Single Payment Facts
2013
England
Single Payment Facts 2013 – England

This briefing is a summary only of the relevant details as at the date of production. For full information please refer to the relevant RPA guidance handbooks.

1. Single Payment Entitlements
   - Farmers will have been issued with an Entitlement Statement for the 2012 scheme year which can be used as the basis of a claim for the 2013 scheme year. Where Entitlements have recently been transferred in or out then the Entitlement Statement may not reflect these changes.
   - There are two different types of entitlements:
     - Normal entitlements
     - Special entitlements (these generally apply only to very intensive livestock farmers)
   - Entitlements were allocated according to the region in England in which the land on which claimed was located. There are 3 regions in England: SDA (Severely Disadvantaged Areas), SDA-moorland, and non-SDA (i.e. lowland). A farmer may claim annual payments only in respect of land located in the region to which the entitlement relates.
   - Entitlements can be transferred by sale, lease, gift or inheritance (see Section 8).
   - Entitlements must be claimed upon at least once every two years or they will be confiscated to the National Reserve.

2. The annual Single Payment
   - Farmers must submit claim form SP5 to activate their Single Payment entitlements for any year by 15th May that year.
   - A farmer can claim on any land used for an agricultural activity, including land used for permanent fruit, vegetable, or nursery crops, but excluding woodland.
   - The minimum claim area is 1 hectare.
   - In England, the ‘historic’ element of the Single Payment has now been phased out and so all farmers within each region receive the same
The payment is calculated in € and can be claimed either in € or £. If the farmer elects for payment in £, the Single Payment will be converted to £ based on the £/€ exchange rate on the last working day of September of the claim year. (For the 2012 scheme year the payment rate was £0.79805/€).

To be eligible to claim, a farmer must:-
- be producing agricultural commodities and/or maintaining land in good agricultural and environmental condition (GAEC)
- have the claimed land at his disposal on 15th May of the claim year (see section 5)
- meet all cross compliance rules on all agricultural land on the holding for the entire calendar year (see section 6)
- not use the land for non-agricultural purposes (unless subject to the exemptions, see section 4).

Claimants must be careful not to over-claim; if farmers claim on land which is clearly ineligible and the over-claim exceeds the eligible area by more than 0.5% or 1ha, then it will be treated as an intentional over declaration and the entire claim could be rejected.

3. Permanent pasture
- Permanent pasture is land which has been used to grow grasses or other herbaceous plants traditionally found in natural pastures or normally included in mixes of seeds for pastures in England, (including lucerne, sainfoin, forage vetches and clovers but not kale, fodder rape or any other forage brassicas, fodder root crops, forage maize or any other cereals) whether occurring naturally or through cultivation, which has not been included in a crop rotation for 5 years or longer. If the land has been re-seeded with grasses or other herbaceous forage during that 5 year period, then it still counts as permanent pasture.
- Land used to create agri-environmental scheme options such as field corners, buffer strips and beetle banks will not become permanent pasture after 5 years even if it appears to meet...
the permanent pasture requirements. No such allowance has been made for options managed under the Campaign for the Farmed Environment.

- A farmer is allowed to plough up permanent pasture, subject to the Environmental Impact Assessment Regulations (GAEC 5). However if the national area of permanent pasture as a proportion of arable land falls below 95% of 2003 levels, such farmers may be required to return arable land to pasture.

4. Land not in agricultural production

- Farmland which is not cropped will be classified as “land not wholly in agricultural production”. Such land will be subject in particular to the Cross Compliance GAEC 12 rules (see Section 10) – as well as other relevant Cross Compliance rules.

- In March 2013 the RPA issued new guidance on ‘Agricultural Land Not in Production’ as a result of the waterlogged conditions on many farms. Patches of crops which have failed within fields should be coded the same as the rest of the field (normally OT1), and where a field was 1) planted in autumn but has failed or 2) was not planted at all in autumn 2012, and will either be re-sown in spring OR autumn 2013, then it should be coded OT1 and will therefore not be subject to GAEC12 rules.

