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Direct Payments from 2023 onwards

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Key Messages



- The direct payment schemes are all changing in 2023, with different funding allocations under each category
- All entitlement values will change in 2023
- Lifting of clawback on sales of entitlements for 2023 and 2024
- While voluntary, participation in the Eco-scheme is important for the overall payment
- The CAP calculator is a handy tool to use to find entitlement values

What will make up Direct Payments from 2023?



- **Basic Income Support for Sustainability (BISS)** - the new BPS
- **Eco-scheme** - new environmental scheme within Pillar 1
- **Complementary Income Support for Young Farmers (CIS-YF)** - the new Young Farmer Scheme
- **Complementary Redistributive Income Support for Sustainability (CRISS)**- a new scheme often called Front loading
- **Coupled Income Support (CIS)** - commonly known as Protein Aid

Payment Entitlements



- No new allocation in the draft Regulations – no “reference years”
- Number of entitlements stays the same, but the value of each is adjusted to match the funding ceiling – **new average around €155**
- Convergence will continue, reaching a minimum of 85% by 2026, in equal steps
- All entitlement values will fall into a range from **~€125-€285 by 2026**
- Transfers still possible in the usual way
- All farmers have received a statement of entitlements for 2022, and will receive another statement in February 2023 for the new CAP



Clawback Changes

- Lifting of the current clawback on entitlements sold without land for 2023 and 2024 only

Generational Renewal

- Complementary Income Support for Young Farmers (3% of the direct payments ceiling, approx. €35m annually)
- National Reserve for young farmers and new farmers

Capping



Capping will apply in two separate bands to BISS (payment entitlement value only)

- Above €100k – 100% capping
- Between €60-100k – 85% reduction
- Maximum BISS payment of €66k – based on entitlements held (i.e. no distinction whether these are leased/rented or owned)
- No deduction of salaries/or allowance for owned/rented entitlements

CRISS (front loading)

- Farmers will receive a payment ~€40 per ha up to a maximum of 30ha (max benefit ~€1200)

How will Partnerships be affected by limits?



- In general, allocations will follow the herd number:
- A single herd partnership will receive 1 x the limit for CRISS, capping even if there are multiple individuals
- A multi-herd partnership will receive multiple limits for CRISS, capping dependent on the number of herds
- Remember – herd number and partnership changes nearly always need an entitlements transfer as well

Circumvention

- Artificially creating the conditions to obtain benefit or “Getting around the rules”
- A point of fairness for all farmers
- New CAP will be considerably stricter on this point/more monitoring
- Examples – splitting herds purely to avoid capping, selling entitlements to clear land for the purposes of applying to the reserve, applications to the young farmers scheme where the young farmer is not in financial or managerial control
- Significant penalty risks for the farmer and possibly the advisor