



Suckler Cow Premium Scheme (SCP) 2001

NOTES FOR GUIDANCE

INTRODUCTION

1. Suckler Cow Premium Scheme 2001

- 1.1 Read these Notes carefully before completing the claim and keep them in case you need to refer to them later. They outline the basic rules of the Suckler Cow Premium Scheme but cannot cover every situation. If there is anything you do not understand please get advice without delay from your professional adviser. For further information contact your SEERAD Area Office.

IMPORTANT

The closing date for the receipt of your claim is 6 December 2001.

CHANGES FROM LAST YEAR

MAIN CHANGES FOR 2001

- **Turnaround document and claim supporting documentation**
No turnaround document has been issued this year. The claim form has also been redesigned as producers are not required to list on the claim form the eartag numbers of the cattle on which they wish to claim premium. **Producers are required to attach to or enclose with the claim form a movement card for each animal claimed (see paragraph 14)**
- **Modulation**
Modulation was introduced from 1 January 2001 in order to secure an increase in funds for Rural Development measures. It will be applied to all direct payments to producers under CAP regimes (see paragraph 31).
- **Appeals**
A new procedure is now in place to consider appeals against decisions made by SEERAD in connection with your claim (see paragraph 41).
- **Penalties**
New penalties apply where discrepancies are found at inspection with potentially eligible animals or claimed animals (see paragraph 23).

POINTS TO REMEMBER

- **All losses and replacements during the 6 month retention period must be notified to your area office in writing within prescribed time limits or penalties will be applied to your claim (see paragraphs 17 to 21 and Annex 3).**
- The procedures for inspections and the penalties to be applied are explained in paragraphs 25 and 23 respectively.
- Heifers 8 months and over are eligible for premium up to a maximum of 20% of the total number of cattle claimed and retained throughout the retention period. Claims for 2-9 cattle can include 1 heifer (see Annex 2).
- New identification rules apply to cattle born on or after 1 July 2000 (see paragraph 27).
- Livestock Unit (LU) usage, heifers 8-24 months of age are 0.6 LU (see paragraph 13).

Whilst we aim to provide as much guidance as possible on the Scheme, we cannot guarantee that these Notes for Guidance provide a definitive statement of the law (which only the European Court of Justice can give), nor can they substitute for specific advice on individual legal questions.

Electronic Submission of SCP 2001 claim

As an alternative to submitting a paper claim form you can now complete your SCP 2001 claim and submit it electronically to SEERAD if you have access to the Internet. Electronic completion and submission of the form is voluntary but offers some benefits including online checks of compliance with SCP scheme rules, cross form validation prior to submission, ensuring valid totals have been used and the facility to upload BCMS format eartags. For further information and details on how to access the electronic system please see www.scotland.gov.uk/agri or ring your SEERAD Area Office.

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The following information is no longer detailed in the scheme Notes for Guidance:

SCHEME PENALTIES AND HOW APPLIED

FORCE MAJEURE (Late claims)

SEERAD AREA OFFICE ADDRESSES

Detailed information on these points is contained in the explanatory booklet IACS(1) 2001 which can be obtained from your SEERAD Area Office

SCP 2001 : SCHEME RULES

3. Deadline for receipt of claims and validity of claims

- 3.1 Only complete claims received on or before the **closing date of 6 December 2001** will be entitled to full payment of premium. Claims received after 6 December 2001 will be reduced by 1% of the premium due, per working day after the closing date up to 31 December 2001 unless you can give valid reasons of force majeure for the late lodgement of your claim. Claims received after 31 December 2001 will be rejected unless you can give valid reasons of force majeure.
- 3.2 Similar rules on late applications exist for the Integrated Administration and Control System (IACS). If you are late in submitting your claim for SCP 2001 and were late in submitting your Area Aid Application (AAA) 2001 your premium payment will be doubly penalised.
- 3.3 Only a valid claim can be accepted and acknowledged. A claim is only valid if it contains:
- the producer's name and address; and
 - the number of animals on which premium is claimed has been entered in the claim boxes, and the number of heifers claimed does not exceed the 20% limit; and
 - the signature of the producer or his agent and is dated.

Where the claim is found to be invalid it will be returned to the producer and the retention period will **not** start until the day following receipt of a valid claim.

Following receipt, all valid claims will be acknowledged. If you have not heard from SEERAD within seven working days of dispatch of your form, contact your SEERAD Area Office. Do this in time to deliver another claim before the closing date if necessary.

4. Purpose of the scheme

- 4.1 The purpose of the SCP Scheme is to help support the incomes of specialist beef producers. Premium is paid on **suckler cows and heifers (over 8 months old)**, forming part of a regular breeding herd used for rearing calves for meat.

5. Eligible producers

- 5.1 To be eligible for premium you must be:
- a. an individual farmer, or a registered company or partnership which holds cattle quota in the business name and:
 - (i) engaged in maintaining suckler cows; and
 - (ii) (in the case of an individual farmer) be at least 16 years old at the date of signing the claim;
- OR
- b. A group of individuals who hold quota as a group (not individuals):
 - (i) which has the joint means of agricultural production enabling the group to engage in maintaining suckler cows; and
 - (ii) which is engaged in maintaining suckler cows; and
 - (iii) every member of which is at least 16 years old when the claim is signed.
 - c. A separate claim must be submitted by each producer. A producer is the individual, company or partnership etc farming land as a separate business. If a producer manages more than one farm as a single business all his/her farms will be considered as a single unit for the purposes of the premium claim and stocking density. The separate business rules are described in paragraphs 12 and 13 of the Explanatory Booklet IACS(1) 2001.
- 5.2 Milk producers actively involved in milk production with milk quota of no more than 180,000kg (174,810 litres) on 31 March 2001 and on the date of lodgement of the claim may also claim Suckler Cow Premium as a small milk producer (see paragraph 12).

6. Eligible cattle and details of cows claimed

- 6.1 Eligible cattle (cows and heifers) are those which form part of a herd used for rearing calves for meat production. Cattle must be female, and either:
- be a cow or heifer of a meat producing breed; or
 - be a crossbred cow or heifer which is the offspring of a cross with at least one parent being an animal of a meat producing breed.