- It is possible to claim on land which is not used all year for agricultural purposes providing the use is one of those listed below and the frequency is restricted to 28 days or less in each calendar year.

- Such permissible activities are clay shooting, car boot sales, car parking, country fairs, farm sales, equestrian activities, ballooning, festivals, scout & guide camps, TV locations, caravan sites, motor sports and grass airstrips. If the land is used for one of these activities for more than 28 days during the year it cannot be claimed upon.

5. Land at your disposal

- Land used to activate entitlements must be at the claimant’s disposal on 15th May of the scheme year.
• Where another party carries out agricultural activities on the land e.g. under an arable cropping licence, the RPA will, during an inspection, look carefully at which party has land at their disposal, based on who controls the use of and access to the land, who takes the profit, and who is responsible for meeting Cross Compliance rules. Advice should be taken on individual cases as to the most suitable arrangements.

• Where a properly drafted grazing agreement or herbage licence is in place the landowner will have sufficient control and is eligible to claim SPS.

• Written agreements are vital in order to be able to display the rights and responsibilities of each party.

• Written agreements are also vital in situations where two different parties claim SPS and Stewardship on the same area of land – ‘Dual Use’. Although the RPA confirms that it is possible for claims to come from two different parties, the onus is on each claimant to show that they have the necessary rights and responsibilities for their particular scheme. Given the inherent risks such arrangements should be avoided if possible.

• The requirement to satisfy Cross Compliance continues for the whole of the calendar year and the claimant is liable for any breaches of Cross Compliance during the year, even if the land is not occupied by him for the rest of the year, except in certain limited circumstances.

6. Cross Compliance

• Payment of Single Payment, other direct payments and Environmental Stewardship is conditional on meeting the Cross Compliance conditions and on keeping land in “Good Agricultural and Environmental Condition” (“GAEC”) (see Section 10).

• The farmer must also comply with 18 existing EC Directives/Regulations – called the Statutory Management Requirements (“SMR”s) - which cover aspects of environmental and public health, animal and plant health, food safety, livestock identification and animal welfare.

• Cross Compliance applies for the whole 12
months of the year and responsibility for the full 12 months rests with the claimant on 15th May. It applies to ALL of the agricultural land on the holding, not just that on which Single Payment is claimed.

• Where land is no longer in agricultural use the cross compliance requirements can be avoided by deleting fields from the Single Payment claim or by using crop code NA1.

• Compliance checks are undertaken by the RPA for most elements of Cross Compliance, although SMRs 13 to 18 are inspected by Animal Health & Veterinary Laboratories Agency. These are generally targeted on a random basis although risk is used as a means of selection.

• Penalties for non-compliance range from, for:
  i) the first negligent breach: A warning letter and/or a fine of up to 5% of the claim, depending on seriousness of breach
  ii) a repeated negligent breach: A warning letter and/or a fine of up to 15% of the claim
  iii) the first intentional breach: A fine of 15% to 100% of the claim
  iv) a repeated intentional breach: A fine of 45% to 100% of the claim

7. Modulation and financial discipline

• Modulation transfers funds from direct aid schemes to Agri-environment and Rural Development Schemes (i.e. from Pillar I to Pillar II support).

• Separate EU and National modulation schemes apply in England, and England is one of only 2 Member States to have introduced National Voluntary Modulation, thereby raising the rate of modulation for their farmers.

• The first €5,000 of a farmer’s annual Single Payment is exempt from EU (but not National) modulation.

• Total modulation deductions from a farmer’s annual Single Payment have risen from 5% to 19% since 2005, as shown below:-
“Financial Discipline” has not yet been applied, but is expected to be applied for the first time in 2013 to impose deductions on all payments over €5,000 in order to keep CAP Payments within the agreed budget.

As from 2009, the EU introduced “progressive modulation” whereby farmers claiming over €300,000 of annual Single Payment (after modulation) are penalised by additional modulation of 4%. However, where this threshold is breached, the increase is offset by an equivalent reduction in National Voluntary Modulation, so currently has no effect in England.

