



Extensification Payment Scheme 2003

NOTES FOR GUIDANCE

INTRODUCTION

- Please read these notes carefully and make sure that you understand the scheme requirements.
- For more information please contact your SEERAD Area Office. SEERAD staff can not give you specific business advice. If in doubt, you may wish to get help from a professional adviser.

MAIN CHANGES

- The provisions on “movement restrictions” have been amended and you no longer need to request the application of the coefficient: Section 8.
- You can now submit your standard scheme declaration letter electronically if you have access to the Internet: section 3.2.
- 2003 Scheme payments will be modulated at a flat rate of 3.5% to provide additional funds for rural development: Section 12.1.

EXTENSIFICATION PAYMENT SCHEME 2003

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1. Application

If you receive Beef Special Premium (BSP) and Suckler Cow Premium (SCP) for 2003, and you also wish to be paid under the Extensification Payment Scheme (EPS) 2003, you must complete the claim boxes on your IACS 2003 Area Aid Application (AAA).

If you do not state on your IACS AAA that you wish to claim under the EPS for 2003 you will not be admitted to the 2003 Scheme.

2. Outline of the scheme

Under the EPS 2003:

- you can participate in either the **Simplified Scheme** or the **Standard Scheme** (section 3);
- for both schemes there are two stocking density levels - below 1.4 LU/hectare, and below or equal to 1.8 LU/hectare (sections 3.1 and 3.2);
- payments will be based on animals paid under BSPS and SCPS 2003;
- the scheme will be based on a calendar year;
- the calculation of stocking density will take account of all cattle aged six months and over on your holding, plus sheep you claim under the 2003 Sheep Annual Premium Scheme (SAPS) for which you hold quota;
- you will need to keep detailed and accurate records (section 11);
- the forage area used for calculating stocking density under the EPS differs from the forage area used to support BSPS and SCPS claims (section 6);
- we may carry out inspections on your holding to verify your claim.

3. Claiming premium

To participate in the EPS 2003, you **must** submit an IACS AAA for 2003 indicating your intention to claim extensification and giving details of all your forage area. If you acquire land after the IACS deadlines it **cannot** count towards your forage area under EPS. We will confirm your participation in EPS 2003 when we acknowledge your AAA.

Within the EPS, there are two sub-schemes, the **simplified scheme** and the **standard scheme**. You must choose one or other of these schemes, and cannot switch between them during the scheme year.

3.1 Simplified Scheme

In the **simplified scheme** you must keep the stocking density on your holding either below 1.4 LU/hectare, or below or equal to 1.8 LU/hectare, throughout the calendar year. You must choose one or other of these stocking density levels, although you can change bands during the year, as explained on the next page.

If you exceed your chosen stocking density level on any day during the year, you will not be entitled to extensification payment.

On your IACS AAA you will be asked to declare that the stocking density of your holding **has not** exceeded your chosen stocking density level since 1 January 2003 and to undertake to make sure it **will not** rise above this level on any day during the year.

You can change to the other stocking density level during the year provided that:

- you notify your SEERAD Area Office in writing;
- you have not been advised of a forthcoming livestock inspection; and
- your amended stocking density is not exceeded on any day during the year.

We must receive a request to change stocking density levels by 31 December 2003.

3.2 Standard Scheme

In the **standard scheme** you must keep your **average** stocking density for the year either below 1.4 LU/hectare, or below or equal to 1.8 LU/hectare. You will have to inform the Department of the total number of cattle (from 6 months old) on your holding, after all movements on to or off the holding have been completed, at six check dates in the year. We will use this information to calculate the number of LUs on your holding on each of the six dates. We will then average the six totals to calculate the overall stocking density of your holding for the year. We will choose each check date at random, as follows:

Check date	Date will be some time in:	Date will be announced in:
First	January or February 2003	March 2003
Second	March or April 2003	May 2003
Third	May or June 2003	July 2003
Fourth	July or August 2003	September 2003
Fifth	September or October 2003	November 2003
Sixth	November or December 2003	January 2004

We will ask you to complete four declarations covering the six check dates. We will send you the first of these after the announcement of the third check date. We will issue further declaration letters in September 2003, November 2003, and finally in January 2004. You should return each of the first three declaration letters to your SEERAD Area Office within one month. You must return the fourth and final declaration letter **by 29 February 2004. If you do not meet this deadline we will not pay you under the EPS.** We will acknowledge receipt of the fourth and final declaration letter.