- 6.2 Question 8 of the claim form now includes two boxes (A and B) for you to identify whether the cattle being claimed are:

- A = cows (defined as having borne and suckled a calf); and
- B = heifers (defined as being aged 8 months and over at the time of claiming).

The number of heifers claimed at B, and retained throughout the retention period, must not exceed 20% of the total claimed. (On claims for 2 to 9 cattle, 1 heifer is permitted).

For example

Claim = 80 (64 cows (A), 16 heifers (B)); $16 \div 80 \times 100 = 20\%$ of heifers on claim and acceptable

Claim = 75 (56 cows (A), 19 heifers (B)); $19 \div 75 \times 100 = 25\%$ of heifers on claim and **not** acceptable.

- 6.3 **If you exceed the 20% heifer limit on your claim form, it will be returned to you as invalid for correction and re-submission. As it will not be valid, your retention period will not have commenced.**

Claims submitted close to the 6 December 2001 deadline which contain more than 20% of heifers will be returned. You may need to act quickly in order to avoid a reduced payment, or no payment (see paragraph 3.1).

- 6.4 **You cannot claim premium on any cattle of the dairy breeds listed in Annex 1. If any cows of these breeds are included in your claim the claim will be subject to penalties.** If there are suckler cows of the breeds in Annex 1 on your holding but not included in your claim then provided these cows are not being used for dairy production they will not disqualify your claim.

7. Economic responsibility

- 7.1 Under the Scheme you must have economic responsibility for the animals which you include in your claim. Economic responsibility means that the claimant must be responsible for: management of the herd; feeding; housing and paying the bills; veterinary care; and the selecting of animals brought into or disposed of from the herd. In general this means that you must own or have a formal leasing agreement on the animals included in your claim. If you have some other arrangement which you think may entitle you to claim SCP, contact your SEERAD Area Office before you complete your claim form.

8. Definition of a holding and quota ring-fence area

- 8.1 Your "holding" means all the production units in the UK farmed by you or made available to you for farming (not just for suckler cow production) including any land held on a short-term let/licence and declared on your IACS form.
- 8.2 Your holding is assigned to one ring-fence area (RFA) only, depending on the location of the greatest proportion of the land you farm. The RFA designation of your holding is determined for each scheme year on the basis of the land you hold on the 15 May. As a general rule quota cannot be moved between ring-fences. To receive premium payments you must ensure that the RFA designation of your quota matches the overall RFA designation of your holding.

9. Suckler cow quota

- 9.1 Payment of premium is limited by an individual quota.
- 9.2 If you have a partial quota unit you will be paid the fraction of the premium corresponding to the fraction of the quota unit, providing you claim on and keep an eligible cow throughout the retention period to cover it. For example, if you hold 25.4 units of quota, you may receive premium on 25.4 cows, provided that you claim for and comply with the rules of the Scheme in respect of 26 cows.

- 9.3 You cannot receive premium on more suckler cows than the number for which you hold quota during the 2001 Scheme year. You may not transfer or lease in quota for 2001 after you have submitted your premium claim. No penalty will be applied if the number of cattle you claim is in excess of the number of quota units you eventually hold for the 2001 Scheme.
- 9.4 You must hold quota of the correct ring-fence in order to be paid premium. Cattle quota has been assigned to one of the three categories (ring-fences) in Scotland: HIE-LFA; SCOTTISH-LFA; GB NON-LFA. Cattle producers who hold quota and normally take seasonal grazing for their stock or take cropping lets or let out land on short term lets must be aware that the ring-fence status of the holding could be changed. Suckler Cow Premium will not be paid if the majority of the holding as declared on the AAA falls within a different ring-fence from that for which quota is held by the producer.
- 9.5 Producers holding more than 7 units of quota must use 90% of their quota units each year. Failure to meet this requirement will result in the number unused being withdrawn without compensation.
- 9.6 Producers with 7 or less quota rights are covered by a separate usage rule, which requires them to use at least 90% of their quota units every other year. Failure to use 90% in 2 consecutive years will result in the number they do not use in the second year being withdrawn without compensation.
- 9.7 Normally, producers are required to use 90% of their SCPS quota or face having it withdrawn permanently without compensation. However, we recognise that the Foot and Mouth outbreak and livestock movement restrictions may prevent producers from using the required percentage of quota in the 2001 SCPS Scheme year. European legislation allows us to waive the usage rule in exceptional and duly justified cases. We would therefore like to reassure producers that where the consequences of Foot and Mouth mean it is not possible to claim on a sufficient number of animals or lease out sufficient quota to meet the usage rules for the 2001 Scheme year, we will apply the exceptional circumstances provisions as flexibly as possible.
- 9.8 If you are unsure of any of the rules relating to SCP quota you are strongly advised to obtain and read a copy of the Department's Suckler Cow Quota Explanatory Guide. Copies are available from your SEERAD Area Office.

10. Restrictions on dairying

- 10.1 Unless you are a small milk producer (see paragraph 12) you must not sell or deliver (which includes collection by others for sale or resale) from your holding any milk or milk products from cows maintained on your holding for a period of 12 months from the day following the date of lodgement of your claim. Remember that in this context holding means all the production units which you manage in the UK.
- 10.2 You may sell milk and milk products directly to consumers from your farm premises provided these products are not produced on your farm premises. For example, direct sales from farm shops on the holding or through the post would not be a breach of the rules. You may hold, or lease out, milk quota and still qualify for premium provided the above is satisfied. Milk quota held, however, counts in your stocking density calculation.

11. Milk Quota

- 11.1 The quantity of milk quota **held** by your business on 31 March 2001 will take account of leased out or leased in quota. In addition used milk quota which you have sold during the milk year will be considered as **held** by you on 31 March.

