General figures to be used in these case studies:

- In case of BPS, value of payment entitlements held by an applicant = 200C/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

Where reply was provided to MS for a question with similar subject/topic, reference is introduced

Case study 1

- Deadline for submission of single aid application and application for participation in SFS is 13 May 2015
- On 25 May applicant declared 5ha

- Please, calculate the payment for SFS for 2015

- Replies to F1/2014/2756326, LT/2014/3691321 and NL/2014/302650 were provided
Case study 2

- The applicant applies for allocation of payment entitlements (PE), BPS and YFS
- Deadline 13 May 2015
- On 12 May 45 ha
  - Amendment on 17 May addition of another 10 ha
- Please, calculate the payment for BPS and YFS for 2015
- Replies to FI(2014)2735725, LT(2014)3891321 and NL(2014)202980 were provided

Results

- Allocation of PE: Amendments are not possible -> therefore the amendment of the 10 ha results in a replacement of the application for allocation of PE leading to a 3% reduction per working day (entire application for allocation of PE is to be treated as submitted on 17 May)
- BPS and YFS 2015: First part on time, addition within the period for amendments -> therefore no reduction for late submission
Results

- **PE**: the applicant will receive 55 PE of 200 euro but because of the late submission his BPS payment in 2015 will be reduced with $3 \times 3\% = 9\%$ (article 14 of 640/2014)

- **BPS**: $55 \times 200 = 11,000$ euro
  - Minus reduction for late submission of application for PE: 9\% which is 990 euro makes 10,010 euro
  - **YFS**: $50 \times 50 = 2,500$ euro

Case study 3

- 60 ha of arable land declared
- 60 ha of arable land determined with 3 crops
  - Main crop 48 ha
  - Second main crop 10 ha (→ two main crops 58 ha)

- Please, calculate the the ratio of difference and the reduction for crop diversification

- Reply to PL(2015)2353046 was provided

Results

- Requirement for the main crop is to have maximum 45 ha (75\% of 60 ha of arable land)
- Requirement for the two main crops is to have maximum 57 ha (95\% of 60 ha of arable land)

- The applicant is non compliant for both requirements as $48 > 45$ and $58 > 57$
  - → Article 24 (3) of R640/2014 applies

-
Results

• Total area of arable land determined * 50% * ratio of difference
• Calculation of the ratio for the exceeding of the first main crop
  • 48 - 45 = 3 ha
  • 60 - 45 = 15 ha
  - Ratio 3/15

Results

• Calculation of the ratio for the exceeding of the two main crops
  • 58 - 57 = 1 ha
  • 60 - 57 = 3 ha
  - Ratio 1/3

Results

• Sum of the two ratios
  \[ \frac{3}{15} + \frac{1}{3} = \frac{3}{15} + \frac{5}{15} = \frac{8}{15} \]

Reduction is \[ \frac{8}{15} * 60 \text{ ha} * 50\% = 16 \text{ ha} \]
Case study 4

- The applicant declared 70 ha for allocation of PE and BPS
- The area determined is 55 ha
- Please, calculate the payment for BPS in 2015

Results

- Article 18 (1) of R 640/2014 is relevant, in particular the last sentence
  This paragraph shall not apply in the first year of allocation of payment entitlements
- The applicant will receive 55 PE of 200 euro

Results

- Declared 70 ha
- Determined 55 ha
- Difference 70 - 55 = 15
- \( \frac{15}{55} \times 100\% = 27.3\% \)
  -> difference is greater than 20% and 2 ha -> no aid
- Therefore no aid for BPS will be paid in 2015
Case study 5

- The area declared is 65 ha
- The PE declared is 60 ha (for BPS)
- The area determined is 55 ha

- Please, calculate the payment for BPS/SAPS in 2016

- Replies to CY(2015)185858 and R0(2015)2463998 were provided

Results for BPS

- Article 18 (1)(b) of R 640/2014 is relevant
  - If there is a difference between the number of PE declared and the area declared, the area declared shall be adjusted to the lower figure
  - This can result into not activation of payment entitlements for the particular year