As an alternative to submitting paper declarations you can now complete and submit them electronically if you have access to the Internet. For further information and details of how to access the electronic system please see <http://www.scotland.gov.uk/agri> or contact your SEERAD Area Office.

4. Occupying the holding for less than a calendar year

Your holding is all the production units (including seasonal lets) farmed by you whether or not entered on your IACS AAA. **The scheme requires that you must be in agricultural production on your holding for the entire calendar year.** If you were not in agricultural production on 1 January 2003, you may not meet the scheme conditions but we will consider your eligibility if you tell us in writing that you are in this category and that you meet the following requirements.

Standard Scheme Claimants: you will need to ask the previous occupier for details of all the cattle on the holding on any check dates that occurred before you took occupancy.

Simplified Scheme Claimants: you will need to ask the previous occupier for details of all the cattle on the holding from 1 January 2003 to allow you to make the declaration on the IACS AAA 2003.

Both: you may be asked for evidence to support the above, for example, a copy of the herd register giving details of all cattle on the holding from 1 January 2003 until the date you occupied the holding.

If you give up occupying all the land declared on your IACS AAA 2003 before 31 December 2003, and you are no longer in agricultural production, you will not be eligible for payment under the EPS 2003.

5. Livestock Units

Livestock Units (LUs) will be based on all cattle (of domestic species) aged six months and over on your holding, plus sheep claimed under SAPS 2003 for which you hold quota.

The LU value of your livestock is:

- Sheep - 0.15 LU
- Male cattle and heifers older than 24 months, all suckler and dairy cows - 1.0 LU
- Male cattle and heifers from six months to 24 months - 0.6 LU

A heifer will count as 1.0 LU from the date it calves.

The form at Annex A will help you calculate the LUs on your holding.

5.1 Animal age brackets

The livestock schemes operate on calendar months and years. Cattle are worth 0.6 LU when six months old, and 1.0 LU when 24 months and 1 day old. Please see the table below for some examples of how LU values are calculated for animals at different ages.

Date of birth	0.6 LU on	1.0 LU on
15 January 2002	15 July 2002	16 January 2004
12 May 2002	12 November 2002	13 May 2004
31 March 2002	30 September 2002	1 April 2004
31 August 2002	28 February 2003	1 September 2004
9 October 2002	9 April 2003	10 October 2004

5.2 Whose stocking density calculation?

If you move animals to land/buildings not declared on your IACS AAA we will consider this to form part of your holding (as defined at section 4) and the animals will count to your EPS stocking density calculation. If you do not consider the land/buildings to form part of your holding you will be asked to produce evidence to this effect.

If you have animals under retention for BSPS, SCPS or SPS, they **must** be held on **your** holding to meet the retention rules. You **must** include these animals in your EPS stocking density calculation. Stocking density calculations under the EPS will be truncated to two decimal places.

6. Forage

We will calculate your stocking density on your net available forage area. Annex C lists crops that **are eligible** as forage area under EPS.

The following are **not eligible** as forage area under EPS:

- The crops listed in Annex B;
- Land listed on your IACS 2003 Field Data Sheet as “other land on the holding”;
- Cereal crops undersown with grass;
- Land which has never been registered as eligible for the Arable Area Payment Scheme but is sown with arable crop as detailed at Annex B.

Under the EPS, 50% of your net EPS forage area must be pasture land intended for grazing cattle or sheep. Grassland cut for hay or silage but not grazed by cattle or sheep in the current year will count as pasture land, provided that it is grazed next year. If the total forage area supporting your EPS claim is not at least 50% pasture land, it will be reduced until this requirement is met. For example, if your EPS forage area is 100 hectares, but only 40 hectares are pasture land, your stocking density will be calculated on 80 hectares.

Please familiarise yourself with the guidance on forage area in the IACS Explanatory Booklet (IACS1) for 2003.

7. Withdrawal from the scheme

You must write to your SEERAD area office immediately if you wish to withdraw from either the **simplified** or **standard schemes**. If we have informed you of a livestock inspection, we will not permit withdrawal until we have completed the inspection satisfactorily. Once withdrawn, you may submit another claim up until the closing date for receipt of the IACS AAA, after which late claim penalties (as described in the Livestock Subsidy Schemes Penalties Booklet) will apply.

