.1782/2003 multiplied by the average English Yield of 5.89 tonnes per hectare).

The arable reference amount for England is therefore €25,974.90 [i.e.  $€371.07 \times 70ha$ ]. This will have been incorporated into the calculation of the value of your English entitlements.

In addition, if the farmer also received Arable Area Payments in the Scottish LFA region during the reference period. The Scottish arable reference amount will have been calculated by SEERAD, based on the average Scottish arable area multiplied by €328.23 (i.e. €63.0 multiplied by the average Scottish LFA yield of 5.21 tonnes per hectare). This reference amount will have been incorporated into the calculation of the value of your Scottish entitlements.

## Livestock Farmers

For most livestock farmers with cross border holdings the livestock element of the reference amount would have been allocated according to the location of the forage area declared during the reference period.

### Example 2

A sheep farmer was paid Sheep Annual Premium (SAPS) in the English LFA and Scottish LFA regions in the reference period as follows:

2000 - 400 sheep. [Forage area: 70ha England (70%), 30ha Scotland (30%)]  
2001 - 380 sheep. [Forage area: 70ha England (70%), 30ha Scotland (30%)]  
2002 - 390 sheep. [Forage area: 75ha England (75%), 25ha Scotland (25%)]

In each year the total number of sheep is split between England and Scotland according to the location of the forage area:

2000 – Split as 280 sheep in England LFA (i.e. 400 sheep x 70%),  
120 sheep in Scotland (i.e. 400 sheep x 30%).  
2001 – Split as 266 sheep in England LFA (i.e. 380 sheep x 70%),  
114 sheep in Scotland (i.e. 380 sheep x 30%).  
2002 – Split as 293 sheep in England LFA (i.e. 390 sheep x 75%),  
98 sheep in Scotland (i.e. 390 sheep x 25%).

The average number of sheep in England is 280 [i.e.  $(280+266+293) \div 3$ ]. This figure is available from page 4 of the Information Statement SP1 (which will have been sent by RPA).

Multiply this figure by €28 (the 2002 payment rate per animal, made up of €21 Premium and €7 LFA Supplement).

The SAPS LFA English reference amount is therefore €7,840 [280 sheep x €28]. This will have been incorporated into the calculation of the value of your English entitlements. \*

The Scottish SAPS reference amount will have been calculated by SEERAD using the same principles and based on the average number of sheep in Scotland and using the 2002 scheme payment rate. This will have been incorporated into the calculation of the value of your Scottish entitlements.

\* Note - In addition, in this example, there will be an amount added to the entitlement calculation for England to take account of the Sheep National Envelope in 2002.

## Dairy Farmers

For dairy farmers with land in more than one region, the dairy element of the reference amount was allocated according to the location of the total grassland declared on the 2005 SPS5a application form. (The location of the dairy parlour is therefore not a factor in the allocation process). For the purpose of the SPS scheme, grassland includes both temporary and permanent pasture.

### Example 3

A dairy farmer held 1,000 tonnes of quota on 31 March 2005, which gave rise to a dairy entitlement of € 23,650 for 2005 (rising to € 35,500 in 2006).

On the 2005 SP5 form, the farmer declared 60 ha of grassland in England and 40 ha in Wales.

Therefore, 60% of the farmer's grassland was in England and 40% in Wales.

The dairy entitlement for 2005 would have been apportioned as follows:

England	60% of € 23,650 = € 14,190
Wales	40% of € 23,650 = € 9,460

The English dairy reference amount (€14,190) will have been incorporated into the calculation of the value of your English entitlements, and the Welsh dairy reference amount (€9,460) will have been incorporated into the calculation of the value of your Welsh entitlements.

For 2006, the payment rate per tonne of quota increases, but how this is reflected in the value of entitlements is still based on the 2005 quota and the division of the grassland declared on the 2005 SPS application. The apportionment will therefore be:

England	60% of € 35,500 = € 21,300
Wales	40% of € 35,500 = € 14,200

## Farmers who no-longer farm cross border

If you received subsidy in the reference period for land that was in more than one region but have since ceased farming in one of the regions, you were able to apply for that reference amount to be allocated to the region in which you are now farming. (N.B. This option is no longer available and it is not possible now to transfer entitlements or reference amounts between SPS Regions or English Areas.)

The intention in offering this facility was to allow access to reference amounts that would otherwise be lost, and not to artificially create conditions for

receiving subsidy. The facility was therefore only available to farmers who no longer had any eligible agricultural land in a region where a reference amount was generated.

In Wales and Scotland, farmers could only consolidate historic reference amounts on a smaller area than the average from the reference period under exceptional circumstances

#### Example 4

In 2000 to 2002 a farmer had 5ha in England and 5ha in Wales. In 2005 this changed to 5ha in England and nothing in Wales. The farmer could transfer reference data from Wales to England where it would have been added to existing English historic reference amount and apportioned across the area established in 2005.

In the reverse example (a cross border farmer giving up English land and only claiming in Wales) the farmer could transfer his reference amount to Wales and it would be apportioned in Wales based on the average hectarage in England during the reference period. It could only be apportioned over less land under exceptional circumstances.

### **Transfer of reference amount**

The following examples illustrate the key principles behind the transfer of reference amount for cross-border holdings:

#### Example 5

A farmer moved from Wales to England after the reference period but prior to 2005. The reference amount could be transferred and apportioned across the area declared on the farmer's SP5A application.

#### Example 6

A farmer moved from England to Wales during the reference period. The reference amount for the years before the move could be transferred to Wales. This would then be incorporated into the calculation of average reference amount across the three reference years.

### Example 7

A farmer changed the proportion of land in different regions. For example, in 2000 to 2002 the farmer had 5ha in Wales and 5ha in England, but in 2005 had 5ha in Wales and 2ha in England. The reference amount would not change in Wales but in England the whole English reference amount could be applied to the 2ha of English land.

### **National Reserve**

If you farmed in more than one region of the UK, you could apply once to the National Reserve, but in only one region. Awards from the National Reserve were made by increasing the reference amount and apportioning it - across regions - based on the eligible areas claimed in each region in the 2005 SPS scheme year.

### Example 8

The total National Reserve award is €100,000. The eligible land declared in Scotland for 2005 was 70ha (70% of the total) and the eligible land declared in England was 30ha (30% of the total).

The National Reserve award would be apportioned as follows:

70% x €100,000 = €70,000 incorporated into the calculation of the value of your Scottish entitlements  
30% x €100,000 = €30,000 incorporated into the calculation of the value of your English entitlements.

### **Farmers with land in more than one English Area**

If you had Land in more than one English Area during the reference period, the same principles will be applied to allocate your reference amount between the Areas in which you are farming. The only exception will be for farmers with land in the Upland SDA Moorland Area and the Upland SDA Non-Moorland. In this case, the reference amount associated with a notional stocking rate of 1.5 ewes per ha would have been attributed to the moorland and the balance to the non-moorland.