8. Transfers of entitlement

- Entitlements can be transferred by sale, gift, lease (with an equivalent area of land) or inheritance. Transfers can be accompanied by land or may be “without land” transfers.

- Entitlements can only be transferred to another farmer within the same region. The transferor does not need to be a registered farmer at the date of transfer (but the transferee must be).

- In order to transfer entitlements, applicants must complete and submit form RLE1, which must be received by the RPA at least 6 weeks before the transfer is due to complete. This means that where an entitlement is to be used in the year of transfer, then the latest date for receipt of the transfer form by the RPA will be 2nd April in a particular scheme year in order to ensure transfer by the 15th May (being the deadline date for the annual application).

- Although the RPA will not register the transfer of the entitlements until 6 weeks after date of receipt of application by them, the farmer can choose to specify a later date.

- Where entitlement is leased with land, the start
date and length of the lease of land must be the same as the start date and length of lease of the entitlement.

9. CAP reform

- The Single Payment Scheme, which has been running since 2005, is scheduled to come to an end on 31st December 2014, having been extended for a year whilst negotiations continued on its replacement. Draft proposals released in autumn 2011 have been the subject of much discussion and negotiation within the EU and below is a brief summary of the expected position as at April 2013. The EU budget for the period 2014 to 2020 was also renegotiated in early 2013 and the budget for the CAP was cut by 9%. Please note that all points are subject to change.

a) Basic payment scheme entitlements

- Single Payment Entitlements will expire on 31st December 2014 and be replaced by Basic Payment Entitlements (but see below).

- Farmers claiming in year 1 of the new scheme may be allocated new entitlements based on the area claimed in that year, but it is becoming increasingly likely that England may be granted permission to roll forward its Single Payment Entitlements, ruling out the need for a new allocation.

- In Member States where new entitlements are issued, to be eligible to claim in Year 1 the claimant must also have claimed at least 1 ha in the base year. Anyone without a base year claim will have to rely on the National Reserve for a top-up, unless they have obtained a 'Golden Ticket' from someone who did claim in the base year and no longer needs that 'Ticket' i.e. they will not be claiming in Year 1.

b) Greening

- Claimants will have to satisfy three main Greening elements, which are subject to much discussion and disagreement between the Member States and the European Parliament. The current position is as follows:
  - Where more than 3 ha of arable crops are grown, there must be at least 3 different crops
grown with no crop occupying more than 70% of the arable area, and no crop occupying less than 5% of the arable area.

- Permanent Pasture must be retained at existing levels.

- An Ecological Focus Area of at least 3% - and maybe up to 7% - of the arable area on each holding must be provided. This is expected to include land left fallow & buffer strips, but may also include hedges and trees.

c) Active farmers

- Claims may only be submitted by ‘Active Farmers’.

- Member States will be able to decide to a large degree who are ‘Active Farmers’, but it is clear that it will include only those farmers who can demonstrate that farming is ‘significant’ to their business.

d) Capping

- Capping remains a feature of CAP reform, but it is likely to be a voluntary measure at Member State discretion, and so it is unlikely to be adopted in England.

e) Flexibility

- Member States are likely to be granted the flexibility to reallocate funds between pillars, in which case the UK is likely to impose a 15% reallocation from Pillar 1 (agriculture) to Pillar 2 (environment).

10. Cross compliance: summary of “GAEC” rules

- GAEC1: In January 2010 the previous GAECs 1, 2, 3 & 4 were consolidated into one new GAEC 1. The new Soil Protection Review must be updated every year by 31st December.

Post harvest management of land: ensure that any land from which a crop of cereals (other than maize), oilseeds or grain legumes has been harvested is either left in stubble over the following winter or has a new crop or green cover established, or is only primary cultivated until planting of the next crop (which crop must be drilled within 10 days of final seedbed preparation unless this would result in a breach of other cross compliance rules) or is under a
cultivation sequence to create a stale seedbed.

