

2019

Guide to the Young Farmers' Payment/Regional Reserve

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Area-based Schemes Delivery Support Branch
Orchard House
40 Foyle Street
Derry/L'Derry
BT48 6AT

Tel: 0300 200 7848

Email: DAERA.Area-basedSchemesDeliverySupportBranch@daera-ni.gov.uk

Contents

1.	Introduction.....	1
2.	Important notes for 2019.....	4
3.	Regional Reserve Categories	5
4.	Young Farmers' Payment/Regional Reserve (Young Farmer) Eligibility and Evidence Requirements.....	7
4.1	Young Farmers' Payment.....	7
4.2	Young Farmers' Payment - Eligibility Criteria	7
4.3	Young Farmers' Payment - Evidence Requirements	11
4.4.	Regional Reserve – Young Farmer	16
5.	Regional Reserve (New Entrant) – Eligibility and Evidence Requirements.....	18
5.1	Regional Reserve New Entrant - Eligibility Criteria.....	18
5.2	Regional Reserve (New Entrant) - Evidence Requirements	22
6.	Application Process.....	29
6.1	Applying for the Young Farmers' Payment	29
6.2	Applying to the Regional Reserve (Young Farmer & New Entrant).....	31
6.3	Ongoing 2015, 2016, 2017 or 2018 YFP and/or RR applications	32
7.	Calculation of Young Farmers' Payment and allocation of awards from the Regional Reserve.....	33
7.1	Calculation of Young Farmers' Payment	33
7.2	Duration of Young Farmers' Payment	33
7.3	Calculation of award from the Regional Reserve.....	34
8.	Conditions applicable to the Young Farmers' Payment and to awards from the Regional Reserve	37
8.1	Conditions applicable to the Young Farmers' Payment	37
8.2	Conditions applicable to awards from the Regional Reserve.....	37
8.3	Review of Decisions Young Farmers' Payment/Regional Reserve.....	38
8.4	Proof of Force Majeure or Exceptional Circumstances.....	39
9.	Contact Details.....	40

1. Introduction

In 2019 the Young Farmers' Payment (YFP) and Regional Reserve (RR) will open for applications.

This guide sets out: -

- the eligibility criteria which must be met by applicants for the YFP and/or to the RR;
- details on allocations which can be made from the RR;
- details on supporting evidence that must be submitted by applicants, and
- details on how to make an application for the YFP and/or to the RR.

It is one of a series of guidance booklets relating to the Basic Payment Scheme (BPS) referred to in the Guide to the Basic Payment Scheme. Applicants for the YFP/ RR should also familiarise themselves with the contents of that guide and the booklet 'How to complete your Single Application Online'.

Applicants who farm land in England, Scotland or Wales should refer to the Guide to the Basic Payment Scheme.

Land in the Republic of Ireland cannot be included on YFP or RR applications made to the Department of Agriculture Environment and Rural Affairs (DAERA).

Guidance booklets and related forms are available on the DAERA website:

www.daera-ni.gov.uk/articles/area-based-schemes-2019-guidance-and-forms

Each of the guides is intended as an information guide to farmers and should not be regarded as a legal interpretation of the EU Regulations governing the BPS. Applicants are advised to take independent legal advice, as necessary, to ensure their interests are looked after.

In Northern Ireland from 1 January 2015, the Single Farm Payment Scheme was replaced by the BPS (which includes the RR), a Greening Payment and the YFP.

Young Farmers' Payment

The YFP provides an annual top-up to the BPS to those farmers who meet its eligibility requirements.

DAERA has allocated 2% (the maximum possible) of its regional ceiling fund to the YFP in

2019 which equates to €6.59m. The level of top-up will be based on 25% of the total direct payments regional average per hectare. The top-up payment will be limited to 90 hectares and the rate per hectare will, if necessary, be scaled back to respect the regional ceiling. The rate can vary between years depending on the number of applications. Details on eligibility and evidence requirements are provided in **Section 4**.

Regional Reserve

As part of the BPS, the European Commission requires all EU Member States to set up National or Regional Reserves to help farmers in certain situations. In the United Kingdom it was decided to establish Regional Reserves for each of the devolved administrations. This means that in Northern Ireland the RR will be used to provide entitlements for Northern Ireland farmers under the BPS.

The RR will provide funding which will enable DAERA to allocate entitlements or to top up existing entitlements to the 'Regional Average unit Value' (RAV) of entitlements for certain categories of farmers. It must be used to allocate payment entitlements to **Young Farmers (YFs)** and **New Entrants (NEs)**. DAERA may also use it to make awards to farmers who were prevented from being allocated entitlements as a result of a force majeure/exceptional circumstances (FM/EC) incident and farmers eligible for revised entitlements following a court ruling or administrative act by DAERA. Details on eligibility and evidence requirements, for YF and NE are provided in **Sections 4 and 5**.

The difference between the value of allocated entitlements and DAERA's BPS ceiling in 2019 constitutes the funds in the RR.

In addition the RR can be replenished by reallocation of payment entitlements which were;

- (a) not activated in 2 consecutive years;
- (b) voluntarily returned;
- (c) removed because they were incorrectly issued, and
- (d) by further linear reduction of the value of payment entitlements to ensure the RR has sufficient funds to provide allocations for YFs/NEs and those required under definitive court rulings or administrative acts.

The RAV of entitlements may vary from year to year and for any given year will be calculated by dividing the regional ceiling for the BPS (excluding the amount for the RR) by the number of payment entitlements allocated (excluding the number of entitlements issued from the RR in that year).

The RAV may vary from year to year as a result of changes to the financial ceilings and, therefore, entitlements allocated from the RR may be subject to modification in subsequent years and will be reviewed annually under the BPS convergence process.

Key dates for 2019 Young Farmers' Payment and/or Regional Reserve applications

2019 Young Farmers' Payment /Regional Reserve Forms and supporting evidence can be submitted from

1 March 2019

CAFRE will accept requests for eligibility checks of qualifications up to:

26 April 2019

Completed Single Application and/or 2019 Young Farmers' Payment/Regional Reserve Forms, with supporting evidence, can be submitted without penalty up to **15 May 2019**. **Penalties will apply to any application received during the period 16 May 2019 to 10 June 2019 inclusive.**

2. Important notes for 2019

1. UK Exit from the EU (Brexit)

We will pay Direct Payments for the 2019 scheme year on the same basis as before. Rules derived from current EU legislation for the BPS, Greening and YFP will apply throughout the whole of 2019 scheme year. EU legislation will continue to have effect during the entire 2019 scheme year either as directly applicable EU law or as a result of being retained in UK law (after EU Exit).

3. Regional Reserve Categories

There are 4 categories under which farmers can receive an allocation from the RR:

- (i) **Farmers who qualify as YFs** - including those who never held entitlements and those who will otherwise have established entitlements with a unit value below the RAV - can apply to the RR to have entitlements allocated at the RAV and/or to have the value of entitlements held increased to the RAV in 2019;
- (ii) **Farmers who have commenced their agricultural activity and qualify as NEs** - including those who never held entitlements and those who will otherwise have established entitlements with a unit value below the RAV - can apply to the RR to have entitlements allocated at the RAV and/or to have the value of entitlements held increased to the RAV in 2019;
- (iii) **Farmers who were prevented from being allocated entitlements due to FM/ECs.**
- (iv) **Farmers eligible for revised entitlements following a court ruling or administrative act by DAERA.**

Further information on each of these categories is set out below.

Categories (i) and (ii) are for active farmers who qualify as YFs and farmers who have commenced agricultural activity and qualify as NE.

These categories can be applied for directly and applicants who meet the eligibility criteria for these categories can make an application to the RR up until 15 May 2019 (without incurring late claim penalties). Detailed information on the eligibility criteria, evidence requirements, and how to apply for each are set out in **Sections 4, 5 and 6** of this guide. Applicants should apply to the category for which they consider themselves eligible.

If an applicant believes that they are eligible to apply to the RR as a YF or as a NE, they are advised to apply as a YF and also to consider making an application for the YFP.

An applicant can successfully apply only once to the RR under either the YF or NE categories, for either an allocation of entitlements and/or an increase in value of entitlements held to the RAV.

For example: If an applicant received an allocation of entitlements from the RR in 2015, 2016, 2017 or 2018 they cannot apply again in 2019 or future years.

YFs/NEs applying to the RR in 2019 must make their application using the Single Application and Map Service and provide a completed 2019 Young Farmers' Payment / Regional Reserve Form with the required supporting evidence by the 2019 scheme year deadline (15 May 2019) without penalty. **If a Single Application is not submitted; no BPS entitlements will be activated and no award will be made from the RR.**

Category (iii) Force Majeure or Exceptional Circumstances

DAERA will only provide a FM/EC award from the RR where an active farmer has been prevented from being allocated BPS entitlements as a result of an FM/EC incident and their application cannot be adjusted under the BPS/RR rules. DAERA may allocate entitlements or increase the value of entitlements. It is a requirement that DAERA is informed of a FM/EC incident within 15 working days of the applicant being in a position to do so.