8. Movement restrictions

If the State Veterinary Service (SVS) imposes a movement restriction on your holding due to an epizootic outbreak (a disease which involves a large number of animals, for example, Tuberculosis or Foot and Mouth Disease) and animals cannot leave the holding except for slaughter, the number of cattle (aged six months and over) on your holding will be multiplied by a coefficient of 0.8, provided you have taken all action necessary to prevent or limit the outbreak. The coefficient will apply to the period of movement restriction, and the 20 day period after the restriction is lifted and you will be advised of the effect it has had on your stocking density in February/March 2004.

This concession will not apply to individual cattle or whole herds which are subject to movement restrictions under the Cattle Identification Regulations 1998 (as amended).

9. Inspections

We will check to make sure you comply with the scheme rules. You must allow us to check your farm records, count your animals and inspect your forage area at any reasonable time. Inspection visits may occur without notice and more than once. If you refuse to allow an inspection, or if you obstruct an inspecting officer or fail to give reasonable assistance, you will not be paid subsidy and you may be prosecuted.

The law requires that you keep accurate and up-to-date herd records of all cattle on your holding and show your records to our Inspectors when they visit your holding. If your records do not support your current or previous claims, we may exclude you from the current scheme and you may have to re-pay aid already paid, plus interest.

10. Penalties

We must implement the scheme strictly by the EC rules, and we do not have discretion to vary these rules. Please make sure that you understand your obligations and seek professional advice if necessary.

If you do not comply with the rules of the scheme, and the undertakings you have given, you will not be paid. If you have already received payment, you will have to repay it in full, or in part, with interest. If we have to recover a payment, we will explain how we have calculated the interest due.

The amount we pay under EPS 2003 will be based on the number of animals paid under the 2003 BSPS and SCPS. If that number is reduced, for whatever reason, payment under the EPS will be reduced too.

If you over declare your EPS forage area, your eligibility for EPS will be assessed on the eligible forage area you declared. We will not apply penalties unless the over declared area would have supported an extensification payment to which you would not have been entitled. You can find details of EPS penalties in the Livestock Subsidy Schemes Penalties Booklet.

Also, we will not pay EPS if:

- under the **standard scheme**, we assess your stocking density to be greater than 1.8 LU/hectare;

- under the **simplified scheme**, you exceed your declared stocking density limit at any time during the year and you have not written to tell us that you wish to switch between stocking density levels or withdraw from the scheme;
- your herd register is incomplete and does not contain accurate and up-to-date information as required by the Cattle Identification Regulations 1998 (as amended); or
- we decide that you have created artificially low stocking rates to benefit under EPS, in contravention of Commission Regulation 2342/99 Article 32.

11. Record keeping

You are required by the Cattle Identification Regulations 1998 (as amended) to keep a herd register giving details of all the cattle on your holding. You must keep your records up-to-date. If you do not, we will not pay you subsidy under the Livestock Schemes. Also, the Trading Standards Department of your local authority has responsibility to enforce the law on herd records and cattle ear tags.

If you participate in the EPS, it is vital that you keep accurate, comprehensive and up-to-date herd records. You must be able to calculate the total number of bovine livestock units on your holding from your herd register, on each of the six check dates under the **standard scheme**, or on every day of the year under the **simplified scheme**.

12. Payments

We aim to begin making payments under the EPS 2003 as soon as possible after 1 April 2004 and be substantially complete by 30 June 2004. We will pay only on cattle which qualify for payment under BSPS or SCPS. If the number of eligible animals is restricted to quota under SCPS, or the Regional Ceiling under BSPS, we will base the extensification payment on the restricted numbers. We cannot make extensification payments on sheep.

Your payment will be in £ sterling based on 80 euros per eligible animal for stocking density levels below 1.4 LU/hectare, and 40 euros per eligible animal for stocking density levels of 1.4 LU/hectare or more, and less than or equal to 1.8 LU/hectare, using the average rate of exchange in December 2002. At the exchange rate on 1 November 2002 this would be worth £50.61 for under 1.4 LU/hectare, and £25.30 for less than or equal to 1.8 LU/hectare.

12.1 Modulation

Modulation is the recycling of a proportion of direct payments made to farmers to help fund the Scottish Rural Development Programme (SRDP). Every pound recycled in this way is matched by a further pound from the Government and the total returned, through the SRDP and other measures, to the rural economy.

