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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations make provision in England for the administration of Council Regulation (EC) No. 1782/2003 (O.J. No. L 270, 21.10.2003, p.1) (the “Council Regulation”), Commission Regulation (EC) No. 795/2004 (O.J. No. L 141, 30.4.2004, p.1), Commission Regulation (EC) No. 796/2004 (O.J. No. L 141, 30.4.2004, p.18) and Commission Regulation (EC) No. 1973/2004 (O.J. No. L 345, 20.11.2004, p.1) (“Commission Regulation 1973/2004”) in relation to establishing a new system of direct support schemes (including the Single Payment Scheme) under the Common Agricultural Policy which came into force on 1 January 2005.

In relation to the Single Payment Scheme these Regulations:

- (a) provide for and define regions in England (regulation 3);
- (b) provide that the Secretary of State is the competent authority for the purposes of sending out in the first year of application of the single payment scheme an application form to farmers (regulation 4);
- (c) prescribe the minimum size of a holding in respect of which the establishment of entitlements may be requested (regulation 5);
- (d) fixes the beginning and end of the period in which the farmer can choose a date for the beginning of the 10 month period for which parcels declared corresponding to the eligible hectares shall be at the farmer’s disposal (regulation 6);
- (e) exercise the derogation in Article 62 of the Council Regulation to include the amounts resulting from the dairy premium and the additional payments at a regional level, in full, in the single payment scheme starting in 2005 (regulation 7);
- (f) exercise the derogation in Article 63(3) of the Council Regulation to progressively modify entitlements established under Article 59(3) of the Council Regulation (regulation 8 and Schedule 1);
- (g) provide that secondary crops may be cultivated on eligible hectares during a period of not more than three months beginning each year on 15th August (regulation 9);
- (h) provide that transfers of payment entitlements must be communicated by the transferor to the relevant competent authority no later than six weeks before the transfer is to take place and no later than six weeks before the last day for submission of the single application (regulation 10).

Regulation 11 requires the Secretary of State to deduct a sum equal to a specified proportion (2% in the year 2005, and 6% in the year 2006) from the total amount of direct payments to be paid to a farmer. The amounts deducted are to be applied as additional support for rural development measures.

Regulations 12 to 14 apply where an applicant uses areas covered by the aid provided for in Article 88 of the Council Regulation (aid for energy crops) for the growing of agricultural raw materials under Article 24 of Commission Regulation 1973/2004 and provide as follows—

- (a) that the Secretary of State is the competent authority for the purposes of Chapter 8 of Commission Regulation 1873/2004 (Aid for energy crops) (regulation 12(2));
- (b) that the minimum cultivated area for such raw material shall be 0.1 hectare (regulation 13(1));

**Status:** This is the original version (as it was originally made).

- (c) that the Secretary of State must notify the farmers concerned where she excludes any agricultural raw material from aid for energy crops (regulation 13(2));
- (d) for the requirements for the weighing of such raw materials to which Article 25(2)(b) of Commission Regulation 1973/2004 applies (regulation 13(3));
- (e) for the method of denaturing to be applied to cereals, oilseeds and oil produced by processing oilseeds where they are to be used for any of the purposes specified in Article 25(4) of Commission Regulation 1973/2004 (regulation 13(4));
- (f) for the last date on which a contract may be deposited with the Secretary of State to be the last day for submitting the relevant single application and for the 9th February of the following year to be the last day by which certain information may be provided to the Secretary of State (regulation 13(5) and (6)).

Regulation 14 lays down the records that must be kept by processors in respect of any such raw materials purchased by them and the period for which such records should be kept.

Regulation 15 revokes various Regulations with savings.

A full regulatory impact assessment on the effect that the Single Payment Scheme will have on the costs of business is available from the Defra Information Resource Centre, Lower Ground Floor, Ergon House, c/o Nobel House, 17 Smith Square, London SW1P 3JR, or at [www.defra.gov.uk/corporate/consult/capsingle-payment/index.htm](http://www.defra.gov.uk/corporate/consult/capsingle-payment/index.htm).