**Waterlogged soil:** Record any activity involving motorised vehicles which is carried out on waterlogged soil in your Soil Protection Review, except for where the waterlogging is within 20m of a gateway, or the activity only involves access to an area that is not waterlogged. Take action to remediate any damage as soon as possible and within 12 months, and record the remedial action.

**Do not burn crop residues** (with minor exceptions – e.g. broken straw bales).

- **GAEC5:** Comply with the Environmental Impact Assessment Regulations.
- **GAEC6:** Comply with existing rules for the protection and management of Sites of Special Scientific Interest (SSSIs).
- **GAEC7:** Comply with existing rules for the protection and management of Scheduled Monuments.
- **GAEC8:** Do not obstruct or disturb the surface of a public right of way (with minor exceptions for crop establishment). A farmer must also maintain any stiles or gates on a public right of way that are his responsibility.
- **GAEC9:** Do not overgraze natural or semi-natural vegetation, nor carry out unsuitable supplementary feeding in a way which will adversely affect the quality/diversity of the vegetation except for feeding when necessary for animal welfare during periods of extreme weather conditions.
- **GAEC10:** Observe the Heather and Grass (Burning) Regulations 1986, as amended 1987.
- **GAEC11:** Take all reasonable steps to prevent the spread of certain weeds, including thistle, dock, ragwort, rhododendron, Japanese knotweed, giant hogweed and Himalayan balsam.
- **GAEC12:** Maintain any uncropped land which is not in agricultural production in a condition such that it can readily be returned to agricultural production by the next growing season at the latest (except where not applicable due to SSSI, agri-environmental scheme, etc). The vegetation on GAEC 12 land must be cut or grazed at least
once every five years. No more than 50% may be cut/grazed in any one year and cutting must not take place between 1st March and 31st July (inclusive). However, these two restrictions do not apply if it is necessary to cut for (i) weed control (as in GAEC 11), (ii) when managing an infestation of blackgrass, couch, creeping thistle, or dock within 15 months of the previous harvest, (iii) cutting is needed to establish certain specified options under the Campaign for the Farmed Environment (CFE), (iv) when creating a bare surface of around 2ha for stone curlews or lapwings, (v) when actively bringing the land back into production. Slurry/manure or inorganic fertiliser must not be applied to the land unless it is a geese feeding area in winter. Land is deemed to be ‘in production’ from the first preparation (mechanical or chemical) made for the following crop. Therefore the GAEC 12 rules do not apply to land that has been sprayed off in, say, April in preparation for cultivations for an autumn sown crop.

- **GAEC13:** Do not remove or damage stone walls without consent, nor remove stone from a wall except to widen a gap (max 10m) or to repair another (better) stone wall or a public footpath.

- **GAEC14:** A 2 metre buffer zone must be maintained alongside hedges and watercourses, measured from the centre of the hedge or ditch, and extending at least 1 metre from the top of the bank of a watercourse. This buffer zone must not be cultivated, nor can fertilisers, herbicides, fungicides or pesticides be applied, although weeds listed in GAEC 11 may be spot sprayed. Fields of 2 hectares or less are exempt from this obligation, as are new hedges planted after 1 January 2005 for the first 5 years of their existence.

- **GAEC15:** Do not trim hedgerows between 1st March and 31st July – unless dangerous, dead or obstructive to a public right of way. A derogation can be obtained to cut roadside hedges for safety reasons.

- **GAEC16:** Comply with felling licence requirements under the Forestry Act 1967.
• **GAEC 17:** Comply with existing rules on Tree Preservation Orders.

• **GAEC 18:** Comply with the conditions of any water abstraction licence which you hold. If you wish to start to abstract more than 20m³ per day you must notify the Environment Agency to apply for a licence.

• **GAEC 19:** This imposes the rules relating to NVZ no-spread zones (SMR 4) on farmers outside NVZs.