Full details of the FM/EC procedures, especially the notification requirements (using **Form FML 1**) are provided in the **Force Majeure Section** in the **Guide to the Basic Payment Scheme** which is available from the DAERA website:

www.daera-ni.gov.uk/articles/area-based-schemes-2019-guidance-and-forms

Once DAERA has been notified of a FM/EC incident, it will consider the case and decide if the RR should be used to provide an allocation.

Category (iv) Court Ruling or Administrative Act

Where DAERA is required to allocate entitlements or revise the value of existing entitlements following a definitive court ruling or a definitive administrative act by DAERA, the RR will be used to action these changes if the changes cannot be accommodated within the rules of the BPS. It is not necessary for applicants to apply to the RR in such cases. DAERA will notify applicants of any changes which result from a court ruling or administrative act.

4. Young Farmers' Payment/Regional Reserve (Young Farmer) Eligibility and Evidence Requirements

4.1 Young Farmers' Payment

The YFP will provide an annual top-up to the BPS for those applicants who meet the YFP eligibility/evidence criteria. The CAP Regulations define "young farmers" as natural persons who are setting up for the first time an agricultural holding as Head of Holding, or who have already set up such a holding during the 5 years preceding the first submission of an application under the BPS and who are no more than 40 years of age in the year of submission of their first application for the BPS. Legal persons may be granted access to the scheme if they meet similar conditions.

The YFP can be made for 5 years subsequent to meeting eligibility criteria and checks.

Applicants must apply for and activate entitlements under the BPS to be eligible for the YFP. **If applicants do not otherwise qualify for BPS entitlements, and wish to apply for the YFP they must apply to the RR for an allocation of entitlements as a YF.** Those who apply for an allocation of entitlements via the YF provisions in the RR will be assessed on the relevant criteria. Please refer to **Sections 4 and 5**.

Applicants for the YFP in 2019 must make their application on their online Single Application and if a new applicant in 2019 provide a completed 2019 Young Farmers' Payment/Regional Reserve Form with the required supporting evidence by the 2019 scheme year deadline (15 May 2019). **If a Single Application is not submitted; no BPS entitlements will be activated and no YFP will be made.**

4.2 Young Farmers' Payment - Eligibility Criteria

To be eligible for the YFP the applicant must:

- (i) **Be an active farmer * at the date of application to the BPS/ YFP and have at least 3 hectares of eligible land on their holding which must be used to carry out an agricultural activity.**

Note: An active farmer is the person/farm business enjoying the decision making power, the benefits and the financial risks in relation to agricultural activity being carried out on the land.*

- (ii) **Be establishing, for the first time, an agricultural holding as Head of Holding ** or have already done so during the 5 years preceding their first successful application to the YFP.**

Note**: *To be Head of Holding means the applicant must be exercising effective and long-term control over the business in terms of decisions related to management, benefits and financial risks.*

To meet the Head of Holding requirement applicants who make a successful application to the BPS for the first time in 2019 must have set up for the **first time** an agricultural holding as **Head of Holding on or after 1 January 2014**.

Sole-Trader

In these circumstances it is clear that the applicant, as the only member of the business will be in control of the business – the Head of Holding. However, the same evidence as that required for a partnership/multi-member business will still need to be provided, with a completed 2019 Young Farmers' Payment/Regional Reserve Form, to prove the authenticity of the business.

Partnership (including Multi-members Business)

Applicants may decide to undertake their farming activities as part of a group or with other family members, for example, father and son/daughter partnerships or where the applicant was a member of an existing business and subsequently becomes Head of Holding.

The applicant (YF or combination of YFs) must exercise effective and long term control over the business in terms of decisions related to management, benefits and financial risks. A share of profit greater than 50% would normally, but not always, indicate Head of Holding status.

50:50 partnerships between applicant(s) – YF(s) and a person(s) who is / are not eligible to apply as a YF(s) - will only be acceptable if it is clear that the applicant(s) can make such decisions without veto from the other partner(s). Alternatively, where 50:50 partnerships currently do not meet this requirement, it may be necessary for the partners to agree to modify the partnership to increase the applicant(s) share of the business to above 50% or to include a provision stating that the applicant(s) has long term control over the business in terms of decisions related to management, benefits and financial risks and can make such decisions without veto by the other partner(s). The applicant(s) will be regarded as Head of Holding for the purposes of the YFP from the date it is confirmed that the partnership complies with the scheme requirements.

Category 3 DAERA Business

If the applicant has been involved in a Category 3 DAERA business (agricultural activity) they will need to demonstrate that this did not result in them being in control of agricultural activity otherwise the date, when they are considered to have become Head of Holding for the first time, may be taken as the date of commencement of the Category 3 business.

In cases where a Category 3 DAERA business is replaced with a Category 1 DAERA business, DAERA may take the date of becoming Head of Holding for the first time as the date of commencement of the Category 1 business, provided the applicant can demonstrate that

their involvement with the Category 3, or other category of business, did not result in them being in control of agricultural activity. This will be judged on a case by case basis but a possible example may be where the business consisted of a very small number of livestock which were not kept for farming purposes and was not a separate business in its own right.

Note: 'DAERA business' means a farming activity issued with a business identification number by DAERA or where appropriate the equivalent identification issued by the relevant authority in England, Scotland or Wales.

(iii) Be no more than 40 years of age* in the year of first successful application for the BPS.**

Note***: *This applies for the entire scheme year in which the application is made. This means that for first time successful BPS applicants in 2019, they must be born on or after 1 January 1979.*

For example: if an application to the BPS and for the YFP/RR is made on 15 May 2019 and the applicant has their 41st birthday before 31 December 2019, they will not be eligible to be considered and will be excluded from applying for the YFP or to the RR as a YF.

(iv) Hold at least a Level II qualification** in agriculture (or a related subject containing at least a farm business management module) at the BPS application closing date.**

Note****: *The College of Agriculture, Food and Rural Enterprise (CAFRE) has compiled a list of eligible qualifications which can be found at:*

www.cafre.ac.uk/industry-support/level-2-agricultural-qualification-list.

Applicants can access this list to check if qualifications already held by them will be accepted by DAERA for the purposes of their YFP/RR application.

The list of eligible qualifications is not exhaustive and if applicants hold a qualification which is not listed, they can contact CAFRE by e-mailing Industry.TrainingAdmin@daera-ni.gov.uk or by telephoning 028 94 426880.

Equivalent or higher level agricultural (or related subject) qualifications are, of course, acceptable for application for the YFP and/or to the RR, providing they contain at least a farm business management module. If applicants are in any doubt about whether their equivalent or higher qualification meets the requirements they should contact CAFRE, as above, to confirm.

*Applicants who do not hold the minimum required agricultural qualification (as stipulated above), will be excluded from the YFP/RR in the 2019 application year (**please see page 16 if you know your final results but don't have the certificate**). This would not preclude them from applying for the BPS, Greening payments in 2019 if they can activate BPS entitlements without receiving an allocation from the RR.*

- (v) **Have submitted a Single Application by the scheme year deadline in the year of application for the YFP/RR.**
- (vi) **Have established/activated payments under the BPS and/or have applied to the RR for allocation of payment entitlements as a YF.**

It would be advisable to discuss the financial and legal implications of any change, in respect of Head of Holding, to a business with an accountant and/or solicitor.

Examples

- (i) Establish a business in 2009 as Head of Holding. You are not eligible as a YF as you became Head of Holding prior to 1 January 2014.
- (ii) Business established in 2009 and you are a junior partner/existing member in it (not Head of Holding). You become Head of Holding for the first time in March 2014. As this is after 1 January 2014, you may qualify as a YF if you meet the age and educational qualification requirements in your year of first application to BPS.
- (iii) Where there are several YF applicants and other persons involved in the business, then it must be clear that the YF applicants can control the business.

Business Share or share of profit / loss:

Farmer A	25%	Farmer B	30%
Farmer C	20%	Farmer D	25%

Farmers A and B are YFs. Farmers C and D are not YFs. This business could be eligible to apply as long as both YF applicants declare that they act jointly as Head of Holding.

Where more than one YF is involved in a business, only the YF(s) controlling the business would need to have the educational qualification. In the example above both Farmers A and B would need to have the educational qualification as neither of them can control the business on their own. If 2 YF applicants were involved in a 50:50 partnership, but neither on their own control the business, then both would require the educational qualification.

4.3 Young Farmers' Payment - Evidence Requirements

A. Evidence for Head of Holding

All new applicants must: -

- (1) Provide a statement/letter from a qualified independent accountant¹ confirming:
- That the applicant receives at least 50% of the profit (or loss) from the holding and that this is reflected in their tax return. Their most recent set of accounts² and corresponding tax return³ should be provided in support of this statement. The accountant should specify in the statement/letter the percentage share of the profit (loss) going to the applicant and reference these figures in the accompanying accounts and tax returns.
 - The date on which the applicant became Head of Holding, based on when they began to take at least 50% of the profit (loss). This must be on or after 1 January 2014. The accounts and corresponding tax return from the year before the applicant became Head of Holding should be provided to show that previously they received less than 50% of the profit (loss). Again these figures should be referenced in the statement/letter provided by the accountant.

