#### STATUTORY INSTRUMENTS

## 2007 No. 3182

# AGRICULTURE, ENGLAND

# The Common Agricultural Policy Single Payment and Support Schemes (Amendment) Regulations 2007

Made - - - - 7th November 2007

Laid before Parliament 9th November 2007

Coming into force - - 1st December 2007

The Secretary of State is a Minister designated(1) for the purposes of section 2(2) of the European Communities Act 1972(2) in relation to the common agricultural policy of the European Community.

These Regulations make provision for a purpose mentioned in section 2(2) of the European Communities Act 1972 and it appears to the Secretary of State that it is expedient for references in these Regulations to certain Community instruments to be construed as references to those instruments as amended from time to time.

In exercise of the powers conferred upon him under section 2(2) of, and paragraph 1A of Schedule 2(3) to, the European Communities Act 1972, he makes the following Regulations.

## Title and commencement

**1.** These Regulations may be cited as the Common Agricultural Policy Single Payment and Support Schemes (Amendment) Regulations 2007 and come into force on 1st December 2007.

#### Amendments

- **2.** The Common Agricultural Policy Single Payment and Support Schemes Regulations 2005(**4**) are amended as follows.
  - **3.** For regulation 2 substitute the following—

## "Interpretation

2.—(1) In these Regulations—

<sup>(1)</sup> SI 1972/1811.

<sup>(2) 1972</sup> c.68; the function of the Minister of Agriculture of making regulations under section 2(2) was transferred to the Secretary of State by the Minister of Agriculture, Fisheries and Food (Dissolution) Order 2002 (S.I. 2002/794).

<sup>(3)</sup> Paragraph 1A of Schedule 2 was inserted by section 28 of the Legislative and Regulatory Reform Act 2006 (c. 51).

<sup>(4)</sup> SI 2005/219; relevant amending instruments are SI 2006/239 and 301.

"Commission Regulation 795/2004" means Commission Regulation (EC) No. 795/2004 laying down detailed rules for the implementation of the single payment scheme provided for in the Council Regulation(5);

"Commission Regulation 796/2004" means Commission Regulation (EC) No. 796/2004 laying down detailed rules for the implementation of cross-compliance, modulation and the integrated administration and control system provided for in the Council Regulation(6);

"Commission Regulation 1973/2004" means Commission Regulation (EC) No. 1973/2004 laying down detailed rules for the application of Council Regulation (EC) No. 1782/2003 as regards the support schemes provided for in Titles IV and IVa of that Regulation and the use of land set aside for the production of raw materials(7);

"the Council Regulation" means Council Regulation (EC) No. 1782/2003 establishing common rules for direct support under the common agricultural policy and establishing certain support schemes for farmers(8);

"direct payment" has the meaning given by Article 2(d) of the Council Regulation;

"farmer" has the meaning given by Article 2(a) of the Council Regulation;

"holding" has the meaning given by Article 2(b) of the Council Regulation;

"the IACS Regulations" means the Common Agricultural Policy Single Payment and Support Schemes (Integrated Administration and Control System) Regulations 2005(9);

"moorland" means all the land that is both—

- in the severely disadvantaged area, and
- shown coloured pink in the three volumes of maps entitled "Moorland Map of (b) England 2006" each volume being marked with the number of the volume, dated 7th October 2007, signed on behalf of the Secretary of State for Environment, Food and Rural Affairs and deposited at the offices of the Department for Environment, Food and Rural Affairs at Ergon House, Horseferry Road, London SW1P 2AL;

"relevant competent authority" has the meaning given by regulation 5 of the IACS Regulations;

"single application" has the meaning given by Article 2(11) of Commission Regulation 796/2004;

"single payment scheme" means the support scheme established under Title III of the Council Regulation;

"sugar quota" has the same meaning as it has in Council Regulation (EC) Regulation No. 318/2006 on the common organisation of the markets in the sugar sector(10);

"the severely disadvantaged area" means all the land, excluding the Isles of Scilly, shown coloured pink in the three volumes of maps entitled "Volume of maps of less-favoured areas in England", each volume being marked with the number of the volume, dated 20th May 1991, signed and sealed by the Minister of Agriculture, Fisheries and Food and deposited at the offices of the Department for Environment, Food and Rural Affairs at Ergon House, Horseferry Road, London SW1P 2AL.

