EXPLANATORY MEMORANDUM TO

The Less Favoured Area Compensatory Allowances Regulations (Northern Ireland) 2015

2015 No. 16

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 Regulation set the scheme rules and establish the rates of payment.

3. Background

3.1. The Less Favoured Area Compensatory Allowances(LFACA) Scheme form part of the Northern Ireland rural Development Programme. The Scheme structure remains unchanged from the Scheme that forms part of the 2007-2013 NIRDP (save for a minor change detailed at paragraph 3.5). The funding for the Scheme will be drawn from the budget allocated as part of the NIRDP 2014-2020.

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 2014 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 me met for each hectare claimed. Farmers achieve this by having suitable number of eligible livestock units.

3.4. The second element of the payment is the 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. Regulation (EU) No 1310/2013, known as the "Transitional Regulation" facilitates the transition of the existing LFACA support scheme under Regulation (EC) No 1698/2005 to the new legal framework. The rules of this year's Scheme are broadly similar to last year's Scheme, subject to the amendment introduced by the Transitional Regulation, under which the Department can no longer seek an undertaking from applicants that they would continue, for a period of five years from payment, to use the eligible land for the purposes of agriculture.

4. Consultation

4.1. There has been no consultation specific to these Regulations. This is due to the fact that the Scheme rules remain largely unchanged from last year.

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 budget for the Scheme payments.

8. Section 24 of the Northern Ireland Act 1998

8.1. The Regulation deal with the payment of the LFACA 2014/15 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. Rosemary Agnew at the Department of Agriculture and Rural Development, Tel: 028 9052 4074 or email: rosemary.agnew@dardni.gov.uk , can answer any queries regarding the Scheme.