Head of Holding – New Business

If the applicant commenced their new business recently and does not have a previous years' accounts/tax return, then the accountant's statement/letter should confirm that they are appropriately registered for income tax and the date on which their holding/business was registered. A copy of the applicant's HMRC income tax registration must be provided showing that the applicant is undertaking agricultural activity. Accounts and tax returns must be provided as soon as they are available. The Department will contact the applicant requesting this outstanding evidence at the appropriate time.

Head of Holding – Existing Business

If the applicant has become Head of Holding of an existing business he/she is required to provide accounts/tax returns for the year prior to becoming Head of Holding (first set of accounts) and the year after becoming Head of Holding

¹ Qualified independent accountant, means someone who has qualified with and is a current full member of an organisation which is considered to be a member of CCAB or someone who is qualified with and is a current full member of CIMA, AAT or other equivalent accountancy institute or association which is a member of or affiliated to IFAC, including AIA or additionally someone who has qualified with and is a full and current member of CIOT and is independent of the applicant and the business and is not a member of the same household as the applicant.

Other recognised accountancy institutes or associations will be considered on a case by case basis.

² Where prepared, business accounts should incorporate the Profit and Loss Account, Balance Sheet, Notes to the Accounts, Sole trader or Partner Approval Statement and Accountant's Report. Where for smaller traders, business accounts as outlined are not prepared, a Profit and Loss Statement approved by the trader and the accountant will be acceptable.

³ Where applicants provide an extract from their tax return, they should confirm in writing that the extract provided is a true and fair copy of the original document referred to in the accountant's statement/letter.

(second set of accounts). If the first set of accounts/tax return are not yet available the accounts statement/letter should confirm that they are appropriately registered for income tax and the date on which their holding/business was registered. The Department will accept the accounts/tax return for the year preceding the year prior to becoming HoH with the application form. Submission of these accounts must be made before an application can be approved.

- (2) Be named on and be responsible for **all** bank/building society accounts associated with their business and be authorised to make payments and transfer money from these accounts without requiring authorisation from anyone else. A letter from the provider** must be presented to confirm this.

Note**: *Provider can be a bank or a building society.*

- (3) Be named on the Herd/Flock Number and/or Milk Licence where applicable. If the applicant's business has no livestock they should be named on documentation associated with the Quality Assurance Scheme, Plant Health Registration Numbers or other relevant documentation.
- (4) Be one of the customer names associated with the DAERA Business ID for the business before the application closing date – 15 May 2019.

Partnerships (including Multi-member Businesses) and Limited Companies

- (5) Where an applicant's business is operated as a partnership or as a multi-member business, the applicant(s) must complete and sign Section 3.4 in the 2019 Young Farmers' Payment/Regional Reserve Form confirming that: -
 - a) they have familiarised themselves with the scheme requirements specified in this guidance and that they and their business comply with these requirements;
 - b) they are in receipt of more than 50% of the profit from the business or bear more than 50% of the loss;
 - c) there is no limit to the level of expenditure/sales they can make on behalf of the business and/or there is no restriction on whom they can deal with on behalf of the business in the course of trading concerning the business;
 - d) they are responsible for control of all bank/building society and loan accounts related to the business and can make decisions about transfer of funds from these without veto from the other partner(s)/member(s);
 - e) they have long term control over the business in terms of decisions related to management, benefits and financial risks and can make such decisions without veto by other partner(s)/member(s);

- f) they have the final decision as regards decisions in relation to all business matters relating to the business and that their decisions cannot be vetoed by the other partner(s)/member(s);
- g) the business cannot be dissolved by any of the partners/members without their agreement or in event that the YF/NE is the only partner/member remaining, they have the right to continue the business;

Section 3.4 must also be signed by all members of the business including all those listed in the DAERA Business Identification, and by a qualified independent accountant or a solicitor. **There is no need to provide a written partnership agreement with 2019 Young Farmers' Payment/Regional Reserve Form/application.** However, if one is provided and it is found not to comply with the requirements set out in points a) – g) above, the application will be rejected.

- (6) Where an applicant's business is part of a Limited Company (Ltd) the applicant will have to provide evidence to show that they hold more than 50% of ordinary voting shares and that their decisions cannot be vetoed. Evidence will also be required of the date that the applicant obtained more than 50% of the ordinary voting shares. In cases where the applicant does not hold more than 50% of the ordinary voting shares it is unlikely that they will be considered to be in control of the business, the Head of Holding.

The requirement to provide evidence that the applicant received more than 50% of the distributed profit (loss) of the Ltd (including dividends) also applies. The evidence to be submitted is similar to that outlined for partnerships/multi-member businesses and must also show when the applicant began to receive more than 50% of the profit (loss).

In a case of a 50:50 partnership where there is equal division of the profit (loss) between the applicant(s) and a person(s) who is/are not eligible to be an applicant(s), the applicant(s) will be required to provide further evidence to demonstrate that despite the 50:50 nature of the partnership, the applicant(s) on their own can exercise effective and long-term control over the business in terms of decisions related to management, benefits and financial risks without a veto from the other partner(s) and when this control was acquired from. Required evidence is a completed 2019 Young Farmers' Payment/Regional Reserve Form, particularly Section 3.4 and in addition, a statement/letter from a qualified independent accountant confirming that the partnership/business document had been changed to reflect the requirement and confirming the date the change was effective from.

50:50 partnerships between the applicant(s) and a person(s) who is/are not eligible to be an applicant(s) will only be acceptable if it is clear that the applicant(s) can make such decisions without veto from the other partner(s).

Alternatively, where 50:50 partnerships currently do not meet this requirement, it may be necessary for the partners to agree to modify the partnership to increase the applicants share of

the business to above 50% or to include a provision stating that the applicant(s) has long term control over the business in terms of decisions related to management, benefits and financial risks and can make such decisions without veto by the other partner(s). The applicant(s) will be regarded as Head of Holding for the purposes of the YFP and / or RR from the date at which the partnership/business complies with the requirements.

Should a business wish to modify its current management arrangements in order to comply with YFP/RR requirements it must be done prior to submitting its application to the scheme and confirmation should be included in supporting evidence documents no later than 15 May 2019.

Authenticity of the Business

The business and the area applied for on the Single Application and 2019 Young Farmers' Payment/Regional Reserve Form must reflect what happens in practice. Therefore, the accounting information must be commensurate with the area declared on the application forms.

Cases which appear to have a lower than normal gross turnover per hectare may be investigated further and applicants may be required to provide evidence that they are actually farming all of the area declared on their application. Failure to do so may result in the area on which entitlements are established and payment is made being reduced to the area actually farmed with penalties being applied or their application may be rejected in its entirety.

Applying for payment and/or entitlements on land that is not farmed may be investigated in relation to fraud.

DAERA will check its records to ascertain whether the applicant has previously been involved in a DAERA business* (agricultural activity) as a Head of Holding and may seek further evidence regarding when the applicant became Head of Holding for their current business.

Note*: 'DAERA business' means a farming activity issued with a business identification number by DAERA or where appropriate the equivalent identification issued by the relevant authority in England, Scotland or Wales.

B. Evidence of Age / Identity

All new applicants must provide proof of their date of birth and present one of the following items of photographic identification **in person**, with their completed 2019 Young Farmers' Payment/Regional Reserve Form and supporting evidence, at a DAERA Direct office:

- Passport, or
- Driving Licence, or
- Electoral Identity Card

Only originals will be accepted. Where the name on the identification documents does not

agree with the name shown on the qualification certificate or other documents, the applicant must provide evidence to explain the change, for example, a marriage certificate, or other official document(s).

C. Evidence of Qualification

Subject to the type, size and Awarding Body for the qualifications held by applicants, the following forms of evidence will be required, from all new applicants.

- (i) An original Certificate from the qualification Awarding Body for the qualification held which demonstrates that the applicant has achieved accreditation in an agricultural qualification at Level II or above (or in a related subject containing at least a farm business management module).

or

- (ii) An original Certificate from the qualification Awarding Body for the qualification held and a letter from CAFRE bearing the applicants name and address confirming that the qualification is deemed eligible for the purposes of the RR and/or YFP.

or

- (iii) An original Certificate from the qualification Awarding Body for the qualification held, plus an OCN NI Certificate for the Level II Agricultural Business Operations **Award** and a letter from CAFRE bearing the applicants name and address confirming that based on the main qualification held, only the Agricultural Business Operations **Award** was required to be completed.

or

- (iv) A letter from CAFRE signed by the College Director confirming that the applicant holds the qualification named on the letter. This will apply to applicants if they hold either a College Certificate in Agriculture (CCA) or a College Diploma in Agriculture (CD) or College Diploma units and they **cannot locate their original certificate**. These qualifications were awarded by DAERA (DANI) and Certificates were issued by the Department. DAERA no longer provides these qualifications. Therefore, providing that College records prove that the applicant holds either of these qualifications, CAFRE will provide a letter of authenticity.