Modulation is set at 3.5% for the 2003 scheme year. Your payment advice letter will detail the amount by which your payment has been modulated.

13. Citizen's Charter targets

We will start to process your EPS claim when we receive your correctly completed IACS AAA form. Our targets are then to:

- acknowledge your participation in the scheme within 10 working days; and
- make extensification payments by 30 June, the following year.

14 Data Protection Act 1998

The EPS is subject to the Data Protection Act 1998. SEERAD is the Data Controller. As Data Controller, we collect data to administer the EPS and other community aid schemes. We will only disclose the information you give us to our authorised agents, and others as the law permits and in accordance with the declaration at Section A of the IACS 2003 AAA.

15. Appeals and Complaints procedures

15.1 Appeals against decisions

If you are not sure why you have been penalised, or do not fully understand a decision made by this Department in connection with your claim, you should first contact your local Area Office for a fuller explanation.

If you are not satisfied with this explanation and wish the decision to be reviewed, you can do so under the EU Agricultural Subsidy Schemes Appeals procedure. You have 60 calendar days from the date of our decision letter in which to submit your appeal. The Appeals procedure consists of three stages: an in-house review, an external panel review and an appeal to the Scottish Land Court.

Full information on the appeals system procedures, including the timescale allowed for making an appeal, is given in the Department's information leaflet AP (EL) June 2001 which was issued to all farmers. Further copies are available from Area Offices and from the Appeals Secretariat and on the Department's website. 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 standard of service.

15.2 Complaints about standard of service

If you have a complaint about the standard of service which the Department provides, you should proceed as follows:

- Contact the person in the local Area Office who is dealing with your case. You can register a complaint by letter, by telephone or in person. If you want to have 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 one of his staff is involved or 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 you are dissatisfied with the response, you may write to the Chief Agricultural Officer, The Scottish Executive Environment and Rural Affairs Department, Pentland House, 47 Robb's Loan, Edinburgh EH14 1TY, and ask him to investigate the matter further.
- You may ask your Member of the Scottish Parliament (or alternatively your Member of the UK Parliament) to take up your complaint with the Minister for Environment and Rural Development at The Scottish Executive, Pentland House, 47 Robb's Loan, Edinburgh EH14 1TY.
- You, or a representative authorised by you to complain on your behalf, may also ask the Scottish Public Services Ombudsman for your complaint to be investigated. Your representative may be an MSP, local councillor or any person you consider suitable to represent your interests. Your complaint must be submitted to the Scottish Public Services Ombudsman, 23 Walker Street, Edinburgh, EH3 7HX within 12 months after the day on which you first had notice of the matter complained of. Further information regarding the Scottish Public Services Ombudsman is available at: <http://www.scottishombudsman.org.uk>

16. Legal base

The Scheme rules are in European Council Regulations 1254/1999 and 1259/1999 and European Commission Regulations 2342/1999 and 2419/2001.

If you would like further specific information not covered by these Guidance Notes please write to your SEERAD Area Office.

We aim to make these Notes for Guidance as helpful as possible but they do not provide a definitive statement of the law (which only the European Court of Justice can give).

LIST OF SEERAD AREA OFFICES

AYR

SEERAD
Russell House
King Street
AYR
KA8 0BE
Tel No:(01292) 610188
Fax No: (01292) 611483

BENBECULA

SEERAD
Isle of Benbecula
HS7 5LA
Tel No: (01870) 602346
Fax No: (01870) 602077

DUMFRIES

SEERAD
Government Buildings
161 Brooms Road
DUMFRIES
DG1 3ES
Tel No: (01387)255292
Fax No: (01387) 267116

DUNDEE

This office has been relocated to Perth

ELGIN

SEERAD
32 Reidhaven Street
ELGIN
IV30 1QN
Tel No: (01343) 547514
Fax No: (01343) 552312

GALASHIELS

SEERAD
Cotgreen Road
Tweedbank
GALASHIELS
TD1 3SG
Tel No: (01896) 758333
Fax No: (01896) 754460

HAMILTON

SEERAD
Cadzow Court
3 Wellhall Road
HAMILTON
ML3 9BG
Tel No: (01698) 281166
Fax No: (01698) 285277