- Declared 65 ha
- Declared PE 60 ha
- Determined 55 ha
  - Difference $60 - 55 = 5$
  - $5/55 * 100% = 9%$
  - $\text{difference is greater than 3\% and 2 ha but is no more than 20\% \rightarrow penalty = twice the difference = 10 ha}$
  - Payment is $55-10=45ha \times 200€ = 9000€$
- PE not activated for 5ha
Results for SAPS

• Declared 65 ha
• Determined 55 ha
• Difference 65 - 55 = 10
  • 10/55 * 100% = 18.2%
  • -> difference is greater than 3% and 2 ha but is no more than 20% -> penalty = twice the difference = 20 ha
• Payment is 55-20=35 ha * 200 € = 7 000 €

Case study 6

• The applicant declared 28 ha
• During OTSC found that 1 parcel of 2 ha has not been declared
• Please, calculate the payment for SAPS in 2015

Results

• The applicant will be paid on hectares declared = 28 ha (Article 18(5))
• Penalty for non-declaration of all parcels – Article 16
Results

- Declared 28 ha
- 1 parcel of 2 ha has not been declared
  - \(\frac{2}{28} \times 100\% = 7\%\)
  - 3\% severity has been set
- Payment for SAPS = 28 ha \(\times\) 200€ = 5,600€
  - Minus penalty for non-declaration of all parcels: 3\% which is 168 euro makes 5,432 euro

Case study 7

- The area declared is 40 ha
- Total reduction is 8 ha (non-compliance with CD)
- Please, calculate the greening payment for 2016, 2017 and 2018
- The reduction leads to administrative penalties -> difference of 8 ha corresponds to 25\% of area after reduction (32 ha)
  - In 2016 no penalties applied
  - In 2017 penalties are divided by 5 and limited to 20\%
  - In 2018 penalties are divided by 4 and limited to 25\%
Results

• Declared 40 ha
• Reduction 8 ha
• Administrative penalties - Article 28(1):
  • No aid shall be granted = 32ha
    - Concerned difference corresponds to 25% of area after reduction
  • 2016: no penalties
  • 2017: penalties divided by 5 = 32/5 = 6,4ha * 70€ = 448€
  • 2018: penalties divided by 4 = 32/4 = 8ha * 70€ = 560€

Results

• Greening payment:
  • 2016: 32ha * 70€ = 2 240€
  • 2017: 2 240€ - 448€ = 1 792€
  • 2018: 2 240€ - 560€ = 1 680€

Case study 8

• The applicant declared 9,5ha
• Total area found on the spot is 10,5ha
  • Either non-declaration of entire parcel
  • Or under-declaration of declared parcels
• 1 crop found on the spot
• Please, calculate the payment for SAPS and greening in 2017
• Replies to CY(2015)185988 and NL(2014)202340 were provided
Results - non-declaration of parcel

- The non-declared parcel is not taken into account for assessing whether the greening obligation is required -> total area of arable land (9.5ha) < 10ha threshold -> exempted from crop diversification and EFA
  - Article 28(2) is relevant
  - Penalty for non-declaration of all parcels is applicable (3% of the overall amount of area-related aid/support schemes)

Results - non-declaration of parcel

- SAPS payment: 9.5ha * 200€ = 1 900€
- Greening payment:
  - Basis for the calculation 9.5ha
  - Penalty for escaping from greening = 10% from 9.5ha = 0.95ha / 5 = 0.19ha
    - In 2017 penalty is divided by 5 and limited to 20% (1.9ha)
  - Total greening payment: 9.5 - 0.19 = 9.31ha * 70€ = 651.7€

Results - non-declaration of parcel

- Total payment: 1 900€ + 651.7€ = 2 551.7€
  - Minus penalty for non-declaration of all parcels: 3% severity was set = 76,551 euro
  - This penalty is reduced by the penalty under Article 28(2) = 76,551 - (0.19 * 70€) = 63,251€
  - Total payment to the applicant is 2 551.7€ - 63,251€ = 2 488.449€
Results – under-declaration of parcels declared

