

## NATIONAL RESERVE: GUIDANCE UPDATE

### Awards from the National Reserve

1. This bulletin gives a 'Quick Guide' to the methodology used in calculating the awards from the National Reserve.

Category	Basis of the award
1. Investments	<p>The award will be the difference between the eligible animals/arable hectares averaged over the reference period and those determined for the 2004 subsidy scheme year. This difference will be multiplied by the relevant 2002 CAP subsidy rate to give the award. Where there has been a purchase/long term lease of land then the award will all be allocated to the additional permanently held land farmed.</p> <p>Where there is no additionally held land the existing entitlements will be 'topped up' Where land has been purchased/long term lease the award will be allocated to the area corresponding to the difference between the the average permanently held land eligible in the reference period and the permanent area held and eligible for IACS04.</p>
2. New Entrant	<p>the award will be the Parish Average/hectare x Eligible hectares</p> <p>Eligible hectares = the area of the land declared in the 2004 IACS or if no IACS04 submitted or additional land purchased held on 2 November 2004(or the area declared in the 05 IACS* which ever is the lessor.</p>
3. Dairy Reconversion	<p>The award will be the difference between the applicants historic reference amount and the reference amount that would have accrued had it been based on subsidy claims made in the 2004 subsidy scheme year at the 2002 rates.</p>
3.b Agri-schemes	<p>The award will be the difference between the CAP subsidy payments that would have accrued using the figure for the first year prior to entering the scheme at the 2002 rates and the average during the reference period</p>
4. Leased land	<p>The award will be the Parish Average multiplied by the number of eligible hectares</p>

5. Purchase                      The award will be the Parish Average multiplied by the number of leased land of eligible hectares
  
6. Transfer of Leased Land      If the land was leased out for the whole of the reference period the award will be Parish Average multiplied by the number of eligible hectares. If the land received was leased for only part of the reference period, the award will be based on the actual CAP subsidies paid averaged over the year(s) they were paid.
  
7. Dairy Farmers & Hardship      The award will be the equivalent entitlement value that the leased out quota would have attracted from the dairy premium

\*For mixed farmers which include a dairy, the eligible land will be reduced in proportion to the dairy enterprise. This will be calculated by dividing the milk quota held on 31/3/2005 by 10 314 litres of quota per hectare. This notional area will not be allocated entitlements.

  
CAP Management Division  
12 May 2005