12. Small Milk Producer

- 12.1 To be eligible for premium as a small milk producer you must be actively involved in milk production and comply with the following rules:
- have milk quota on 31 March 2001 and on the date of lodgement of the claim for your holding of not more than 180,000kg (174,810 litres). (Remember that in this context holding means all the production units managed by the producer in the UK);
 - you must undertake not to increase your reference quantity of milk above 180,000kg (174,810 litres) during the 12 month period starting on the date of lodgement of your claim.

You must ensure that if you claimed as a Small Milk Producer in 2000 that your milk quota for the twelve month period from the date of submitting your 2000 claim DOES NOT EXCEED 180,000 kg (174,810 litres). If the 2000 milk quota limit is breached, we shall need to recover premium paid, with interest.

- 12.2 Cows deemed to be used for milk production cannot be regarded as suckler cows. The maximum number of suckler cows eligible for subsidy is calculated by subtracting from your total herd the number of cows deemed to be used for milk production. To check this you need to know:
- the total number of cows in your herd (i.e. the number of dairy cows used for milk production plus the number of suckler cows and heifers used for rearing calves for meat production);
 - the notional number of dairy cows deemed to be used for milk production. This number is worked out by dividing the milk quota you held on 31 March 2001 by the national average milk yield per cow, currently 5,900kg (approximately 5,730 litres). The result should be rounded to the nearest whole number.

The calculation is then as follows:

Total herd (a) minus notional number of dairy cows (b) = maximum number of eligible suckler cows/heifers.

For example, if you held a milk quota of 50,000kg on 31 March, your number of notional dairy cows is 8. If your total herd (both dairy and suckler) is 20, the maximum number of cattle on which you can claim subsidies is 12. No allowance can be made if you have fewer dairy cows than the notional number (for example because you produce less than your milk quota allows).

However, if you have more dairy cows than the notional number in (b) you cannot claim subsidies on these as they are not eligible suckler cows.

It is therefore in your interest to retain the same number of notional dairy cows throughout the retention period so that your suckler cow numbers eligible for subsidies are not adversely affected.

13. Livestock units

- 13.1 The amount of Suckler Cow Premium you can be paid is limited by the stocking density calculated as Livestock Units (LUs) per hectare of the forage area in your AAA 2001. The **stocking density limit for 2001 is 2.0 LUs** per hectare of validated forage area. Unless you are exempt from stocking density rules, claims will be restricted accordingly.

- 13.2 Livestock Units are calculated as follows:

- Dairy Cow equivalent:
1.0 LU – (see paragraph 13.4)
- Breeding ewes on which 2001 Sheep Annual Premium has been claimed*:
0.15 LU
- Male Cattle on which 2001 Beef Special Premium has been claimed*, aged up to and including two years on the date the claim is lodged:
0.6 LU
- Male Cattle on which 2001 Beef Special Premium has been claimed*, aged over two years on the date the claim is lodged:
1.0 LU
- Suckler cows on which 2001 Suckler Cow Premium has been claimed*:
1.0 LU
- Heifers on which 2001 Suckler Cow Premium has been claimed,* aged over 24 months old when the claim is lodged:
1.0 LU
- Heifers on which 2001 Suckler Cow Premium has been claimed,* aged from 8 up to 24 months old when the claim is lodged:
0.6 LU

*Animals claimed means in this context, animals paid and animals deducted with penalty.

Beef Special Premium Scheme claimants should note that there are slight variations in the way that stocking density is calculated under that scheme. Please see leaflet Beef 4 for further details.

- 13.3 Male cattle count against your total LUs **each time** you claim Beef Special Premium on them. Within the Scheme cattle or sheep on which you do not claim premium do not count as Livestock Units.
- 13.4 If you hold any milk quota (see paragraph 11) on 31 March 2001 a notional number of dairy cows will be calculated and deducted from your stocking density limit, even though you do not use the quota yourself. These notional cows are calculated using an average milk yield for the UK which is 5,900kg (about 5,730 litres) per cow.
- 13.5 Once you have subtracted the number of LUs for milk quota held on 31 March, and those for any sheep on which you have claimed Sheep Annual Premium, you can claim Beef Special Premium or Suckler Cow Premium, or both, up to your remaining limit of LUs.
- 13.6 After the end of the year we will reduce your claim for premium if you have exceeded your stocking density limit. If you have claimed both Suckler Cow Premium and Beef Special Premium, it will be assumed that you want the reduction to be made in the way that benefits you, unless you inform us otherwise before 1 October 2001.

14. Turnaround document and claim supporting documentation

- 14.1 Turnaround documents are not being produced this year. The EC Regulations still require producers to provide the eartag numbers for the cattle being claimed under the SCP 2001 scheme and to facilitate this it has been decided that producers should provide the following documentation in support of their claim.
- 14.2 Council Regulation (EC) No 1760/2000 of the European Parliament makes it a requirement that each animal on your farm must be recorded on a national database which for the UK is maintained by the British Cattle Movement Service (BCMS). For animals you have registered with BCMS you will have received a cheque book style passport or a certificate of registration.

For each animal claimed, please attach one of the following to your claim form:

- A **movement card** from the animals cheque book style passport; or
- A **movement card** from the certificate of registration (CoR).

Including these documents for the animals claimed will assist us in the processing of your claim by enabling us to record the eartag numbers of the claimed animals onto our computer system by using the bar code on the passport or movement card. This will reduce errors and greatly speed-up the processing of your claim.

DO NOT SEND THE ANIMALS PASSPORT OR CoR

You cannot include in your claim an animal which has not been recorded with the BCMS.

- 14.3 Movement cards submitted for heifers claimed should be clearly marked with an **H** in the top right hand corner.
- 14.4 **IT IS YOUR RESPONSIBILITY TO ENSURE THAT A MOVEMENT CARD FOR THE CLAIMED ANIMAL IS SUBMITTED.**

You may lose some or all of your premium if the information provided is incorrect. Check each movement card relates to the animal on which you are claiming subsidy. Inspecting officers will physically check eartags during on farm inspections and may reject ie deduct from the claim with penalty (see IACS Booklet IACS(1) 2001 Annex 2.3), animals if the eartag numbers you have provided are found to be incorrect.