Note: *Applicants should ensure that if the name printed on the qualification certificate is different from the name, shown, on their Single Application/2019 Young Farmers' Payment/ Regional Reserve Form, that evidence is provided which demonstrates that the applicant and the qualification holder are the same person, for example, a copy of a marriage certificate or other official identification document.*

Existing students currently enrolled on eligible courses

If the applicant is a final year student enrolled on an eligible agriculture education programme at CAFRE, or at other Colleges in Northern Ireland or Universities/Colleges in GB or ROI, they may know their final results but will not have received their course certificate from the course awarding body by the deadline (15 May 2019) for submission of an application for the YFP and/or to RR. In these cases, a letter, signed by the College Director/College Principal, indicating that the applicant has achieved their qualification can be submitted with the 2019 Young Farmers' Payment/Regional Reserve Form. This letter must be followed by the course certificate once it has been received. DAERA will accept applications but will not process them until the course certificate has been received.

If the applicant has final exams to take and will not know their final results by the 15 May 2019 deadline but their results and attainment of the qualification can be confirmed by a letter from the relevant College Director/College Principal by 10 June 2019, their application can be accepted provided the letter is received on or before 10 June 2019 but late claim penalties may apply. This letter must be followed by the course certificate once it has been received. Applications will not be processed until the course certificate has been received.

If results are not known until after 10 June 2019 applicants will not be eligible to apply to for the YFP and/or to the RR in the 2019 scheme year.

CAFRE has compiled a list of eligible qualifications which can be found at:

www.cafre.ac.uk/industry-support/level-2-agricultural-qualification-list.

If an applicant holds a qualification which is not listed they can contact CAFRE by e-mailing Industry.TrainingAdmin@daera-ni.gov.uk or by telephoning 028 9442 6880.

All queries to CAFRE regarding the eligibility of qualifications must be submitted either electronically or in writing by 26 April 2019. Enquiries received by CAFRE after this date may not be responded to by 14 May 2019.

4.4. Regional Reserve – Young Farmer

The eligibility and evidence requirements for applicants applying to the RR as YF are very similar to those for YFP applicants.

Please refer to **Sections 4.2 and 4.3** for the eligibility and evidence conditions applicable for those wishing to apply to the RR for an award as YF.

To comply with the RR (YF) Head of Holding time requirement:

- Applicants who make their first successful application to the BPS in 2019 must have set up, an agricultural holding as Head of Holding for the **first time, on or after 1 January 2014**.

- Applicants who are part of a business and were allocated BPS entitlements in 2015 and who first apply to the RR as a YF in 2019 must have set up an agricultural holding as Head of Holding for the **first time, on or after 1 January 2014**.
- Applicants, who were Head of Holding prior to 1 January 2014, even if they applied successfully to the BPS in 2015, will not be eligible to apply to the RR as a YF, for the first time, in 2019.

Applicants applying to the RR in 2019 as YF, must apply on their Single Application and submit a completed 2019 Young Farmers' Payment/ Regional Reserve Form, with the required supporting evidence, by 15 May 2019. **If the Single Application is not submitted; no BPS entitlements will be activated and no RR allocation will be made.**

Applicants who applied successfully for the YFP in 2015, 2016, 2017 or 2018 but **did not apply** to the RR as a YF in 2015, 2016, 2017 or 2018, **must complete the 2019 Young Farmers' Payment/ Regional Reserve Form** and provide all the necessary supporting evidence, if they wish to apply to the RR as a YF in 2019, and apply on their Single Application by 15 May 2019.

5. Regional Reserve (New Entrant) – Eligibility and Evidence Requirements

5.1 Regional Reserve New Entrant - Eligibility Criteria

To be eligible as a RR NE applicants must: -

- (i) **Be an active farmer* at the date of their application to the BPS/RR and have at least 3 hectares of eligible land on their holding which must be used to carry out an agricultural activity.**

Note: An active farmer is the person/farm business enjoying the decision making power, the benefits and the financial risks in relation to agricultural activity being carried out on the land.*

- (ii) **Have commenced their agricultural activity on or after 1 January 2017 and in the 5 complete calendar years preceding commencement of this agricultural activity not have had any agricultural activity in their own name, or at their own risk, or have had control of a legal person exercising agricultural activity.**

The applicant must not have been involved in any agricultural activity/business, in the 5 calendar years prior to commencing their agricultural activity, in a controlling capacity where they were exercising control over the business in terms of decisions related to management, benefits and financial risks i.e. been the Head of Holding.

If the applicant has not been listed in a DAERA business** or involved in any other agricultural activity/business in the 5 calendar years preceding the commencement of their current DAERA business then they will be regarded as a NE from the date of commencement of their current DAERA business provided this is on or after 1 January 2017.

*Note**: 'DAERA business' means a farming activity issued with a business identification number by DAERA or where appropriate the equivalent identification issued by the relevant authority in England, Scotland or Wales.*

Note: *Exercising agricultural activity is a requirement to have received Single Farm Payment so any business that received Single Farm Payment in the past will be deemed to be exercising agricultural activity.*

If an applicant has been listed in a DAERA business or involved in another agricultural business in the 5 calendar years preceding their commencement of agricultural activity, then they will generally not be regarded as a NE from the date of commencement of their current DAERA business unless they **can demonstrate** that either:

- (a) in the 5 years preceding commencement of their current DAERA business, the DAERA

business/agricultural activity in which they were listed did not exercise any agricultural activity e.g. after setting up, the business did not acquire any livestock, did not grow any crops and did not receive any EU CAP payments,

or,

- (b) in the 5 years preceding the commencement of their current DAERA business they did not control the DAERA business/agricultural activity in which they were listed. The onus is on applicants to demonstrate that they did not control the business.

Note: Applicants will need to submit accounts corresponding to all of the years in the 5 year period in which they were listed in this business in the format referred to in **Section 4.3**, demonstrating that another person received and paid tax on more than 50% of the profit (loss) - was the Head of Holding - in each of those years.

Category 3 DAERA Business

If the applicant has been involved in a Category 3 DAERA Business (agricultural activity) they will need to demonstrate that this did not result in them being in control of agricultural activity in the 5 years preceding commencement of their current DAERA Business.

In cases where a Category 3 DAERA Business is replaced with a Category 1 DAERA Business, DAERA may take the date of commencement of the applicant's agricultural activity as the date of commencement of the Category 1 business provided the applicant can demonstrate that their involvement with the Category 3 business did not result in them being in control of agricultural activity (Head of Holding). This will be judged on a case by case basis but a possible example may be where the Category 3 business consisted of a very small number of livestock which were not kept for farming purposes and was not a separate business in its own right.

Sole-Trader

In these circumstances, it is clear that the applicant, as the only member of the business will be in control of the business - Head of Holding. However, the same evidence as that required for a partnership will still need to be provided with a completed 2019 Young Farmers' Payment/ Regional Reserve Form, to prove the authenticity of the business.

Partnerships (including Multi-member Businesses) and Limited Companies

The rules on previous agricultural activity apply to the person who controls the partnership or limited company. If more than one person controls the business, then all of the persons with a controlling interest must comply with the rules on previously agricultural activities i.e. they would all have to demonstrate that they did not exercise any agricultural activity in their own name and at their own risk or had control of a legal person exercising agricultural activity in the previous 5 years (complete calendar years).

- (iii) **Have established/activated payment entitlements under the BPS, submitted a Single Application by the scheme year deadline in the year of application to the RR as a NE and have first applied successfully to the BPS within 2 years of commencing agricultural activity.**
- (iv) **Hold at least a Level II qualification*** in Agriculture (or a related subject containing at least a farm business management module) at the closing date for applications – 15 May 2019.**

Note ***: The College of Agriculture, Food and Rural Enterprise (CAFRE) has compiled a list of eligible qualifications which can be found at: www.cafre.ac.uk/industry-support/level-2-agricultural-qualification-list

Applicants can access this list to check if a qualification already held by them will be accepted by DAERA for the purposes of their application to the RR as a NE.

The list of eligible qualifications is not exhaustive and if an applicant holds a qualification which is not listed they can contact CAFRE by emailing Industry.TrainingAdmin@daera-ni.gov.uk or by telephoning: 028 94 426880.

Equivalent or higher level agriculture qualifications are, of course acceptable for application to the RR. If applicants are in any doubt about whether their equivalent or higher qualification meets the requirements for NEs applying to the RR, they should contact CAFRE, as above, to confirm that it meets the eligibility conditions.

*Applicants who do not hold the minimum required agricultural qualification (as stipulated above) will be excluded from the RR in the 2019 application year (see **Page 27 if you know final results but don't have the certificate**). This may not preclude them from applying for the BPS and Greening payments in 2019, if they are eligible to establish BPS entitlements without receiving an allocation from the RR.*

It would be advisable to discuss the financial and legal implications of any change, in respect of Head of Holding, to a business with an accountant and / or solicitor.

Examples

Commenced agricultural activity on or after 1 January 2017 and in the 5 complete calendar years preceding commencement of this agricultural activity did not have any agricultural activity in your own name, or at your own risk, or have had control of a legal person exercising agricultural activity – Head of Holding i.e.:

- (a) Your current DAERA business was established on or after 1 January 2017 or your current DAERA business commenced agricultural activity on or after 1 January 2017.

