



Single Farm Payment Scheme

INFORMATION LEAFLET 2

CHANGING YOUR REFERENCE AMOUNT

Important Change to Calculation

In our publicity about the Single Farm Payment Scheme, we explained the rules if you were affected by force majeure or exceptional circumstances during the historic reference period of 2000 to 2002. You can request that your reference amount be amended to reflect these events.

That right to request a change has not altered but there has been a significant change to the way we will amend reference amounts. In July 2004, the European Commission clarified that you can remove individual schemes within the reference period as long as you meet the criteria.

Producers seeking to amend their reference amounts will still be required to:

- demonstrate each individual instance of *force majeure* or exceptional circumstances;
- if appropriate, provide supporting evidence; and
- apply in writing to their normal Area Office.

If you want to challenge your estimate, you should state clearly which scheme(s) and year(s) are affected by the force majeure or exceptional circumstances.

What *Force Majeure* and Exceptional Circumstances mean

You have a right to request an alternative reference period calculation in selective cases. This is where you can demonstrate to our satisfaction that your production was adversely affected by **either**;

- ***Force Majeure***: This is an event so unusual that you could not have foreseen it, you have taken all reasonable precautions and you could not have done more without “undue sacrifice”.
- **Exceptional circumstances**: by their very nature, these events are rare, and we cannot give an exact list of events that might qualify as exceptional circumstances. The European Commission has provided broad examples of the sort of things that might be considered as *force majeure* or exceptional circumstances:
 - ✓ the death of a farmer / crofter;
 - ✓ long-term professional incapacity;
 - ✓ a severe natural disaster affecting the holdings agricultural land;
 - ✓ the accidental destruction of livestock buildings on the holding; and
 - ✓ An epizootic disease affecting part or all of your livestock (e.g. Foot and Mouth Disease).

Important points to remember in thinking about changing the reference period

You do **not** have a free choice of a different calculation of your reference amount.

We will look back on your agricultural activity over a number of years when processing requests. We will apply four key tests, designed to identify a dip followed by a return to normal production levels. They are:

- Is there evidence of a loss of production i.e. subsidy in any of the reference year(s).
- What was the impact on your ability to claim subsidy?
- Is there evidence of a reduction in production levels followed by a recovery? and
- Was there anything you could have done to prevent the *force majeure* or exceptional circumstance event?

The following Foot-and-Mouth Disease (FMD) examples show how the tests would work:-

- If movement restrictions prevented you from purchasing additional animals you may have reduced bovine scheme claims in 2001;
- You never restocked in time for Sheep Annual Premium Scheme 2002 and / or Suckler Cow Premium Scheme 2001 (in this case we would need evidence outside the reference period to confirm your intention to restock);

- If you were unable to obtain additional forage or maintain traditional grazing on common grazings up to normal levels and this led to a reduction in numbers claimed; and
- Movement restrictions affected your Beef Special Premium Scheme and / or Suckler Cow Premium Scheme claims by reducing the numbers claimed below normal levels, or if you had to maintain higher numbers that affected your Extensification Payment Scheme entitlements.

We will not take into account any changes in livestock or arable production caused by business decisions or changes due to **normal commercial risks**. We can only change the calculation of your reference amount if the changes meet the high standard of *force majeure* or exceptional circumstances outlined above and that there is adequate supporting information from flock or herd registers to demonstrate the reduced production.

Your next steps

If you feel that the information we are using to calculate your entitlements under the Single Farm Payment Scheme does not reflect accurately your production, we encourage you to complete the enclosed “request to change reference amount” form and return it to your local SEERAD Area Office. This will ensure that the calculation of your entitlements is accurate and when the time comes, your payment is processed accurately.

There will be a chance to formally appeal the calculations sent out in 2005 and returning this form now will not mean that you cannot appeal in 2005.

Remember your case must show that there was a *force majeure* event or exceptional circumstances that adversely affected your production levels. Do not be concerned with trying to decide what category your situation fits into, as we will determine this when considering your request – instead concentrate on providing us with full details.

Your Area Office will acknowledge receipt and examine your circumstances to assess if they meet the criteria that allow a change to the reference period.

Note for Producers who have already submitted a request

If you have already submitted requests to amend your reference amounts because of force majeure exceptional circumstances. Providing that the scheme and year involved is clear from the application, you do not need to do anything. Where it is not clear, we will contact you to get further information.

Note for producers who commenced farming activities during the reference period

If you commenced farming in 2001 or 2002 and received payments under the direct support schemes but had no activity in the balance of the reference period, your entitlements have been averaged over 3 years. You can rectify this by writing to your Area Office telling them the year that you commenced in agriculture and they will arrange to have your entitlements averaged over the relevant period.