

THE FINANCIAL ASSISTANCE FOR YOUNG FARMERS (NORTHERN IRELAND) ORDER 2004

S.I. 2004 No. 3080 (N.I. 21)

EXPLANATORY MEMORANDUM

BACKGROUND AND POLICY OBJECTIVES

3. In accordance with the Rural Development Regulation (EC 1257/99), which makes provision for the “setting-up of young farmers”, the Department wishes to introduce enabling powers which will permit it to use national monies to offer a similar scheme in Northern Ireland.
4. More specifically, Regulation 1257/99, at Article 8, permits setting-up aid to facilitate the establishment of young farmers (defined in the Regulation as those under 40 years of age) who possess adequate skills and competence and are setting up as head of the holding for the first time. The holding must be economically viable and must comply with environmental, hygiene and animal welfare standards. Regulation 445/02, at Article 5, clarifies that the beneficiary has up to three years to fulfil certain of these conditions. Regulation 1257/99 specifies that the setting-up aid may be in the form of a single premium payment up to a maximum of €25,000 and/or an interest subsidy on loans, with the capitalised value of the interest subsidy set at the same limit. Regulation 1783/03, amending Article 8 of Regulation 1257/99, now permits payments up to a maximum of €30,000 to *“young farmers who are using farm advisory services linked to the setting up of their activity during a period of three years after setting up”*.
5. The policy objective is to increase the levels of investment in agriculture which, the Department considers, is most likely to take place following the establishment of younger farmer “new entrants”.