15. Rules on claiming

- 15.1 We can accept only **one claim** from each separate business as described in Paragraph 13 of the Explanatory Booklet (IACS (1) 2001) issued earlier this year.
- 15.2 You may lodge only one claim for SCP 2001, therefore if you manage two or more farms ensure that your claim covers all the cows on these farms on which you wish to obtain premium under the SCP Scheme.

Additional eligible cattle acquired after a claim has been lodged, or cattle omitted from the original claim for any reason, cannot be the subject of a further claim.

15.3 If you withdraw a claim you cannot make another claim for SCP in the same Scheme year. Claims cannot be withdrawn after payment has been made or if an inspection has been announced.

15.4 Your claim can only be accepted if you have fully completed it and signed it in ink. Faxed forms can be accepted only if the hard copy follows. This must be received before the closing date or the penalties at paragraph 3.1 will be applied. Photocopies of claim forms can be accepted only if they contain an original signature.

16. Claim acknowledgement and the retention period

16.1 The acknowledgement will state the lodgement date, the number of animals claimed and the dates of your retention period. Keep this acknowledgement letter until you have received full payment as in the event of a dispute, you may be asked to produce it.

16.2 To qualify for SCP 2001 you must keep a number of eligible animals and hold livestock quota of the correct ring fence designation equal to the number claimed for a six month retention period. The retention period will begin on the day after the date on which your claim is lodged and will end at midnight six calendar months later.

16.3 If between submission of your claim and the lodgement date (the date the valid claim form is received and date stamped by the SEERAD Area Office) the number of cattle on which you are claiming is reduced, you must notify your SEERAD Area Office in writing (including the eartag numbers of the animals concerned) immediately. You risk losing some or all of your payment if you fail to do so. You must enter the retention period with the same eligible cattle on which you are claiming premium.

16.4 Any reduction in the number of animals retained during the 6 month retention period will be the result of either:

- force majeure losses; or
- natural circumstance losses; or
- other disposals.

17. Force majeure losses

17.1 Force majeure means abnormal or unforeseeable circumstances beyond your control, the consequences of which you could not have avoided by reasonable action.

17.2 To claim for force majeure treatment you must notify your SEERAD Area Office in writing. Your letter should include details of the incident and why you could not continue to meet your obligations under the scheme. Your letter, together with any relevant evidence, must reach your SEERAD Area Office within 10 working days of your being able to tell them the facts. If it does not reach the SEERAD Area Office within this deadline, we will not consider the incident under the force majeure provisions.

17.3 If your letter reaches the SEERAD Area office within 10 working days of your being able to tell them the facts, we will consider your claim for force majeure on its merits. If we consider that the reduction in your animal numbers and the reason you did not replace them was the result of force majeure, we will pay premium on the number of eligible animals present when the force majeure incident occurred.

17.4 In the case of losses resulting from tuberculosis (TB), force majeure will **not** be approved if the cattle in question, or your whole herd, were under TB movement restrictions at the time of claiming. Your SEERAD Area Office must be informed **within 10 working days** of the removal of the cattle from your holding.

18. Natural circumstance losses

18.1 There is no legal definition of natural circumstances. We will consider each case on its merits. We would normally regard any loss (usually by death) from normal hazards, e.g. disposal of animals on veterinary advice or death of animals in severe weather conditions, as natural circumstance losses not as force majeure.

- 18.2 If you think that your loss is the result of natural circumstances you can either replace the lost animal(s) or notify the loss to your SEERAD Area Office. To ensure your claim is not reduced, you should replace any natural circumstance losses with eligible replacements (see paragraph 21).
- 18.3 If you cannot replace natural circumstance losses or if you choose not to do so, notify your SEERAD Area Office in writing using the pro-forma at Annex 3. You must explain how the loss occurred and the pro-forma must reach the SEERAD Area Office **within 10 working days** of the discovery of the loss. If we accept your case, we will pay premium on the reduced number of animals which you keep to the end of the retention period.
- 18.4 If you wish to replace the lost animals but you do not have eligible replacements, you can notify the loss. If you cannot find a suitable replacement within the time limits set out in paragraph 21 this can be treated as a natural circumstance loss. If you do find a suitable replacement within the time limit, inform the SEERAD Area Office that the loss has been replaced so that your payment is not unnecessarily reduced.

19. Other disposals

- 19.1 These will include all losses other than force majeure losses or losses due to natural circumstances.
- 19.2 If you sell animals covered by your claim during the retention period you **must replace** them with animals which comply with the rules on replacement. If you intend to dispose of any animals during the retention period without replacing them, limit your claim to the number of animals you intend to keep throughout the retention period. If you do not replace we will apply penalties.

20. Losses under the off-spring cull

- 20.1 If animals are slaughtered compulsorily then such losses may be accepted as force majeure, if you are able to demonstrate that at the time of submitting your claim, you were not aware that any of the animals in question would be slaughtered under the cull. If animals are offered for slaughter under the voluntary element of the cull, then such losses would not be accepted as meeting the force majeure criteria but could be counted as natural circumstances losses (see paragraph 18). The usual procedure for claiming force majeure applies, as set out in paragraph 17, including the requirement to notify your SEERAD Area Office in writing of the removal of the animal from your holding within 10 working days of your being able to do so.

21. Replacements and notification

- 21.1 **You may replace cattle claimed for the current Scheme with other eligible cattle, provided that the number of heifers making up your claim (after the replacement) does not exceed 20% of the total cattle claimed.** In all instances, replacement must take place **within 20 calendar days** of the cattle's death/departure from the holding or before the end of the retention period, whichever is the sooner. The 20 days start the day following discovery of the loss or removal from the herd and ends at midnight 20 days later. Replacement cattle must be entered in your register not later than **3 calendar days** after the date of replacement. You must notify your Area Office, in writing, within **10 working days** of the replacement, by completing and returning the pro-forma SCPS 2000.4 (example at Annex 3). Following receipt the pro-forma will be acknowledged. If you have not heard from SEERAD within 7 working days of despatch of the pro-forma, contact your Area Office. Copies of the pro-forma are attached for your use and further copies can be obtained from your Area Office.

