EXPLANATORY MEMORANDUM TO

The Less Favoured Area Compensatory Allowances Regulations (Northern Ireland) 2013

2013 No. 295

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Agriculture and Rural Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under section 2(2) of the European Communities Act 1972 and is subject to the negative resolution procedure.

2. Purpose

2.1. These Regulations set the scheme rules and establish the rates of payment.

3. Background

3.1. The Less Favoured Area Compensatory Allowances (LFACA) scheme forms part of the Northern Ireland Rural Development Programme (NIRDP) 2007 – 2013.

3.2. The LFACA scheme is a compensation measure to support farmers in Northern Ireland's LFA.

3.3. Payment under the scheme has two elements. The first element is land based. For the 2013 scheme year, it will pay £47.62 per hectare in the Severely Disadvantaged Area (SDA), £23.81 per hectare in the Disadvantaged Area (DA) and £23.81 per hectare of common land that is in the SDA or DA. An eligibility criterion is that a minimum stocking density is required to be met for each hectare claimed. Farmers achieve this by having suitable numbers of eligible livestock units.

3.4. The second element of the payment is a cattle bonus. It is paid to producers who have at least 25% of their eligible livestock units made up from suckler cows or heifers. This makes up for the land element compensating suckler producers to a lesser extent than other livestock farmers. Currently, the cattle bonus is 25% of the area payment.

3.5. The 2013 scheme is broadly similar to the 2012 scheme.

4. Consultation

4.1. There has been no consultation specific to these Regulations. The NIRDP 2007 - 2013, which includes the LFACA scheme, was subject to public consultation.

5. Equality Impact

5.1. An Equality Impact Assessment was completed on the Agri-environment programme and the LFACA scheme contained within Axis 2 of the NIRDP in late 2010. No specific issues or comments relating to the equality aspects of either scheme were raised during the consultation. A final report on the assessment has been published.

6. Regulatory Impact

6.1. A Regulatory Impact Assessment has not been prepared for these Regulations as they have no impact in terms of costs on business, charities or voluntary bodies.

7. Financial Implications

7.1. DARD has budgeted for the scheme payments.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Regulations deal with the payment of LFACA 2013 and do not have any human rights implications, nor are they incompatible with EU law. The Regulations are therefore deemed to comply with the requirements of section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. Not applicable.

11. Additional Information

11.1. Not applicable.