  Do not apply manufactured nitrogen fertiliser within 2 metres of surface water (including ditches which temporarily dry up). Do not apply manure or slurry within 10 metres of surface water, or within 50 metres of a spring well or borehole. On holdings where manure or slurry is spread, a map of the holding must be produced to show all surface water, springs, wells and boreholes, on the holding and the no-spread zones referred to above. It must also show any springs wells or boreholes within 50 metres of the holding boundary. The map must be updated within 3 months of any changes.
January

1st Start of Single Payment scheme year.

1st Implement any changes that you identified in your Soil Protection Review. (GAEC1).

1st End of closed period for applying organic manure to grassland and tillage land with shallow or sandy soils (but quantity restrictions for application of high N manures still apply). (SMR4).

1st Start of period for calculating the annual livestock manure limit. Risk map must be completed if you spread organic manure on your holding. (GAEC 19 & SMR4).

16th End of closed period for spreading:
- Organic manure on grassland and tillage land on soils other than shallow or sandy (but quantity restrictions for application of high N manures still apply);
- Manufactured nitrogen fertilizers on grassland and tillage land. (SMR4).

February

28th End of:
- All rules relating to post-harvest management of land (GAEC 1);
- Quantity restrictions on applications of high N organic manure. (SMR 4).

March

1st From this date, you must not:
- Cut or plough vegetation on agricultural land not in agricultural production (except in a limited number of circumstances) (GAEC 12);
- Cut hedgerows, but you my carry out hedge-laying and coppicing (you can still cut hedges on road sides if public safety is an issue) (GAEC 15).

April

1st You must not burn heather or grass on land, other than that in upland areas, from this date (GAEC 10).
2nd Final date for the RPA to receive requests for entitlement transfers for the 2013 scheme year (RLE1 Forms).

5th Telephone RPA if you have not received an SP5 form by this date.

16th You must not burn heather or grass in upland areas from this date (GAEC 10).

30th You must have recorded the number of ‘specified’ livestock kept on the farm during the previous calendar year and calculated the amount of Nitrogen they produced. (SMR 4).

**May**

1st You must not carry out hedge-laying or coppicing of hedgerows from this date (GAEC 15).

15th **Closing date for SPS applications** (without incurring penalties).

31st Final date for making certain changes to your SPS application without having penalties applied.

**June**

9th Final date for submitting or making changes to your SPS application (penalties will be applied).

30th Single Payment window closes – all payments should have been received for the previous claim year.

**August**

1st Start of closed period for spreading high N organic manure on tillage land with shallow or sandy soils except where crops will be sown on or before 15th September (SMR 4).

1st From this date, you may:
- Cut or plough vegetation on agricultural land not in agricultural production (GAEC 12);
- Cut hedgerows (GAEC 15).

**September**

1st Start of closed period for spreading:
- Organic manure on grassland with shallow or sandy soils (SMR 4);
- Manufactured nitrogen fertilizers on tillage land (SMR 4).
15th Start of closed period for spreading manufactured nitrogen fertilizers on grassland (SMR 4).

16th Start of closed period for spreading organic manure on tillage land with shallow or sandy soils and sown with crops on or before 15th September (SMR 4).

30th Exchange rate set for Single Payments (2012: £1=€0.79805).

October

1st You may burn heather, rough grass, gorse or vaccinium on land in upland areas from this date (GAEC 10).

1st Start of closed period for spreading organic manure to tillage land with soils which are not shallow or sandy (SMR 4).

15th Start of closed period for spreading organic manure to grassland with soils which are not shallow or sandy (SMR 4).

31st If you hold a summer water abstraction license, the Environment Agency will make actual abstraction return forms available to you from this date. You have 28 days to return your readings to the Environment Agency (GAEC 18).

November

1st You may burn heather, rough grass, gorse or vaccinium on land other than in upland areas from this date (GAEC 10).

December

1st You need to carry out your annual inventory of sheep (SMR 8).

1st Single Payment window opens.

31st All new Soil Protection Reviews and annual updates should be completed (GAEC 1).

31st End of Single Payment scheme year.
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