The 5 year period is the 5 previous complete calendar years prior to the commencement of your current DAERA business. For example if your current DAERA business commenced in 2017, then the 5 year period is 1 January 2012 – 31 December 2016 (inclusive). For businesses which commenced in 2019 it is 1 January 2014 - 31 December 2018 (inclusive).

For Example:

- (i) Your DAERA business commenced on 20 June 2018 and you were not listed in a DAERA business/agricultural activity prior to 20 June 2018. You meet the requirement to have commenced agricultural activity on or after 1 January 2017.
- (ii) Your current DAERA business commenced on 15 September 2018 but you previously controlled a DAERA business/agricultural activity from 10 January 2006 - 5 September 2010. As the period of time elapsed between 1 January 2011 and 31 December 2017 is greater than 5 years, the date of commencement of your agricultural activity is 15 September 2018. You meet the requirement to have commenced agricultural activity on or after 1 January 2017.
- (iii) Your current DAERA business commenced on 24 February 2018 but you previously controlled a DAERA business/agricultural activity from 7 July 2006 – 18 March 2015. As the period of time elapsed between 1 January 2016 and 31 December 2017, is less than 5 years, the date of commencement of your agricultural activity is 7 July 2006. You do not meet the requirement to have commenced agricultural activity on or after 1 January 2017 and are not eligible for the NE category.
- (iv) Your current DAERA business commenced on 12 September 2018 but you were previously listed in another DAERA business from 9 June 2007 – 11 September 2018. You demonstrate that you did not control this business. The date of commencement of your agricultural activity is 12 September 2018. You meet the requirement to have commenced agricultural activity on or after 1 January 2017.
- (v) Your current DAERA business commenced on 5 October 2006 and you were first listed in this business on 21 March 2017. As this business commenced agricultural activity prior to 1 January 2017, you are not eligible for the NE category.
- (vi) On 18 August 2018 you inherited a business which commenced on 5 June 2006. Inheritance of a business will normally be considered to be a continuing business. As the business being inherited commenced agricultural activity prior to 1 January 2017, you would not normally be considered as a NE.

5.2 Regional Reserve (New Entrant) - Evidence Requirements

A. Evidence for Control of Business – Head of Holding

All applicants must: -

- (1) Provide a statement/letter from a qualified independent accountant¹ confirming: -
- That the applicant receives at least 50% of the profit (or loss) from the holding and that this is reflected in their tax return. Their most recent set of accounts² and corresponding tax return³ should be provided in support of this statement. The accountant should specify in the statement/letter the percentage share of the profit (loss) going to the applicant and reference these figures in the accompanying accounts and tax returns.
 - The date on which the applicant took control of the business (became Head of Holding), based on when they began to take at least 50% of the profit (loss). This must be on or after 1 January 2017.

If the applicant commenced their business recently and does not have previous years' accounts, then the accountant's statement/letter should confirm that they are appropriately registered for income tax and the date on which their holding/business was registered. A copy of the applicant's HMRC income tax registration must be provided showing that the applicant is undertaking agricultural activity. Accounts and tax returns must be provided as soon as they are available.

Notes:

- (i) *Where the applicant has previously been a 'partner' in another business before commencing their own business, accounts and taxation information should be provided for the years the applicant was in the other business - to confirm they were not in control of that business (Head of Holding), in the 5 years prior to commencing their own business.*
- (ii) *An applicant applying to the RR as a NE cannot become Head of Holding for any business if that business was in existence prior to 1 January 2017.*

¹ Qualified independent accountant, means someone who has qualified with and is a current full member of an organisation which is considered to be a member of CCAB or someone who is qualified with and is a current full member of CIMA, AAT or other equivalent accountancy institute or association which is a member of or affiliated to IFAC, including AIA or additionally someone who has qualified with and is a full and current member of CIOT and is independent of the applicant and the business and is not a member of the same household as the applicant. Other recognised accountancy institutes or associations will be considered on a case by case basis.

² Where prepared, business accounts should incorporate the Profit and Loss Account, Balance Sheet, Notes to the Accounts, Sole trader or Partner Approval Statement and Accountant's Report. Where for smaller traders, business accounts as outlined are not prepared, a Profit and Loss Statement approved by the trader and the accountant will be acceptable.

³ Where applicants provide an extract from their tax return, they should confirm in writing that the extract provided is a true and fair copy of the original document referred to in the accountant's statement/letter.

- (2) Be named on and be responsible for all bank/building society accounts associated with their business and be authorised to make payments and transfer money from these accounts without requiring authorisation from anyone else. A letter from the provider** must be presented to confirm this.

Note**: *Provider can be a bank or a building society.*

- (3) Be named on the Herd/Flock Number and/or Milk Licence where applicable. If the applicants business has no livestock they should be named on documentation associated with the Quality Assurance Scheme, Plant Health Registration Numbers or other relevant documentation.
- (4) Be one of the customer names associated with the DAERA Business ID for the business before the application closing date – 15 May 2019.

Partnerships (including Multi-Member Businesses) and Limited Companies

- (5) Where an applicant's business is operated as a partnership or as a multi-member business (business), the applicant(s) must complete and sign Section 3.4 in the 2019 Young Farmers' Payment/Regional Reserve Form confirming that:
 - a) They have familiarised themselves with the scheme requirements specified in this guidance and that they and their business comply with these requirements;
 - b) They are in receipt of more than 50% of the profit from the business or bear more than 50% of the loss;
 - c) There is no limit to the level of expenditure/sales the applicant can make on behalf of the business and/or there is no restriction on whom they can deal with on behalf of the business;
 - d) They are responsible for control of all bank/building society and loan accounts related to the partnership/business and can make decisions about transfer of funds from these without veto from the other partner(s)/member(s);
 - e) They have long term control over the business in terms of decisions related to management, benefits and financial risks and can make such decisions without veto by other partner(s)/member(s);
 - f) They have the final decision as regards decisions in relation to all business matters relating to the partnership/business and that their decisions cannot be vetoed by the other partner(s)/member(s);
 - g) The partnership cannot be dissolved by any of the partners/members without their agreement or in the event that the YF/NE is the only partner/member remaining, they have the right to continue the business.

Section 3.4 must also be signed by all members of the business, including all those listed in the DAERA Business Identification, and by a qualified independent accountant or a solicitor. **There is no need to provide a written partnership agreement with 2019 YFP/RR applications.** However, if one is provided and it is found not to comply with the requirements set out in points (a) – (g) above, the application may be rejected.

- (6) Where the applicant's business is part of a Limited Company (Ltd) the applicant will have to provide evidence to show that they hold more than 50% of ordinary voting shares and that their decisions cannot be vetoed. Evidence will also be required of the date that the applicant obtained more than 50% of the ordinary voting shares. In cases where the applicant does not hold more than 50% of the ordinary voting shares it is unlikely that they will be considered to be in control of the business, the Head of Holding.

The requirement to provide evidence that the applicant received more than 50% of the distributed profit (loss) of the Ltd (including dividends) also applies. The evidence to be submitted is similar to that outlined for partnerships and must also show when the applicant began to receive more than 50% of the profit (loss).

In a case of a 50:50 partnership where there is equal division of the profit (loss) between the applicant(s) and a person(s) who is/are not eligible to be an applicant(s), the applicant(s) will be required to provide further evidence to demonstrate that despite the 50:50 nature of the partnership, the applicant(s) on their own can exercise effective and long-term control over the business in terms of decisions related to management, benefits and financial risks without a veto from the other partner(s) and when this control was acquired from. Required evidence is a completed 2019 Young Farmers' Payment/ Regional Reserve Form, particularly Section 3.4 and in addition, a statement/letter from a qualified independent accountant confirming that, the partnership/business document had been changed to reflect the requirement and confirming the date the change was effective from.

50:50 partnerships between the applicant(s) and a person(s) who is/are not eligible to be an applicant(s) will only be acceptable if it is clear that the applicant(s) can make such decisions without veto from the other partner(s).

Alternatively, where 50:50 partnerships currently do not meet this requirement, it may be necessary for the partners to agree to modify the partnership to increase the applicants share of the business to above 50% or to include a provision stating that the applicant(s) has long term control over the business in terms of decisions related to management, benefits and financial risks and can make such decisions without veto by the other partner(s). The applicant(s) will be regarded as head of holding for the purposes of the RR from the date at which the partnership complies with the requirements.

Also, the rules on previous agricultural activity apply to the applicant(s) who control a partnership or limited company. If more than one applicant controls the business, then all of the applicants with a controlling interest must comply with the rules on previously agricultural activities i.e. they would all have to provide evidence to

demonstrate that they did not exercise any agricultural activity in their own name and at their own risk or had control of a legal person exercising agricultural activity in the previous 5 years (complete calendar years).

Authenticity of the Business

The business and the area applied for on the Single Application 2019 Young Farmers' Payment/Regional Reserve Form must reflect what happens in practice. Therefore, the accounting information must be commensurate with the area declared on the application form(s). Cases which appear to have a lower than normal gross turnover per hectare may be investigated further and applicants may be required to provide evidence that they are actually farming all of the area declared on their application. Failure to do so may result in the area on which entitlements are established and payment is made being reduced to the area actually farmed with penalties being applied or their application may be rejected in its entirety.