All losses, disposal and replacements during the 6 month retention period must be notified to your local Area Office in writing within 10 working days of the date of replacement or penalties as detailed in Annex 2.3 of the IACS (1) 2001 explanatory booklet will be applied to your claim.

- 21.2 Cattle of the dairy breeds listed in Annex 1 may **not** be used as replacements even if they are mated with a meat-producing breed of bull.

22. Disposal of the holding

- 22.1 Disposal of the holding and the cattle subject to the claim during the six months retention period would normally be regarded as a breach of the Scheme rules unless it was for reasons of force majeure, and would result in recovery of any premium paid plus interest.

23. Penalties

23.1 We must implement the schemes strictly in accordance with the EC regulations and **we do not have discretion to vary these rules** to meet individual cases of hardship. Make sure you understand your obligations under the scheme and seek professional advice if necessary.

23.2 Details of the IACS rules and the penalties which apply to the Livestock Subsidy Schemes and to Area Aid Applications are contained in the Explanatory Booklet (IACS (1) 2001 Annex 2.2 for forage; Annex 2.3 for livestock).

23.3 If you make a false declaration as a result of serious negligence then you will not receive any payment under the Suckler Cow Premium Scheme 2001. If you make a false declaration intentionally you will also be excluded from the Scheme for the following year. If you knowingly or recklessly make a false statement for the purpose of obtaining premium for yourself or another person you will also risk prosecution.

23.4 Notifying errors

After submitting your claim form, you may realise that you may have made a mistake. If it is the type of mistake that could give rise to a penalty, for example the inclusion of an ineligible animal in your claim, you may avoid the penalty if you notify the error to your SEERAD Area Office **and** both of the following conditions are met:

- you make the notification in writing without delay and in any case no later than 10 working days after discovering the error, **and**
- your notification is received before we inform you of the error or of the intention to carry out a field inspection.

Please note that it is not possible to correct a mistake which would involve increasing the number of animals claimed.

23.5 If you do not observe all the conditions of the scheme you will lose some or all of your premium including, extensification payment if applicable. If you have already been paid, you will have to repay SEERAD. Interest will be charged from the date of payment until the date you repay SEERAD. Details of the calculation of interest will be given if a recovery has to be made.

23.6 Penalties for potentially eligible animals

Penalties will apply where on-farm checks reveal discrepancies in relation to cattle identification on female animals not included on the current claim. The penalty structure is split into 2 categories:

- **Category One**

A category one discrepancy is a discrepancy identified between the number of animals on the holding and the number of animals notified to the British Cattle Movement Service (BCMS) as being on the holding. Category one discrepancies are:

- a passport or CoR not returned to BCMS in respect of a dead animal;
- an animal present on the holding for which there is no associated passport or CoR;
- failure to report a movement on to or off the holding to BCMS;
- an animal which has never been tagged;
- a passport or CoR present on the holding for an animal which has moved (movement not notified to BCMS).

Where discrepancies of this type are identified, proportionate penalties will be applied to claims submitted under the Scheme in the previous 12 months.

- **Category Two**

A category two discrepancy is an error or omission in cattle identification information either on the passport or in the herd register, or a discrepancy between the number of potentially eligible animals on the holding and the number of passports/CoRs or entries in the herd register. Category two discrepancies are:

- an animal not found in the herd register;
- a date of birth or sex which does not correspond with the herd register;
- a movement date incorrectly recorded in the herd register;
- an animal with missing tags;
- an eartag number which does not match the passport/CoR or herd register;
- a passport or CoR present on the holding for an animal which has moved (movement notified to BCMS).

On the first occasion that discrepancies of this type are identified, a warning letter will be issued. Should any further discrepancies of this type be found within the next 24 months, proportionate penalties will be applied to claims submitted under the Scheme in the 12 months preceding the second (or later) check.

In both categories, where the total discrepancies found exceeds 20% of the total number of animals (whether claimed or potentially eligible for the Scheme) 'established' at the on-farm check, no premium will be paid in respect of claims submitted in the previous 12 months. 'Established' here means found on the holding, identified by a passport or CoR, notified to the BCMS database, recorded in the herd register and correctly eartagged.

23.7 Inspection discrepancies on claimed animals

Penalties, as explained in paragraphs 23.6 above, may also apply where on-farm checks reveal discrepancies in relation to cattle identification on claimed animals. The penalty structure is as follows:

- Category One

A category one discrepancy is a claimed animal which is not 'established' at the on-farm check. 'Established' means identified by a passport or Certificate of Registration (COR), notified to the BCMS database at the correct location, recorded in the herd register, correctly eartagged and found at the location notified to the SEERAD Area Office. Category one discrepancies are:

- an animal whose movement on to the holding has not been notified to BCMS;
- an animal present without a passport or CoR where one should exist;
- a passport or CoR not returned for a dead animal;
- an animal not found in the herd register;
- an animal with an incorrect eartag number compared to the passport or CoR and/or herd register;
- an animal which has never been tagged.

Where discrepancies of this type are identified, the animal(s) in question will be deducted from the claim with penalty.

- Category Two

A category two discrepancy is an error in the recording of cattle identification information, whether on the passport or CoR or in the herd register. Category two discrepancies are:

- date of birth does not correspond with herd register;
- date of movement incorrectly recorded in the herd register.

Where discrepancies of this type are identified at 2 or more checks within a 24 month period, the incorrectly identified animal(s) will be deducted with penalty from the relevant claims.

23.8 Use of prohibited substances.

You may be excluded from the scheme for a year if we find prohibited substances (e.g. hormones) have been used on your cattle or are found on your premises; or if residues of substances (e.g. medicines) found in your cattle have been used illegally or are found to be on your premises illegally. Repeat offenders may be excluded for up to 5 years. If you prevent us from carrying out inspections or sampling to check these provisions, you may again be excluded from the Scheme.

