

**EXPLANATORY MEMORANDUM TO
THE AGRICULTURE (HARDSHIP PAYMENT) SCHEME (NORTHERN IRELAND)
2013**

2013 No. 144

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 sections 1(1) and 2 of the Agriculture (Temporary Assistance) Act (Northern Ireland) 1954 and is subject to the negative resolution procedure.

2. Purpose

2.1 The Scheme will help to mitigate the costs of the livestock losses that have been sustained by farmers arising from the snow storm of 21 to 24 March 2013. This will be under the EU de minimis rules and capped at a maximum of 7,500 euro per farmer, including the collection and disposal costs of fallen animals. Farmers, who had fallen stock collected and disposed of during the period 25 March to 3 May 2013 by approved renderers, will be eligible for the hardship funding.

3. Background

3.1 The snow storm of 21 to 24 March 2013 was an extreme weather event, with the worst conditions experienced in many decades, particularly in the Glens of Antrim and County Down, but not exclusively in these areas. The snow storm had and will continue to have a significant and potentially devastating impact on livestock farmers, in the areas affected.

3.2 These exceptional losses come at a time when farmers are already facing difficulties in the current financial climate.

3.3 Executive agreement was secured to hardship funding measures to assist farmers in the areas worst affected by the snow storm.

3.4 There are two elements to the hardship funding the first of which is that DARD is paying for the costs of collection and disposal of fallen animals. The second element is the Hardship Payment Scheme, which aims to help to mitigate the costs of livestock losses that have been sustained by farmers arising from the snow storm and assist farmers towards the re-establishment of farm livestock.

4. Consultation

4.1 Consultation with industry representatives (e.g. representatives of the Ulster Farmers' Union, the Northern Ireland Agriculture Producers Association, the National Sheep Association and the British Wool Marketing Board) on the delivery of the hardship payments has confirmed that the industry is happy with DARD's approach to address hardship based largely on the areas worst affected.

5. Equality Impact

5.1 There are no equality issues associated with these Regulations.

6. Regulatory Impact

6.1 A Regulatory Impact Assessment is not considered necessary as no additional financial impact on trade or the public or voluntary sectors is anticipated.

7. Financial Implications

7.1 In recognition of the extraordinary losses suffered by farmers due to the snow storm the Executive has agreed to hardship funding for the purposes of this Hardship Payment Scheme.

7.2 The overall hardship funding will be up to the maximum that is allowed under the EU State Aid de minimis rules of 7,500 euro per farmer, including the costs of collection and disposal of the fallen animals. The hardship funding will be based on loss at individual farm level.

7.3 The estimated budget requirement will be in the order of £3 million. This includes the collection and disposal costs of some £300k.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Regulations deal with hardship payments 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 Hardship payments will be distributed under the EC de minimis State Aid provisions (Regulation (EC) 1535/2007), and as such will be cumulative with any other de minimis payments within a three year period. Any de minimis aid received by producers within the last three years will be taken in to account in meeting the €7,500 (£6,417.75) limit.

10. Parity or Replicatory Measure

10.1 Not applicable.

11. Additional Information

11.1 Not applicable.

12. Contact

Seamus Hughes at the Department of Agriculture and Rural Development, Tel: 028 9052 0836 or email: seamus.hughes@dardni.gov.uk, can answer any queries regarding the Regulations.