INVERNESS

SEERAD
28 Longman Road
INVERNESS
IV1 1SF
Tel No: (01463) 234141
Fax No: (01463) 714697

STORNOWAY

SEERAD
10 Keith Street
STORNOWAY
HS1 20G
Tel No: (01851) 702392
Fax No: (01851) 705793

KIRKWALL

SEERAD
Government Buildings
Tankerness Lane
KIRKWALL
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Tel No: (01856) 875444
Fax No: (01856) 873309

LAIRG

SEERAD
Ord Croft
LAIRG
IV27 4AZ
Tel No: (01549) 402167
Fax No: (01549) 402117

LERWICK

SEERAD
Charlotte House
Commercial Road
LERWICK
ZE1 0HZ
Tel No: (01595) 695054
Fax No: (01595) 694254

OBAN

SEERAD
Cameron House
Albany Street
OBAN
PA34 4AE
Tel No: (01631) 563071
Fax No: (01631) 566756

PERTH

SEERAD
Lamberkine Drive
PERTH
PH1 5NZ
Tel No: (01738) 602000
Fax No: (01738) 602001

PORTREE

SEERAD
Estates Office
PORTREE
IV51 9DH
Tel No: (01478) 612516
Fax No: (01478) 613128

STIRLING

This office has been relocated to Perth

INVERURIE (Thainstone)

SEERAD
Thainstone Court
INVERURIE
AB51 5YA
Tel No: (01467) 626222
Fax No: (01467) 626217

THURSO

SEERAD
Strathbeg House
Clarence Street
THURSO
KW14 7JS
Tel No: (01847) 893104
Fax No: (01847) 895983

CALCULATION OF LIVESTOCK UNITS (LUs) ON HOLDING

This page is designed to help **standard scheme** claimants calculate the total number of bovine livestock units on their holding.

DATE

Number of:

- | | | | | |
|---|----------------------|------------|----------------------|----------|
| • male bovines older than 24 months | <input type="text"/> | x 1.0 LU = | <input type="text"/> | A |
| • heifers older than 24 months | <input type="text"/> | x 1.0 LU = | <input type="text"/> | B |
| • suckler cows | <input type="text"/> | x 1.0 LU = | <input type="text"/> | C |
| • dairy cows | <input type="text"/> | x 1.0 LU = | <input type="text"/> | D |
| • male bovines aged 6 months to 24 months | <input type="text"/> | x 0.6 LU = | <input type="text"/> | E |
| • heifers aged 6 months to 24 months | <input type="text"/> | x 0.6 LU = | <input type="text"/> | F |

Total bovine Livestock Units on holding (A + B + C + D + E + F) **G**

Number of:

- | | | | | |
|-----------------|----------------------|-------------|----------------------|----------|
| • sheep claimed | <input type="text"/> | x 0.15 LU = | <input type="text"/> | H |
|-----------------|----------------------|-------------|----------------------|----------|

Eligible forage area ha

Stocking density = G + H divided by forage area

ANNEX B

CROPS NOT ELIGIBLE AS FORAGE AREA UNDER EPS

	Crop Description	Crop Code
I	CEREALS	
	Durum wheat	DW
	Other wheat and meslin other than durum wheat	SW, WW
	Rye	RYE
	Barley	SB, WB
	Oats	SO, WO
	Maize	MAIZ
	Grain sorghum	SOR
	Buckwheat, millet and canary seed; other cereals	BW, MIL, CANS, MC
	Sweet corn	SC
	Triticale	TRIT
	Mix of AAPS eligible and non AAPS eligible crops	CMIX
II	OILSEEDS	
	Soyabeans	SY
	Rape seed	SOSR, WOSR
	Sunflower seed	SF
III	PROTEIN CROPS	
	Peas	PP
	Field beans	FB
	Sweet lupins	SL
IV	FLAX	
	other than fibre flax	
	Linseed (<i>Linum usitatissimum</i> L.)	LIN

ANNEX C

LIST OF ELIGIBLE FORAGE LAND COVER UNDER EPS

Non-arable forage land cover eligible as forage under the Extensification Payment Scheme

- PGRS Grass over 5 years
- TGRS Grass under 5 years
- WDG Open woodland (grazed)
- RAST Rape for stock feed
- RGR Rough grazing
- TSWS Turnips/ swedes for stock feed
- OCS Other crops for stock feed