<sup>(5)</sup> OJ No. L141, 30.4.2004, p.1, last amended by Commission Regulation (EC) No 608/2007 (OJ No. L 141, 2.6.2007, p. 31).

<sup>(6)</sup> OJ No. L 141, 30.4.2004, p. 18, last amended by Commission Regulation (EC) No. 972/2007 (OJ No. L 216, 21.8.2007, p. 3).

<sup>(7)</sup> OJ No. L 345, 20.11.2004, p. 1, last amended by Commission Regulation (EC) No. 993/2007 (OJ No. L 222, 28.8.2007, p. 10).

<sup>(8)</sup> OJ No. L 270, 21.10.2003, p.1, last amended by Commission Regulation (EC) No. 552/2007 (OJ No. L 131, 23.5.2007, p. 10).

<sup>(10)</sup> OJ No. L 58, 28.2.2006, last amended by Commission Regulation (EC) No. 247/2007, OJ No. L69, 9.3.2007, p. 3.

- (2) Other expressions used in these Regulations that are also used in the Council Regulation, Commission Regulation 795/2004, Commission Regulation 796/2004 or Commission Regulation 1973/2004 have the meaning they bear in those instruments.
- (3) Any reference in paragraph (1) to a Community instrument is a reference to that instrument as amended from time to time.".
- 4. After regulation 7 (dairy premium and additional payments), insert the following—

#### "The reference amount in relation to sugar beet

- **7A.**—(1) For the purposes of paragraph 1, point K of Annex VII to the Council Regulation, the Secretary of State shall determine the amount to be included in the reference amount of each farmer in accordance with the criteria set out in this regulation.
- (2) The amount in relation to a farmer (in this regulation "the claimant farmer") shall be determined by reference to the original contracted tonneage of sugar beet to be supplied under a relevant contract, relative to the original contracted tonneage of all relevant contracts.
  - (3) A contract is a relevant contract if—
    - (a) it provides for the claimant farmer or a linked farmer to supply sugar beet to British Sugar(11) in the representative period; and
    - (b) the sugar beet to be supplied under the contract was part of British Sugar's sugar quota for the representative period.
  - (4) In relation to a relevant contract—
    - (a) the "original contracted tonneage" is the amount so identified in the last dated document entitled "2005 Sugar Beet Contract Confirmation" issued by British Sugar in relation to that contract prior to 22nd November 2006;
    - (b) the "representative period" is the marketing year 2005/2006.
  - (5) A linked farmer is a farmer who:
    - (a) is—
      - (i) the landlord of the claimant farmer;
      - (ii) the tenant of the claimant farmer;
      - (iii) a farmer for whom the claimant farmer (under a sub-contract with the linked farmer) grew the sugar beet to be supplied under the relevant contract;
      - (iv) a firm or company of which the claimant farmer (now being a sole trader) was formerly a member, officer or employee; or
      - (v) a subsidiary company of a parent company which is the claimant farmer;
    - (b) does not rely on the relevant contract for the purposes of inclusion in any reference amount applying to him; and
    - (c) agrees in writing that the claimant farmer may so rely in his place.
- (6) The Secretary of State may only include an amount in the reference amount for a claimant farmer under this regulation if that farmer held qualifying entitlements as provided for in Article 59(3) of the Council Regulation on 15th May 2006.
- (7) A qualifying entitlement under paragraph (6) shall not include set-aside entitlements or entitlements held in respect of parcels of land in the severely disadvantaged area.".

<sup>(11)</sup> British Sugar is a public limited company trading as British Sugar plc; it was previously the British Sugar Corporation Limited, created pursuant to section 3 of the Sugar Industry (Reorganisation) Act 1936 (c. 18).

