

FACTSHEET

The Single Payment Scheme



European Commission
Agriculture and
Rural Development

The 2003 reform of the Common Agricultural Policy (CAP) of the European Union (EU) introduced a new system of direct support to farmers, known as the Single Payment Scheme (SPS). The SPS replaced most previous existing agricultural schemes linked to specific sectors (coupled aids).

Objectives

Through its main objectives, which are to provide basic income support to farmers and to deliver basic public goods to European society, the SPS has changed the way the EU supports its farming sectors by removing the link between subsidies and any specific production. Consequently, under the SPS, aid is no longer linked to production (decoupling). This gives farmers the freedom to produce according to market demands, whilst guaranteeing them a more stable income, independently of what and how much they produce. Farmers should in any case maintain their land in good agricultural and environmental condition (GAEC).

Main features

The SPS entered into force in 2005, and is currently applied by 17 Member States. ([Map](#)) The other 10 MS are using the Single Area Payment Scheme (SAPS).

The SPS allowed several options for the Member States for SPS design and calculation and exceptions from full decoupling. This means that Member States have flexibility in applying the SPS and that the exact details of implementation vary from one Member State to another.

Payment Entitlements

As a general rule, the "Single Payment", is paid in the form of a single annual payment based on the value of the payment entitlements hold by the farmer.

Payment entitlements are allocated to active farmers by the competent national authorities ([link](#)). They give no automatic right to the single payment: a farmer must "activate" his payment entitlements and declare an equivalent number of eligible hectares in a yearly application in order to claim the single payment. If payment entitlements are not used during 2 years, they are reverted into the "national reserve", from which the administration can allocate them to other farmers in specific situations (eg. newcomers, force majeure cases, investments). Entitlements can be transferred under certain conditions to another farmer (sale, lease).

SPS Models

When introducing the SPS, Member States had three main options for calculating the value of payment entitlements:

- on the basis of the payments received by the individual farmer during a reference period ("historical model") resulting in different aid levels per hectare

- taking all payments received in a region and divide them by the number of eligible hectares ("regional model") resulting in a flat rate
- a mixture between these two models ("hybrid model") that can be "static" or "dynamic (with the latter approximating both elements towards a flatter rate).

An overview of the choices of the MS concerning the implementation of the SPS is represented in a [table](#).

Eligibility

Eligible land means any agricultural area of the holding, and any area planted with short rotation coppice, that is used for an agricultural activity or, where the area is used as well for non-agricultural activities, predominantly used for agricultural activities. Further it also comprises any area which gave right to payments under the SPS or SAPS in 2008 and is now under measures mentioned in Article 34.2.b of Council Regulation (EC) N° 73/2009, for the conservation of wild birds, natural habitats, fauna and flora and in the field of water policy; or area afforested as an individual rural development commitment; or is set aside as an agri-environmental commitment. Hectares have to comply with the eligibility conditions all year.

Cross compliance

Cross compliance conditions need to be respected in order to receive full payment under the SPS, independent of what the farmer produces. The conditions entail Statutory Management Requirements ("SMRs") and "GAECs" (good agricultural and environmental conditions); if they are not met by the farmer, the single payment may be reduced or completely cancelled.

2009 "Health Check"

With the introduction of Council Regulation (EC) N° 73/2009¹; which replaced Regulation 1782/2003 further decoupling is pursued for all payments as from 2012, except for following sectors: suckler cows, sheep and goat and cotton premia.

The possibility to grant specific support was introduced through Article 68 of Council Regulation (EC) No 73/2009². It allows all Member States to use up to 10% of their national SPS budget for support to specific sectors for a number of purposes.

Member States had the choice to revise their SPS models as to how payment entitlements were initially calculated towards a flatter aid rate, i.e. by reducing possible differences in the amount of aid between regions or farmers.

Minimum requirements were introduced (exclusion of payments lower than 100 € or 1 hectare) in order to reduce administrative burden for very small amounts. Member States could optionally exclude certain beneficiaries.

The eligibility of land has been extended to some afforested areas, those agricultural areas afforested under Natura 2000 or under agri-environment.

Legal References

Basic Act: Regulation (EC) No 73/2009. OJ L 30 of 31.1.2009, p. 16

Regulation (EC) No 1120/2009 OJ L 316 of 2.12.2009, p. 1

¹ Council Regulation (EC) No 73/2009 of 19 January 2009 establishing common rules for direct support schemes for farmers under the common agricultural policy and establishing certain support schemes for farmers, amending Regulations (EC) No 1290/2005, (EC) No 247/2006, (EC) No 378/2007 and repealing Regulation (EC) No 1782/2003

² OJ L 30 of 31.1.2009, p. 16.