24. Overgrazing and unsuitable supplementary feeding

- 24.1 Overgrazing means grazing land with livestock in such numbers as to adversely affect the growth, quality or species composition of vegetation (other than vegetation normally grazed to destruction) on that land to a significant degree.
- 24.2 If your land (including common land) is considered to be overgrazed, we will discuss with you the measures which are necessary to prevent that overgrazing continuing. Your premium will not be affected until you have been notified in writing by your SEERAD Area Office of the number of animals which we consider the land can carry without overgrazing, and any conditions (e.g. changes in management practice) which are attached to our decision. Payment of premium for the following Scheme year, in respect of the overgrazed land, will then be restricted to the number notified to you.
- 24.3 If you do not restrict the number of animals actually grazing on the overgrazed land and do not comply with the conditions notified to you during the Scheme year after notification, your premium for that year may be withheld altogether.
- 24.4 Unsuitable supplementary feeding means providing supplementary feed (other than to maintain livestock during abnormal weather conditions) in such a manner as to result in damage to vegetation through excessive trampling or poaching of the land by animals or excessive rutting by vehicles. Please note that if you claim that weather conditions were abnormal, you will be asked to demonstrate that your usual feeding practice was not adequate to maintain your animals during the abnormal conditions.
- 24.5 If unsuitable supplementary feeding is identified SEERAD will discuss changes to your herd management which are required to prevent further damage.
- 24.6 If your supplementary feeding continues to be unsuitable, your premium will be reduced by 10% in the first year (i.e. the year following the date your unsuitable feeding practice was identified by SEERAD) and 20% in the following year. Unless you take steps to change your feeding practice, you will not be paid premium after the second year.

25. On-farm checks and record keeping

- 25.1 On-farm checks will be carried out to establish that you are complying with the conditions of the scheme. You must allow the inspection of your herd, so that checks can be carried out. You may be required to gather your animals at a place on the holding convenient to the inspecting officer for counting and inspection. As inspecting officers will need to read the eartag numbers of cattle, you will need to provide safe and secure handling facilities to make this possible.
- 25.2 Visits for inspection purposes will occur without notice and perhaps more than once in the Scheme year. Inspectors may also wish to examine and measure the available forage area. **Refusal to allow an inspection, obstructing an inspecting officer or failure to provide reasonable facilities and assistance, will result in the rejection of your claim – and you may be prosecuted.**
- 25.3 Inspections now involve:
- all cattle on the holding being inspected, regardless of whether they are to be the subject of a subsidy claim and the result compared with the number of such animals listed in your herd register and BCMS records;
 - a records check in respect of animals claimed in the previous 12 months;
 - a check of supporting documentation, e.g. purchase and sales receipts, slaughter certificates etc. to ensure farm records are accurate;
 - a check to ensure that animal movements have been notified to BCMS as required.

You are legally obliged to keep accurate and up-to-date records of all cattle on your holding and show them to our Inspector when they visit your holding. If your records do not support your current or previous claims you will be excluded from the Scheme for the current Scheme year and have to re-pay premium already paid, plus interest.

You should note that failure to hold the correct passports for animals, incorrect eartags and/or failure to record animals details correctly may result in your claim being reduced or rejected (see paragraph 23)

26. Notification of movements

26.1 If during the six month retention period you intend to move the cattle on which you have claimed from the address(es) given on your claim form, you **must** notify your SEERAD Area Office in writing beforehand. If you do not produce the animals for inspection we will not pay premium and will recover with interest any premium already paid. You may remove claimed cattle to a show provided you inform your SEERAD Area Office in advance in writing of the date and venue of the show, and comply with the cattle passport requirements on cattle movements.

27. Cattle identification

27.1 If an animal born before 1 April 1995 needs a replacement tag, an old-style tag may be replaced by:

- a new official UK-style single tag, i.e. a new number; or
- an old style official tag showing the old number; or
- a new set of double UK tags showing a new eartag (one in each ear).

Make a note in your records of all replacement eartag numbers.

27.2 Cattle born on or after 1 April 1995 must bear an official UK-style eartag in the right ear. If this tag becomes illegible or gets lost you may replace it with:

- an official UK replacement eartag bearing the same number; or
- an official UK-style eartag bearing a new number; or
- a new set of double UK tags showing a new eartag number (one in each ear).

27.3 Cattle born on or after 1 January 1998 must be tagged in each ear with official Crown tags. These tags are known as primary tags or secondary tags. If one of these tags is lost, it must be replaced with another primary or secondary tag (as appropriate) showing the same number as the lost tags.

27.4 A new "numeric" system of identification codes on cattle eartags was introduced in Great Britain from 17 January 2000. However, cattle keepers were permitted to use up existing stocks of alpha numeric eartags to identify cattle born in Great Britain or imported from outside the European Community up to and including 30 June 2000. **All** cattle born in Great Britain or imported from outside the European Community from 1 July 2000 must be identified with the new numeric eartags. All registered cattle keepers have received written advice on the new arrangements.

28. How to keep records

28.1 The Cattle Identification Regulations (CIR) 1998 (as amended) requires you to keep a register on-farm giving details of all the cattle on your holding for at least 10 years. You may keep the register in a ledger or on a computer and this must be available at all times. If a computer is used you must make arrangements to ensure there is no loss of data. **You must keep the register up-to-date. If you do not you will lose subsidies and could be excluded from the Scheme.** Your register must include all the cattle on your holding and the following information:

- a. eartag numbers and replacement eartag numbers (replacement tags only apply to animals born before 1 January 1998):
 - b. dates of birth;
 - c. breed;
 - d. Dam's eartag number (if born on your farm);
 - e. date of arrival on the holding;
 - f. where the animals have come from (if not born on your farm);
 - g. dates of departure from the holding (including death as a result of accident or disease);
 - h. the destination of the animals;
 - i. sex.

If an animal has come from or is going to a market, it is sufficient to record the market's address as the place of origin or destination.

