NOTE TO THE MEMBER STATES’ REPRESENTATIVES OF THE EXPERT GROUP ON DIRECT PAYMENT

Subject: Case studies to calculate payments, reductions and administrative penalties

In order to facilitate the implementation of the CAP as regards direct support schemes, the upcoming Expert Group on Direct Payments, which will be held on Wednesday, 15 July 2015 from 9:30, will be dedicated to the calculation of payments, reductions and administrative penalties. Several case studies have been elaborated for this purpose to cover potential areas of interest, see annex. MS are kindly invited to analyse these case studies and come up with their respective solutions in order to provide for a useful and fruitful feedback during the Expert Group.

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Expert Group - Calculation of payments, reductions and administrative penalties for direct payments according to Regulation (EU) No 640/2014

For the upcoming Expert group on direct payments which will be held on 15 July 2015 DG Agriculture and Rural Development, Unit D3, has prepared several case studies covering potential areas of interest for Member states.

During the expert group the basic principles on how to correctly calculate a reduction or administrative penalty for direct payment will be presented and explained together with the correct solution to the case studies.

Member states are invited to analyse these case studies beforehand, try to come up with the solution in order to provide for a useful and fruitful input during the expert group.

General figures to be used in these case studies:
In case of BPS, value of payment entitlements held by an applicant = 200€/PE
In case of SAPS, payment rate is 200 EUR/ha
Greening = 70 EUR/ha
Young Farmer Scheme (YFS) unit rate = 50 EUR/ha or 50 EUR/PE
Single maximum limit for the payment for YFS = 50ha

Case study 1
Application of penalties in case of late submission

Starting situation:

- Deadline for submission of a single aid application and the application for participation in SFS is set for 13 May 2015 (Wednesday) in a MS applying SAPS
- Small Farmer Scheme (SFS) payment = 1 250 EUR
- Area declared equals to area determined
- There are no non-compliances detected
- No public holidays are foreseen

An applicant declared 5ha on 25 May 2015 (Monday).

What will be his payment (in EUR) for that year?
Case study 2

Application of penalties in case of late submission – BPS + YFS + amendments

Starting situation:

- Deadline for submission of a single aid application, including the application for the first allocation of payment entitlements, is set for 13 May 2015 (Wednesday)
- Applicant is eligible for the basic payment and YFS
- Area declared equals to area determined
- There are no non-compliances detected
- No public holidays are foreseen

An applicant declared 45ha on 12 May 2015 (Tuesday). On 17 May 2015 (Sunday) he additionally declared 10ha.

What will be his payment (in EUR) for BPS and YFS in that year?

Case study 3

Calculation of the ratio for reduction of the greening payment

Starting situation:

- Total area of the holding declared is 60ha
- Total area of arable land determined is 60ha with 3 crops represented (area declared = area determined)
- The area determined for the main crop is 48ha
- The area determined for the second main crop is 10ha

Is this applicant compliant with the crop diversification requirement according to Article 44 of Regulation (EU) No 1307/2013 and in case of non-compliance, what is the amount of the reduction as referred in Article 24 of Regulation (EU) No 640/2014?

Case study 4

Over-declaration – BPS

Starting situation:

- Total area declared in the single aid application, covering the BPS and the first allocation of payment entitlements, is 70ha
- Total area determined is 55ha
- There are no other non-compliances detected

What will be the payment (in EUR) for the applicant under the BPS in the year 2015 (first allocation of payment entitlements)?
Case study 5

Over-declaration – BPS/SAPS

Starting situation:

- Total area declared in the single aid application is 65ha
- The number of payment entitlements declared is 60ha (in case of BPS)
- Total area determined is 55ha
- There are no other non-compliances detected

What will be the payment (in EUR) for the applicant under the BPS/SAPS in the year 2016?

Case study 6

Under-declaration

Starting situation:

- Total area declared in the single aid application is 28ha
- During OTSC was found that 1 parcel of 2ha has not been declared
- The severity of the omission pursuant to Article 16 of Regulation (EU) No 640/2014 for the purpose of this case study is set at 3%
- There are no other non-compliances detected

What will be the payment (in EUR) of the applicant for the SAPS in the year 2015?

Case study 7

Administrative penalties as regards the greening payment

Starting situation:

- Total area of the holding declared in the single aid application is 40ha (area declared = area determined)
- The total reduction of 8ha, according to Article 24 or Regulation (EU) No 640/2014, has been applied to the greening payment (non-compliance with crop diversification as referred in Article 44 of Regulation (EU) No 1307/2013)
- There are no other non-compliances detected

Does the calculated reduction lead to administrative penalty under Article 28 of Regulation (EU) No 640/2014? If yes, what will be the greening payment for the years 2016, 2017 and 2018?
**Case study 8**

Reductions and administrative penalties as regards the greening payment

**Starting situation:**

- Total area of the holding declared in the single aid application is 9.5ha (all arable land)
- Total area found on-the-spot is 10.5ha (all arable land)
- 1 crop found on-the-spot
- The severity of the omission pursuant to Article 16 of Regulation (EU) No 640/2014 for the purpose of this case study is set at 3%
- There are no other non-compliances detected

What will be the payment (in EUR) for the applicant for SAPS and greening for the year 2017, for both scenarios where the under-declaration is due to an entire parcel not declared and under-declaration of declared parcels?

**Case study 9**

Reductions and administrative penalties as regards the BPS/SAPS and greening payment

**Starting situation:**

- Deadline for submission of a single aid application is set for 13 May 2020 (Wednesday)
- Application has been submitted on 16 May 2020 (Saturday)
- Total area declared is 60ha
- Number of payment entitlements declared is 60
- Total area determined is 55ha
- EFAs declared 3ha
- EFAs found on the spot 2.5ha
- 1 ha of environmentally sensitive permanent grassland has been converted in arable land and has been declared accordingly
- This applicant has been non-compliant for EFA in 2015, 2018 and 2019
- No public holidays are foreseen
- There are no other non-compliances detected

What will be the payment (in EUR) for the applicant for BPS/SAPS and greening for the year 2020?