• The total area found on the spot is taken into account for assessing whether the greening obligation is required – total area of arable land (10.5ha) > 10ha threshold – crop diversification required:
  • CD - non-compliant
    - Only 1 crop found but two are required – reduction to apply
  • Article 28(2) is also relevant as declaring less to escape from greening

• SAPS payment: 9.5ha * 200€ = 1900€

• Greening payment:
  • Basis for the calculation 9.5ha
  • Reduction for non-compliance with CD:
    • 10.5ha * 50% = 5.25ha
  • Where ratio of difference equals to:
    • 10.5 - 7.875 = 2.625 ha - area that goes beyond 75%
    • 10.5 - 7.875 = 2.625ha - area required for the second crop
    • 2.625/2.625
  • Number of hectares after reduction is 4.25ha

Results – under-declaration of parcels declared

• Administrative penalty applicable:
  • Article 28(1):
    - Difference between basis and payment after reduction is 5.25ha – difference is greater than 50% and 2 ha -> no aid + additional penalty = 4.25 + 5.25 = 9.5ha
  • Concerned difference corresponds to 124% of area after reduction
  • Article 28(2):
    • 10% from area after reduction = 0.425ha
  • Article 28(3):
    • (4.25 + 5.25 + 0.425) / 5 = 0.925 / 5 = 1.985ha
  • In 2017 penalty is divided by 5 and limited to 20% (0.9ha)

• Total administrative penalties = 1.9ha
Results - under-declaration of parcels declared

- Total greening payment is $9.5 - 5.25$ (reduction) $- 1.9$ (penalty) $= 2.35$ha $\times 70\$ = 164.5\$

- Payment to the applicant:
  - $1,900\$ + 164.5\$ = 2,064.5\$

Case study 9

- Deadline for submission of single aid application is 13 May 2015
- Application submitted on 16 May
- Declared 60ha
- PE declared 60
- Determined 55ha
- EFA declared 7ha
- EFA found 2.5ha
- 1 ha of environmentally sensitive PG converted into arable land
- Non-compliance with EFA in 2015, 2018 and 2019
- Please, calculate the payment for BPS/SAPS and greening for 2020

Results for BPS/SAPS

- Area declared (60ha) > area determined (55ha)
  - penalty for over-declaration

- The application submitted 3 days later – Article 13 applies – 3% from the total BPS/SAPS payment
Results for BPS/SAPS

- Declared 60 ha
- Determined 55 ha
  - Difference 60 – 55 = 5
  - 5/55 * 100% = 9%
  - Difference is greater than 3% and 2 ha but is no more than 20% = penalty = twice the difference = 10 ha

- Payment is 55-10=45ha* 200€ = 9 000€
- Minus penalty for late submission of single aid application: 3% which is 270 euro makes 8 730 euro

Results for greening

- CD requirement is OK
- PG – 1 ha of environmentally sensitive PG converted
- EFA – 2.75 ha required
  - 2.5 ha found

- Non-compliance with EFA detected for 3 preceding years – Application of Article 26(3) where the reduction will be calculated on the total area of arable land determined * ratio of difference

Results for greening

- Determined 55 ha
- Reduction applicable:
  - 1 ha (environmental sensitive PG converted into arable land)
  - EFA non-compliance for fourth year = 55 * (0.25/2.75) = 5 ha, where ratio
    - 0.25 (2.75 - 2.5) / 2.75
- Total reduction = 1 ha (PG converted) + 5 ha (EFA non-compliance) = 6 ha
- Payment after application of reduction = 49 ha
Results for greening

- Administrative penalty applicable:
  - difference is greater than 3% and 2 ha but is no more than 20% = penalty = twice the difference = 2*6=12ha
    - Concerned difference is 6ha and corresponds to 12% of area after reduction
  - In 2020 the penalty is divided by 4 and limited to 25% = 12 / 4 = 3ha
    - Limited to 25% of 55ha = 13.75ha
  - Total administrative penalties = 3ha

- Total greening payment is = 55 - 6 (reduction) - 3 (penalty) = 46ha * 70€ = 3220€