Applying for payment and/or entitlements on land that is not farmed may be investigated in relation to fraud.

Evidence of Commencement of Agricultural Activity

DAERA will take the date of the commencement of the applicant's agricultural activity as the date on which their business was established unless they can demonstrate that the agricultural activity of the business commenced at a later date.

DAERA will check its records to ascertain whether the applicant was involved in another business in the 5 year period prior to the commencement of their current agricultural activity.

If the applicant has not been listed in any other DAERA business*/agricultural activity in this 5 year period then the date of commencement of their current agricultural activity will be accepted and if this is on or after 1 January 2017, they will meet this particular criterion for 2019.

Note*: *'DAERA business' means a farming activity issued with a business identification number by DAERA or where appropriate the equivalent identification issued by the relevant authority in England, Scotland or Wales.*

If the applicant has been listed in another DAERA business/agricultural activity within the previous 5 year period, then the date of commencement of this other business will generally be taken as the commencement of their current agricultural activity. If this is prior to 1 January 2017, then they will not be eligible for an award from the RR as a NE.

Involvement in a previous DAERA business/agricultural activity can be disregarded if the applicant can submit evidence with their RR application demonstrating one of the following:

- (i) The previous DAERA business did not exercise agricultural activity - a description of why no agricultural activity took place will need to be provided.

or

- (ii) The applicant did not control the previous DAERA business/agricultural activity during the entire 5 year period. (Note: If this business consisted of the applicant as a sole trader, then they will be regarded as having control of it.)

Note: Applicants will need to submit accounts corresponding to all of the years in the 5 year period in which they were listed in this business in the format referred to in **Section 5.2 (1)**, demonstrating that another person received and paid tax on more than 50% of the profit (loss) in each of those years.

B. Evidence of Identity

Applicants must provide proof of their date of birth and present one of the following items of photographic identification **in person**, with their completed 2019 Young Farmers' Payment/Regional Reserve Form and the required supporting evidence, at a DAERA Direct office:

- Passport, or
- Driving Licence, or
- Electoral Identity Card

Only originals will be accepted. Where the name on the identification document does not agree with the name shown on the qualification certificate or other documents, the applicant must provide evidence to explain the change, for example, a marriage certificate, or other official document(s).

C. Evidence of Qualification

Subject to the type, size and Awarding Body for the qualifications held by applicants, the following forms of evidence will be required.

- (i) An original Certificate from the qualification Awarding Body for the qualification held which demonstrates that the applicant has achieved accreditation in an agricultural qualification at Level II or above (or in a related subject containing at least a farm business management module).

or

- (ii) An original Certificate from the qualification Awarding Body for the qualification held and a letter from CAFRE bearing the applicants name and address confirming that the qualification is deemed eligible for the purposes of the RR and/or YFP.

or

- (iii) An original Certificate from the qualification Awarding Body for the qualification held, plus an OCN NI Certificate for the Level II Agricultural Business Operations **Award** and a letter

from CAFRE bearing the applicants name and address confirming that based on the main qualification held, only the Agricultural Business Operations **Award** was required to be completed.

or

- (iv) A letter from CAFRE signed by the College Director confirming that the applicant holds the qualification named on the letter. This will apply to applicants if they hold either a College Certificate in Agriculture (CCA) or a College Diploma in Agriculture (CD) or College Diploma units and they **cannot locate their original certificate**. These qualifications were awarded by DAERA (DANI) and Certificates were issued by the Department. DAERA no longer provides these qualifications. Therefore, providing that College records prove that the applicant holds either of these qualifications, CAFRE will provide a letter of authenticity.

Note: *Applicants should ensure that if the name printed on the qualification certificate is different from the name, shown, on their Single Application/2019 Young Farmers' Payment/Regional Reserve Form, that evidence is provided which demonstrates that the applicant and the qualification holder are the same person, for example, a copy of a marriage certificate or other official identification document.*

Existing students currently enrolled on eligible courses

If the applicant is a final year student enrolled on an eligible agriculture education programme at CAFRE, or at other Colleges in Northern Ireland or Universities/Colleges in GB or RoI, they may know their final results but will not have received their course certificate from the course awarding body by the deadline (15 May 2019) for submission of an application for the RR. In these cases, a letter, signed by the College Director/College Principal, indicating that the applicant has achieved their qualification can be submitted with the 2019 Young Farmers' Payment/Regional Reserve Form. This letter must be followed by the course certificate once it has been received. DAERA will accept applications but will not process them until the course certificate has been received.

If the applicant has final exams to take and will not know their final results by the 15 May 2019 deadline but their results and attainment of the qualification can be confirmed by a letter from the relevant College Director/College Principal by 10 June 2019, their application can be accepted provided the letter is received on or before 10 June 2019 but late claim penalties may apply. This letter must be followed by the course certificate once it has been received. Applications will not be processed until the course certificate has been received.

If results are not known until after 10 June 2019 applicants will not be eligible to apply to for the YFP and/or to the RR in the 2019 scheme year.

CAFRE has compiled a list of eligible qualifications which can be found at:
www.cafre.ac.uk/industry-support/level-2-agricultural-qualification-list.

If an applicant holds a qualification which is not listed they can contact CAFRE by emailing Industry.TrainingAdmin@daera-ni.gov.uk or by telephoning 028 94 426880.

All queries to CAFRE regarding the eligibility of qualifications must be submitted either electronically or in writing by 26 April 2019. Enquiries received by CAFRE after this date may not be responded to by 14 May 2019.

Examples

Date of establishment of your DAERA Business/agricultural activity or when it commenced agricultural activity (if later) must be on or after 1 January 2017.

(1) Business A was established in 2007.

You will not be regarded as a New Entrant as your business was in continuous existence from 1 January 2017 so the 5 year break is not applicable.

(2) Business B was established on 12 April 2017

You have been listed in this business as a sole trader from 12 April 2017. You will be regarded as having commenced your agricultural activity from 12 April 2017 provided you have not been listed in any other DAERA business/undertaken agricultural activity in the previous 5 years (1 January 2012 – 31 December 2016) (see below).

(3) Business C was established on 15 September 2017 – applicant in previous business

Commenced as sole trader on 15 September 2017. You were listed in another business from 13 May 2013 – 14 September 2017. Accounts would be required to demonstrate that another person received and paid tax on more than 50% of the profit/loss (of the other business) for 2013/14, 2014/15, 2015/16 and 2016/17 tax years. Otherwise the date of commencement of your agricultural activity will be taken to be 13 May 2013 and you will not be eligible for the NE category.

6. Application Process

This section provides an overview of the actions applicants need to take to ensure that their farm business obtains the best benefit from the BPS from their application. **Applicants are strongly advised to read carefully all information provided by DAERA in relation to Schemes before submitting an application.**

Applicants should check the eligibility criteria and evidence requirements set out in **Sections 4 and 5** of this booklet before deciding on what to apply for. If applying to the RR and eligible to apply as either a YF or as a NE, applicants are advised to apply as YF and, if appropriate, for the YFP as well.

2019 applications for:

- (1) Young Farmers' Payment: –
 - From first time applicants (never applied before)
 - From repeat applicants (applied unsuccessfully in 2015 and/or 2016 and/or 2017 and/or 2018)
 - From repeat applicants (applied successfully in 2015, 2016, 2017 or 2018 and are applying for the top-up payment in 2019).

- (2) Regional Reserve (Young Farmer and New Entrant): –
 - From first time applicants (never applied before)
 - From repeat applicants (applied unsuccessfully in 2015 and/or 2016 and/or 2017 and/or 2018)
 - From first time applicants (applied successfully for the YFP in 2015, 2016, 2017 or 2018)

In 2019, applications for the YFP and/or to the RR need to be made on the 2019 Single Application, by ticking the appropriate boxes at questions 3 and/or 4. **If this is not done any supporting evidence submitted with a 2019 Young Farmers' Payment/Regional Reserve Form may not be assessed and a payment may not be made in respect of the YFP and no entitlements issued from the RR.**

Completed 2019 Young Farmers' Payment/Regional Reserve Forms and supporting evidence should be taken to DAERA Direct Offices by applicants by 15 May 2019.

6.1 Applying for the Young Farmers' Payment

Applicants should check the eligibility criteria and evidence requirements for the YFP as set out in **Section 4** of this booklet before making an application.

- (1) First time YFP applicants need to apply on their 2019 Single Application (by 15 May 2019) and take their supporting evidence, in person, to a DAERA Direct Office along with their completed 2019 Young Farmers' Payment/ Regional Reserve Form (by 15 May 2019) – this cannot be done by an authorised person.