- **5.** In regulation 8 (progressive modifications of entitlements), after paragraph (1), insert the following—
  - "(1A) Part A of Schedule 1 sets out progressive modifications applying to payments to be made from the funding specified in Tables 1 and 2 of point K of Annex VII to the Council Regulation ("sugar funding"); and Part B of Schedule 1 sets out progressive modifications applying to payments to be made from the funding specified in the table in Annex VIII, other than the sugar funding included in that table."
  - **6.** For paragraph (2) of regulation 11 (additional modulation) substitute the following—
    - "(2) In this regulation—

"the relevant amount" means the amount which would have been granted to the farmer in respect of the year concerned but for the application of Article 10(1) of the Council Regulation;

"the relevant purposes" means the purposes of any payment made pursuant to the measures under rural development programming financed by the European Agricultural Fund for Rural Development in accordance with Council Regulation (EC) No. 1698/2005 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)(12);

"the specified proportion" means—

- (a) in respect of 2007, 12%;
- (b) in respect of 2008, 13%; and
- (c) in respect of each of the years 2009 to 2012, 14%.".
- 7. For Schedule 1, substitute the text in the Schedule to these Regulations.

Jeff Rooker
Minister of State
Department for Environment, Food and Rural
Affairs

7th November 2007

## SCHEDULE

Regulation 7

## "SCHEDULE 1

Regulation 8

# Progressive modifications of entitlements

## Part A (payments from sugar funding)

Column 1	Column 2	Column 3
Year	Proportion of the entitlement consisting of the regional unit value (Article 59(3), first subparagraph of the Council Regulation)	Proportion of the entitlement consisting of the farmer's reference amount (Article 59(3), second sub-paragraph of the Council Regulation)
2007	21%	79%
2008	27%	73%
2009	33%	67%
2010	75%	25%
2011	90%	10%
2012	100%	0%

# Part B (other payments)

Column 1	Column 2	Column 3
Year	Proportion of the entitlement consisting of the regional unit value (Article 59(3), first subparagraph of the Council Regulation)	Proportion of the entitlement consisting of the farmer's reference amount (Article 59(3), second sub-paragraph of the Council Regulation)
2007	30%	70%
2008	45%	55%
2009	60%	40%
2010	75%	25%
2011	90%	10%
2012	100%	0%"

#### EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Common Agricultural Policy Single Payment and Support Schemes Regulations 2005 ("the principal Regulations"). The principal Regulations make provision in England for the administration of Council Regulation (EC) No. 1782/2003 (OJ No. L 270, 21.10.2003, p.1) ("the principal Council Regulation"), Commission Regulation (EC) No. 795/2004 (OJ No. L 141, 30.4.2004, p.1), Commission Regulation (EC) No. 796/2004 (OJ No. L 141, 30.4.2004, p.18) and Commission Regulation (EC) No. 1973/2004 (OJ No. L 345, 20.11.2004, p.1) in relation to establishing a system of direct support schemes (including the Single Payment Scheme) which was introduced under the Common Agricultural Policy in 2005.

These Regulations revise regulation 2 (interpretation) of the principal Regulations.

Regulation 4 of these Regulations inserts regulation 7A in the principal Regulations, which provides for criteria for calculating the farmer's reference amount in relation to sugar beet pursuant to Article 37(1), third indent, and paragraph 1, point K, Annex VII to the principal Council Regulation (both of which were inserted by Council Regulation (EC) No. 319/2006 (OJ No. L 58, 28.2.2006, p. 32)). Regulation 5 inserts paragraph (1A) in regulation 8 of the principal Regulations to reflect the additional funding available as set out in the tables in point K in Annex VII of the principal Council Regulation ("the sugar funding").

Regulation 6 amends regulation 11 of the principal Regulations in relation to voluntary modulation pursuant to Council Regulation (EC) No. 378/2007 (OJ No. L 95, 5.4.2007, p. 1).

Regulation 7 substitutes a new Schedule 1 to the principal Regulations, with a new table to be added as "Part A" to that Schedule.

An impact assessment on the options for incorporation of the income support payments arising from the reform of the EU Sugar Regime into the Single Payment Scheme is available from the Defra Information Resource Centre, Lower Ground Floor, Ergon House, c/o Nobel House, 17 Smith Square, London SW1P 3JR. An impact assessment in respect of the amendments to the arrangements for voluntary modulation is also available from the Defra Information Resource Centre, or at http://www.defra.gov.uk/erdp/pdfs/rdp07\_13/vmia.pdf.