- 28.2 For the purposes of the scheme it is vital to keep your cattle register up-to-date and make it available for inspection on request. You must be able to support your claim by means of documentary evidence and you should therefore keep any relevant records, such as sales and losses receipts, purchase documents, veterinary certificates, movement records, etc to explain any difference between numbers claimed and numbers found at the time of inspection. You should keep all such records for at least 4 years from the date of your claim.
- 28.3 It is recommended that you keep your cattle register in the herd register books which issued in November 1999 or in a similar format on a computer. Copies of the standard herd register are available from your Area Office or from the Department's web site (at <http://www.scotland.gov.uk/agri/>) listed under Livestock Subsidy Schemes.

29. Forage area

- 29.1 In order to claim under this Scheme you must have submitted an AAA 2001 giving details of the forage area available to you. This information is required under the IACS rules, which apply to both the arable and livestock schemes. Under the Livestock Schemes, producers claiming a total of 15 LUs or less are exempt from this rule (see paragraph 30).
- 29.2 Forage area is defined in the IACS (1) 2001 paragraphs 33-35 of the Explanatory Booklet. If you require a copy of this please contact your SEERAD Area Office.
- 29.3 If after 15 May 2001 you have taken over the whole of the land declared by another farmer on a AAA 2001, it may be possible under certain limited circumstances for you to make a claim for Suckler Cow Premium against the forage area declared on that AAA 2001. If you think this might apply to you, please contact your SEERAD Area Office.

30. Exemptions from the livestock units calculations

- 30.1 If your total number of calculated LUs, is not more than 15, you are exempt from the stocking density rules. Remember that cattle or sheep on your holding on which you do not claim premium do not count as LUs in this case.
- 30.2 If you are exempt from the stocking density rules, you would not have had to submit an AAA 2001 unless you wanted to claim under the Extensification Payment Scheme (see paragraph 35) or other aid under the schemes covered by IACS 2001.

31. Modulation

- 31.1 The Scottish Executive has now received clearance from the Commission for the Scottish Rural Development Plan (SRDP). The measures in the Plan will benefit farmers, the rural economy and the environment. To finance a significant part of the Plan, SEERAD is implementing modulation, as permitted by EU legislation, in a fair, simple and transparent way.

Modulation is the recycling of a small proportion of direct payments made to farmers under CAP commodity regimes into rural development measures. It is being introduced at a flat rate of 2.5% for the 2001 scheme year, rising gradually to 4.5% in 2005 and 2006. In other words, 2.5% of subsidy payments (calculated after taking into account your claim, any base reduction and any penalties) will be recycled to help fund the SRDP. Every pound recycled in this way will be matched by a further pound from the Government and the total (about £150 million over seven years) returned through the SRDP and other measures, to the rural economy.

Starting with the 2001 subsidy schemes, the payment advice letter we send you will detail the amount by which your payment has been modulated.

32. Payment

- 32.1 Premium is approximately **£111.85 per head** (182 EURO per head) reduced to **£109.05** by modulation for 2001. The EC rules do not allow payment of premium before 16 October 2001. An advance payment of at least 60% of the premium will issue after that date. The balance payment will then be made between April and June 2002.

32.2 If you did not submit an IACS 2001 AAA, advance payments cannot be made until after you have returned the **no IACS turnaround document** which will be sent to you after your claim has been received and processed.

33. Beef National Envelope Additional Payments

33.1 The Agenda 2000 CAP reforms introduced a limited flexibility for Member States to target certain support payments from the Beef 'National Envelope'. Following an industry consultation exercise towards the end of 1999, it was agreed to pay the additional monies, again this year, to Suckler Cow Premium 2001 Scheme recipients. You will receive an additional payment per eligible suckler cow with your advance and balance payments.

34. Agrimonetary Compensation Payments for 1999 and 2000 Scheme years

34.1 The agrimonetary arrangements introduced on 1 January 1999 now sets out headage payments in euros and converts them into the national currency using the market exchange rate on the relevant operative dates. This has resulted in a reduction in the sterling rates payable under the 2000 Scheme as compared to the 1999 Scheme. Compensation for cuts in direct payments will be made available to producers. However, the precise amount of compensation and when this will be paid is not yet known. An announcement will be made once a Commission decision is received.

35. Extensification Payment Scheme

35.1 As part of the Agenda 2000 Common Agricultural Policy (CAP) reform extensification payments will no longer be automatically paid to eligible producers under the Suckler Cow Premium Scheme. Those producers wishing to apply under the new Extensification Payment Scheme (EPS) needed to declare their intention to claim on their IACS Area Aid Application. Details of the scheme have already been issued to all BSPS/SCPS producers and can be obtained from your Area Office.

36. Legal base

36.1 The legislation governing the Suckler Cow Premium Scheme (SCPS) 2001 is contained in Council Regulations (EC) No 1254/1999 and 2342/1999, and Commission Regulations (EEC) No 3508/1992 and 3887/1992 (as amended). The SCPS Regulations SI 1993 No 1441 (as amended), the Integrated Administration and Control System (IACS) SI 1993 No 1317 (as amended) and the Cattle Identification Regulations (CIR) SI 1998 No 871 (as amended) provide for the administration and enforcement of the EC Regulations in Great Britain. The Scheme is fully funded by the European Community.

36.2 The SCPS and IACS Statutory Instruments (SIs) are currently being revised and will be available later in the year.

37. Minimum claim value

37.1 Under EC legislation there is a minimum payment of 50 EUROS (approximately £30.72) per claim. Claims below this limit will not be paid.

38. Citizen's Charter Targets

38.1 We start to process your claim for premium when we receive your claim form, correctly completed and with supporting documents. Our targets are then:

- **Advance payments** will be made by 30 November or within 12 weeks of receipt of the claim whichever is the later;
- **Balance payments and extensification premium payments** will be made by 30 June of the following year.

39. Releasing information

39.1 The payments you receive under these schemes are liable to income tax. We may give details of payments to the Inland Revenue if they request it.

In addition, the information given in this SCP claim, and any other related information, may be passed by SEERAD in confidence to duly authorised agents for the purposes of verifying its accuracy, evaluating the Schemes covered by this application, or to assist in wider areas of work within SEERAD's areas of interest.