- (2) Unsuccessful 2015 and/or 2016 and/or 2017 and/or 2018 YFP applicants re-applying in 2019 should do so on their 2019 Single Application (by 15 May 2019) and should take their supporting evidence, in person, to a DAERA Direct Office along with their completed 2019 Young Farmers' Payment/Regional Reserve Form (by 15 May 2019) – this cannot be done by an authorised person.
- (3) Successful 2015, 2016, 2017 or 2018 YFP applicants, applying again in 2019, and who continue to meet the requirements of the Scheme, need to apply on their 2019 Single Application (by 15 May 2019). In this case there is no need to complete a 2019 Young Farmers' Payment/Regional Reserve Form.
- (4) Successful 2018 YFP applicants, applying again in 2019, who continue to meet the requirements of the Scheme and who have still to provide verification evidence in respect of their successful 2018 application will need to provide this further evidence (accounts and/or taxation information etc.) **within the deadline set by the Department.** DAERA will be writing to these applicants seeking this information. Failure to provide satisfactory follow-up evidence as requested could lead to rejection of the 2018 application, recovery of entitlements allocated from the RR and any funds already paid in respect of those entitlements and the YFP. It would also mean that the applicant could not benefit from those entitlements and would not receive the YFP in 2019 and future years unless they apply successfully again for the YFP/RR as a first time applicant.

Remember:

- (i) New and previously unsuccessful applicants must submit their supporting evidence in person at their local DAERA Direct Office by 15 May 2019, with a completed 2019 Young Farmers' Payment/Regional Reserve Form and apply on their Single Application by 15 May 2019.
- (ii) Successful 2015, 2016, 2017 or 2018 applicants who continue to comply with Scheme requirements and have applied again in 2019 could be subject to an On-The Spot Check (OTSC)* inspection during 2019. Applicants should therefore ensure they retain all necessary evidence to show that they continue to comply with the Scheme requirement for presentation at/following inspection as required.

Note: * 5% of all (new and on-going) YFP applications will be subjected to an OTSC inspection each year.

- (iii) Applications or evidence received after 15 May 2019 but on or before 10 June 2019 will be accepted but may be subject to a late claim penalty. **Applications received after 10 June 2019 will be rejected,** except in cases of FM/EC.

6.2 Applying to the Regional Reserve (Young Farmer & New Entrant)

Applicants should check the eligibility criteria and evidence requirements for the RR as set out in **Sections 4 and 5** of this booklet before making an application.

- (1) First time RR applicants need to apply on their 2019 Single Application (by 15 May 2019) and take their supporting evidence, in person, to a DAERA Direct Office along with their completed 2019 Young Farmers' Payment/ Regional Reserve Form (by 15 May 2019) – this cannot be done by an authorised person.
- (2) Unsuccessful 2015 and/or 2016 and/or 2017 and/or 2018 RR applicants re-applying in 2019 should do so on their 2019 Single Application (by 15 May 2019) and take their supporting evidence, in person, to a DAERA Direct Office along with their completed 2019 Young Farmers' Payment/Regional Reserve Form (by 15 May 2019) – this cannot be done by an authorised person.
- (3) Successful 2015, 2016, 2017 or 2018 applicants for the YFP (who did not apply to the RR in 2015, 2016, 2017 or 2018) and who wish to apply for the RR in 2019, need to apply on their 2019 Single Application (by 15 May 2019) and take their supporting evidence, in person, to a DAERA Direct Office along with their completed 2019 Young Farmers' Payment/Regional Reserve Form (by 15 May 2019) – this cannot be done by an authorised person.
- (4) Successful 2018 RR applicants who have still to provide verification evidence in respect of their successful application need to provide this further evidence (accounts and/or taxation information etc.) in support of their 2018 application **within the deadline set by the Department**. DAERA will be writing to these applicants seeking this information. Failure to provide satisfactory follow-up evidence as requested could lead to recovery of any entitlements already issued in respect of that application and associated payment(s). These entitlements would no longer be available for activation.

Remember:

- (i) New and previously unsuccessful applicants (YFP and/or RR) must submit their supporting evidence in person at their local DAERA Direct Office by 15 May 2019, with a completed 2019 Young Farmers' Payment/Regional Reserve Form, and apply on their Single Application by 15 May 2019.
- (ii) Applications or evidence received after 15 May 2019 but on or before 10 June 2019 will be accepted but may be subject to a late claim penalty.

Applications or evidence received after 10 June 2019 will be rejected, except in cases of FM/EC.

The Department may subsequently seek further clarification on the evidence which has

been provided within the deadline. However, if for example no evidence is provided on; the control of business (Head of Holding) requirement and/or no evidence of age/identity and/or no evidence of educational qualification, then your application will be rejected except in cases of FM/EC.

It is important that you act to ensure that your application and supporting evidence have been received by the specified deadline. A late/incomplete application (Single Application), or late receipt of the 2019 Young Farmers' Payment/Regional Reserve Form and/or supporting evidence, will not be accepted unless in cases of FM/EC. You must prove that, despite taking all reasonable measures to counteract the effects, the FM/EC incident prevented you from submitting your Single Application/2019 Young Farmers' Payment/Regional Reserve Form and/or supporting evidence within the deadlines.

In all cases, failure to submit a Single Application will mean that applicants will receive no BPS payment, no award from the RR, no Greening payment and no YFP'.

6.3 Ongoing 2015, 2016, 2017 or 2018 YFP and/or RR applications

Applicants who consider they are eligible to apply for the YFP and/or to the RR in 2019 should apply in accordance with the 2019 scheme requirements if their 2015 and/or 2016 and/or 2017 and/or 2018 application has not been approved because it;

- (a) is still subject to on-going verification and/or assessment, or
- (b) has been rejected and is in the Review of Decisions process and a decision has not yet been issued.

To apply again in 2019 applicants must submit their supporting evidence in person at their local DAERA Direct office by 15 May 2019, with a completed 2019 Young Farmers' Payment/Regional Reserve Form, and apply on their Single Application by 15 May 2019.

The Department will not accept late applications for the 2019 scheme year received subsequent to a decision to reject a 2015 and/or 2016 and/or 2017 and/or 2018 application.

7. Calculation of Young Farmers' Payment and allocation of awards from the Regional Reserve

7.1 Calculation of Young Farmers' Payment

Maximum Number of Entitlements to which payment is applied

The maximum number of eligible hectares declared on which the YFP can be made is **90**. If for example, an applicant holds 110 entitlements and applies successfully under the BPS to activate all 110 entitlements the YFP will be limited to 90 hectares, the maximum allowed under EU legislation. Equally, if an applicant applies successfully under the BPS for 75 hectares the YFP will be based on the full 75 hectares, as this falls within the maximum allowed i.e. 90 hectares.

Calculation of Payment

The amount of payment which applicants will receive, under the YFP will be based on 25% of the RAV of payment entitlements multiplied by the number of entitlements which has been activated, subject to the maximum limit of 90 hectares. The overall percentage for the YFP is limited to 2% of the Northern Ireland regional ceiling which for 2019 equates to approximately €6.59m. If necessary, the payment rate per hectare will be scaled back to ensure the budget ceiling is not exceeded. In 2018, the payment rate per hectare was subject to a 40% scale back leaving a final rate of €51.88/ha. In 2019, the percentage scale back may be different.

Calculation Method

The number of hectares activated by the applicant in any given year x 25% of the RAV per hectare multiplied by a figure derived using the following approach

- The YFP will be financed using no more than 2% of the annual regional ceiling.
- RAV is calculated by dividing the Direct Payments Scheme Ceiling for the calendar year 2019 by the number of eligible hectares declared in 2015.
- The final figure will equal 25% of the RAV payment and will be subject to a linear scale back to respect the YFP ceiling of €6.59m.
- Payment to an individual applicant in 2019 can then be calculated by multiplying the rate by the number of entitlements activated in 2019 (subject to a maximum of 90).

7.2 Duration of Young Farmers' Payment

YFP is payable for 5 years from the first year of submission of a successful application for the YFP.

An applicant who set up as Head of Holding prior to 1 January 2014 will not be eligible to

receive the YFP in 2019 unless they had a previous successful YFP application.

The payment period is what would happen under existing rules. It is not guaranteed that payment will continue for this period of time as it is subject to applicants continuing to meet the eligibility conditions in relation to Head of Holding, any future changes that may be made to EU legislation and future decisions taken on agricultural support policy by the UK Government and Northern Ireland Government after the UK leaves the EU. Therefore there can be no expectation that payment will continue for this period of time.

Provided applicants are no more than 40 years of age in the first year of a successful application to the BPS (and are also Head of Holding in that year), they can apply to continue to receive the YFP in future years, providing they continue to comply with scheme conditions, even if they are more than 40 years of age.

Example:

Applicant who became Head of Holding in 2017, applied successfully for BPS in 2018 (aged 40 years) and then applies for the YFP in 2019 (aged 41 years), and if successful should receive the YFP for 5 years under existing rules.

7.3 Calculation of award from the Regional Reserve

Where an application to the RR is successful, an award will be provided according to the criteria below. The award, in the form of allocation of new payment entitlements or increase in unit value of existing payment entitlements will be issued via the BPS payment process.

Where as a result of an application to the RR entitlements are allocated or existing entitlements are increased in value, the RAV for entitlements in the year of allocation will be used and their value will be reviewed under the BPS convergence procedures in subsequent years.

Applicants (YF/NE) who do not hold (owned or leased in) payment entitlements in 2019 scheme year will be:

- Allocated the number of BPS entitlements equal to the number of eligible hectares declared at the date of application to the RR.
- The value of those entitlements will be fixed at the RAV for the year of allocation (2019). See **Example No. 1**.