40. Declaration and Undertakings

40.1 Please read the declaration and undertakings carefully before you sign the claim form. The claim form must be signed by the applicant or by an agent who has been authorised in writing by the claimant to sign on his/her behalf. Please show your status in the box provided e.g. claimant, claimant's agent, company secretary, partner, etc. If you are an agent applying on behalf of the farmer you should ensure that separate written authorisation is attached unless this has already been supplied to the Department. If the application is made on behalf of an IACS group, (i.e. a number of legally separate businesses which are treated as a single business for IACS purposes), ensure that a representative of the group who has written authority signs the claim form. This authority may be requested.

41. Appeals/Complaints Procedures

If you have a complaint about the service we provide, you should proceed as follows:

41.1 Appeals against decisions

If you are not sure why you have been penalised or do not fully understand a decision made by SEERAD in connection with your claim, you should contact your local Area Office for a fuller explanation. If you are not satisfied with this explanation and with the decision to be reviewed you can appeal under the new Appeals procedure. The Appeals procedure consists of 3 stages: an in-house review, an external panel review and an appeal to the Scottish Land Court. An information leaflet, which includes an application form has been issued to all farmers. Further copies are available from Area Offices and from the Appeals Secretariat. Any questions should be addressed to the Appeals Secretariat, SEERAD, 47 Robb's Loan, Edinburgh EH14 1TY. Please note that the appeals procedure does **not** handle complaints about standards of service.

41.2 Complaints about standards of service

If you have a complaint about the **standards of service** we offer, you should proceed as follows:

- Contact the local SEERAD Area Office to which you submitted your claim and get in touch with the person dealing with your case. You may register a complaint by letter, by telephone or in person. If you want your complaint considered by a more senior officer, please write to the Principal Agricultural Officer at your local Area Office. He will deal with the complaint if his staff are involved or alternatively forward it to the appropriate person. It will help us to investigate your complaint if you set out the facts as fully as possible, quoting your main farm code number. We will acknowledge your complaint by return, investigate it properly, and aim to reply within two weeks.
- If for any reason you remain dissatisfied with the response received, please write to the Chief Agricultural Officer, Pentland House, 47 Robb's Loan, Edinburgh EH14 1TY, who will investigate the matter further.
- You may also ask your Member of the Scottish Parliament or alternatively your Member of the UK Parliament to take up your complaint with the Minister for Rural Development, SEERAD, Pentland House, 47 Robb's Loan, Edinburgh EH14 1TY.
- You may also contact your Member of the Scottish Parliament (or, if you prefer it, any Member of the Scottish Parliament) and ask for your complaint to be passed to the Scottish Parliamentary Commissioner for Administration (the Scottish Commissioner) who is entirely independent of the Scottish Executive. However, he can only act when asked to do so by a Member of the Scottish Parliament.
- On the other hand, if you are satisfied with the service we have provided, or wish to highlight some exceptional performance, we would be happy to hear from you. Should you have suggestions about how we can build on the service we provide, these will also be welcomed.

LIST OF DAIRY BREEDS NOT ELIGIBLE FOR SUCKLER COW PREMIUM

- Angler Rotvieh (Angeln) – Rød dansk maelkerace (RDM)
- Ayrshire
- Armoricaïne
- Bretonne Pie-Noire
- Friesian: Fries Holland (FH), Francaise frisonne pie noire (FFPN), British Friesian, Friesian-Holsten, Holstein, Black and White Friesian, Red and White Friesian, Frisona Italiana, Frisona Espanola, Zwartbonten van Belgie/Pie-noire de Belgique, Sørt brøget dansk maelkerace (SDM), Deutsche Schwartzbunte, Swartzbunte Milchrasse (SMR)
- Groninger Blaarkop
- Guernsey
- Jersey
- Malkeborhorn
- Reggiana
- Valdostana Nera
- Itäsuomenkarja
- Länsisuomenkarja
- Pohjoissuomenkarja

SCPS 2001: READY RECKONER – HEIFER ENTITLEMENT

ANNEX 2

Total SCPS Herd	Maximum No of Heifers Permitted	Total SCPS Herd	Maximum No of Heifers Permitted
100	20	50	10
99	19	49	9
98	19	48	9
97	19	47	9
96	19	46	9
95	19	45	9
94	18	44	8
93	18	43	8
92	18	42	8
91	18	41	8
90	18	40	8
89	17	39	7
88	17	38	7
87	17	37	7
86	17	36	7
85	17	35	7
84	16	34	6
83	16	33	6
82	16	32	6
81	16	31	6
80	16	30	6
79	15	29	5
78	15	28	5
77	15	27	5
76	15	26	5
75	15	25	5
74	14	24	4
73	14	23	4
72	14	22	4
71	14	21	4
70	14	20	4
69	13	19	3
68	13	18	3
67	13	17	3
66	13	16	3
65	13	15	3
64	12	14	2
63	12	13	2
62	12	12	2
61	12	11	2
60	12	10	2
59	11	9	1
58	11	8	1
57	11	7	1
56	11	6	1
55	11	5	1
54	10	4	1
53	10	3	1
52	10	2	1
51	10	1	0

For example; a producer with a total SCP herd of 31 cattle may include a maximum of 6 heifers only on their claim.

Loss/Replacement Cattle Notification Pro-Forma:

ANNEX 3

To be sent to your SEERAD Area Office each time claimed cattle (or batch of claimed cattle) are lost/replaced

County Parish Holding

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Main Farm Code Number:

This Pro-forma must be received by your Area Office within 10 working days of the first replacement(s)

Address:

Ear-tag of Claimed Cattle Sold/Died	Date of Sale/Death		For Animals Sold, it would be helpful to have the name/address of the purchaser, if known	Date of Replacement (or Reason for Non- Replacement) must be within 20 days of sale/death	Ear-tag of Replacement	Type of Replacement	
	Sale	Death				Cow	Heifer

I hereby declare that the number of heifers does not exceed 20% of the total cattle claimed figure at the date of replacement (see paragraph 6 and Annex 2)

Signature: Name: Date:

Additional copies of this pro-forma are available from your SEERAD Area Office on request. We recommend that you retain a copy of this form.