For applicants (YF/NE) who hold (owned or leased in) entitlements in the 2019 scheme year, the following will apply: -

- The unit value of the BPS entitlements held, if below the RAV, will be increased to the RAV in the year of allocation (estimated to be approximately €229/ha in 2019). BPS entitlements held which have a unit value above the RAV will not be altered by applying to

the RR.

- An allocation of a number of BPS entitlements equal to the number of hectares determined for BPS in 2019 in excess of the number of entitlements held (owned or leased in). These entitlements will have a unit value equal to the RAV. See **Example No. 2**

Applicants should be aware that DAERA may refuse to make an allocation from the RR in respect of the number of hectares corresponding to the number of BPS entitlements transferred out (permanently transferred out or leased out) in 2016 and/or 2017 and/or 2018 and/or 2019.

Example No. 1 – Applicants (Young Farmer/New Entrant) who did not hold Basic Payment Scheme payment entitlements in 2018

- The applicant was not allocated BPS entitlements in 2015 and has not transferred in any entitlements in 2019.
- In 2019 the applicant is an active farmer, farming 10 hectares of eligible land and applies to the RR for an allocation of payment entitlements.
- Successful applicants will be allocated 10 entitlements valued at the 2019 RAV.

Example No.2 – Applicants (Young Farmer or New Entrant) who held Basic Payment Scheme entitlements in 2018

(a) Young Farmer:

- The applicant was allocated 10 BPS entitlements in 2015 @ €127. In 2019, they have a unit value of €195.
- In 2019, the applicant leases in 5 entitlements with a unit value of €442.
- In 2019 the applicant declares 20 hectares of eligible land.
- In 2019 the applicant applies to the RR requesting an increase to the unit value of existing BPS entitlements which are below the RAV and allocation of new entitlements.
- The following allocation will be made; 10 entitlements @ €195 will be increased to the 2019 RAV, 5 entitlements @ €442 will remain unchanged (they will be subject to the convergence process). Area determined (20 hectares) exceeds the number of entitlements held (15) by 5 hectares. Therefore 5 new entitlements will be allocated at the 2019 RAV.

(b) New Entrant:

- The applicant leased-in/purchased 10 BPS entitlements in 2016 @ €127. In 2019, they have a unit value of €195.
- In 2019, the applicant leases in a further 5 entitlements with a unit value of €442.
- In 2019 the applicant declares 20 hectares of eligible land.
- In 2019 the applicant applies to the RR requesting an increase to the unit value of existing BPS entitlements which are below the RAV and allocation of new entitlements.
- The following allocation will be made; 10 entitlements @ €195 will be increased to the 2019 RAV, 5 entitlements @ €442 will remain unchanged (they will be subject to the convergence process). Area determined (20 hectares) exceeds the number of entitlements held (15) by 5 hectares. Therefore 5 new entitlements will be allocated at the 2019 RAV.

Note: All figures are indicative and calculations have been simplified by ignoring various scale backs that may apply.

8. Conditions applicable to the Young Farmers' Payment and to awards from the Regional Reserve

8.1 Conditions applicable to the Young Farmers' Payment

- Applicants must complete question 3 on the 2019 Single Application to confirm that they wish to apply for the YFP, and, if new applicants (including those unsuccessful in 2015 and/or 2016 and/or 2017 and/or 2018), complete the 2019 Young Farmers' Payment/Regional Reserve Form and provide supporting evidence as appropriate.
- Applicants must satisfy the eligibility and evidence requirements including establishing and activating payment entitlements under BPS as detailed in Section 4 of this guide.
- Payments resulting from applications or evidence received in respect of an application for the YFP submitted between 16 May 2019 and 10 June 2019, inclusive, may be subject to late claim penalties of up to 1% per day being applied to the 2019 payment. The late claim penalty may involve a reduction of up to 1% per working day late. For example if an application is 5 working days late, a reduction of 5% may be applied. Applications/evidence received after 10 June 2019, except in the case of force majeure/exceptional circumstances (FM/EC), will be rejected.
- Original documents, including driving licences/passports/electoral ID cards, provided as evidences with applications for the YFP will be copied and returned. Applicants should retain all original documents submitted in support of applications.

8.2 Conditions applicable to awards from the Regional Reserve

- Applicants must complete question 4 on the 2019 Single Application to apply to the RR, complete the 2019 Young Farmers' Payment/Regional Reserve Form and provide supporting evidence as appropriate.
- Applicants to the RR and YFP must meet the active farmer requirement as outlined in the Guide to the Basic Payment Scheme booklet.
- Applications to the RR will be reviewed to ensure conditions have not been created artificially to qualify for entitlements with a view to obtaining

an advantage contrary to the objectives of the scheme.

- Entitlements allocated to applicants from the RR, that is, new entitlements or increases in unit value of existing entitlements, will issue at the RAV of entitlements in the year of allocation.
- Payments resulting from applications or evidence received in respect of an application to the RR submitted between 16 May 2019 and 10 June 2019, inclusive, may be subject to late claim penalties of up to 4% per day being applied to the 2019 payment. The late claim penalty may involve a reduction of up to 4% per working day late. For example if an application is 5 working days late, a reduction of 20% may be applied. Applications / evidence received after 10 June 2019, except in the case of FM/EC, will be rejected.
- Original documents, including driving licences/passports/electoral ID cards, provided as evidences with applications to the RR will be copied and returned. Applicants should retain all original documents submitted in support of applications.

Changes in Status

Applicants eligible for and who received the YFP, have a responsibility to ensure that the Department is notified in a timely manner of any changes in circumstances which could potentially affect their continued eligibility.

Compliance Requirements and Penalties

Under EU legislation, the Department must ensure compliance with the rules of the YFP/RR and where appropriate apply penalties where there is a breach of the rules.

As required under EU Regulations, where it is found that individuals have artificially created conditions in an attempt to meet the criteria to access support from the CAP YFP/RR, they will be excluded from benefitting from this support and may also face penalties. DAERA will deploy a range of controls to ensure that this requirement is adhered to.

8.3 Review of Decisions Young Farmers' Payment/Regional Reserve

- If an applicant believes the decision relating to their application and/or the award received is incorrect they may ask for the decision to be reviewed.
- It is recommended that before lodging a formal request for review, applicants

contact DAERA to discuss their query - contact details are available in the **Guide to the Basic Payment Scheme** booklet and in Section 9 of this booklet. This may enable the matter to be resolved without the need to request a formal review. Using this option does not affect an applicant's right to proceed with a formal review.

- If an applicant wishes to proceed with a formal review details of the procedure are contained in the **Review of Decisions Section** of the **Guide to the Basic Payment Scheme** booklet. Applicants who wish to have a decision reviewed should ensure DAERA receives their review form **(RoD) within 60 days** of the **date of notification** of the outcome their application.

8.4 Proof of Force Majeure or Exceptional Circumstances

BPS, including RR, and YFP application, evidence and scheme requirements apply and details of operation of the FM/EC procedures are provided in the **Force Majeure Section** in the **Guide to the Basic Payment Scheme**.

Cases of FM/EC must be notified in writing to DAERA (using the **FML 1 Form**), with relevant satisfactory supporting evidence, within **15 working days from the date on which you are in a position to do so**

9. Contact Details

If you have a query regarding your YFP/RR application you can contact the Single Application (SA) Advisory Helpline and ask to speak to a SA advisor on:

0300 200 7848

or send an e-mail to:

areabasedschemes@daera-ni.gov.uk

Further information on area-based schemes for 2019 is available from the DAERA website at:

www.daera-ni.gov.uk/articles/area-based-schemes-2019-guidance-and-forms

Local DAERA Direct Office –

Public Office Opening Hours are 9.00am to 4.00pm each working day.

DAERA Direct Offices

<p>Armagh A:tek Building Edenaveys Industrial Estate Newry Road Edenaveys Armagh BT60 1NF</p>	<p>Ballymena Academy House 121a Broughshane Street Town Parks Ballymena BT43 6HY</p>	<p>Strabane 18 Urney Road Magirr Strabane BT82 9BX</p>	<p>Magherafelt Units 36-38 Meadowlane Shopping Centre Moneymore Road Townparks of Magherafelt Magherafelt BT45 6PR</p>
<p>Coleraine Crown Buildings Artillery Road Millburn Coleraine BT52 2AJ</p>	<p>Downpatrick Rathkeltair House Market Street Demesne of Down Acre Downpatrick BT30 6LZ</p>	<p>Mallusk Castleton House 15 Trench Road Grange of Mallusk Mallusk Newtownabbey BT36 4TY</p>	<p>Newry Glenree House Unit 2, Springhill Road Cambane Industrial Estate Cambane Newry BT35 6EF</p>
<p>Dungannon Crown Buildings Thomas Street Drumcoo Dungannon BT70 1HR</p>	<p>Enniskillen Inishkeen House Killyhevlin Industrial Estate Killyhevlin Enniskillen BT74 43J</p>	<p>Newtownards Sketrick House 16 Jubilee Road Corporation South Newtownards BT23 4YH</p>	<p>Omagh Sperrin House Sedan Avenue Lisnamallard Omagh BT79 7AQ</p>

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