

# Direct payments 2015-2020

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*The budget for direct payments in 2015 amounts to 1.4 billion leva*

The reform in the European Union's Common Agricultural Policy (CAP) requires the introduction of changes in the implementation of direct payments in Bulgaria for the period 2015-2020. The main Single Area Payment Scheme (SAPS) will be applied until 2020, stated Deputy Minister Vasil Grudev, who, together with the Minister of Agriculture and Food Desislava Taneva, presented the budget and the general rules for direct payments at the beginning of the week. At a seminar for representatives of agricultural cooperatives from Northeastern Bulgaria, held at the "Zlatni Pyasatsi" (Golden Sands) Resort Complex, Vasil Grudev assured the attendees that the State Fund Agriculture will begin disbursing SAPS funds as early as Monday, January 26, 2015.

## **1. Single Area Payment Scheme (SAPS)**

The implementation of the Single Area Payment Scheme (SAPS) provides an opportunity for

farmers to receive funds from the European Agricultural Guarantee Fund (EAGF). The payment is determined per hectare of utilized land and is not linked to production or the number of livestock raised. Land eligible for aid disbursement includes:

- Arable land
- Permanent grassland – pastures, meadows, and hayfields
- Permanent crops
- Kitchen gardens

Eligible beneficiaries under SAPS are all farmers, including natural or legal persons, or a group of natural or legal persons, regardless of the status given to this group and its members by national legislation, whose holding is located within the territory of the Community.

A mandatory condition for the aid to be granted is that the land applied for must be maintained in good agricultural and environmental condition and comply with the legally established management requirements. The minimum size of the holding must be at least 0.5 hectares for permanent crops and 1 hectare for other crops, with the minimum size of each parcel within the holding being 0.1 hectares. The per-hectare payment amount for individual countries depends on the size of the utilized agricultural area that meets the requirements for receiving payments and the annual financial framework obtained as a result of negotiations with the EU. The budget under the scheme for 2015 is expected to reach over 597 million leva.

## **2. Redistributive Payment Scheme (RPS)**

The implementation of the Redistributive Payment Scheme (RPS) aims to support more vulnerable small and medium-sized economic holdings. The scheme provides an opportunity for farmers to receive a higher single payment per hectare for the first 30 hectares of each holding eligible for support under SAPS. Financing under the scheme is from the European Agricultural Guarantee Fund (EAGF) from the ceiling for direct payments for the respective year. The payment is determined per hectare and is not linked to production or the number of livestock raised. Areas eligible for support under the Redistributive Payment Scheme (RPS) are the areas eligible for support under the Single Area Payment Scheme (SAPS) for all farmers, including natural or legal persons, or a group of natural or legal persons, regardless of the status given to this group and its members by national legislation, whose holding is located within the territory of the Community. The Redistributive Payment Scheme (RPS) is linked to the Single Area Payment Scheme (SAPS) and, in this regard, it is not permissible to apply solely for RPS. A budget of nearly 109 million leva is envisaged for its implementation.

## **3. Scheme for National Area-Based Top-up Payments (SNATP)**

In addition to SAPS, farmers can also receive funds in the form of: National Top-up Payments. They provide an opportunity for farmers to receive additional funds for the crops they cultivate. All agricultural land within the country's territory eligible for support under the Single Area Payment Scheme is eligible for support under this scheme, except for:

- permanent grassland (pastures, meadows, and hayfields);
- areas with wine grape varieties;
- tobacco.

Farmers who manage at least 0.5 hectares for permanent crops or 1 hectare for all other agricultural land, maintain them in good agricultural and environmental condition, and comply with the legally established management requirements are entitled to support per hectare under the scheme for national area-based top-up payments.

#### **4. Green Payments**

In addition to SAPS payments, farmers will also be able to receive green direct payments. A budget of 464 million leva has been allocated for them. Receiving green direct payments is linked to fulfilling requirements for crop diversification or variation, maintaining permanent grassland, and maintaining ecological focus areas. The implementation of green requirements will help preserve the ecological balance and will also contribute to farmers who comply with them receiving a higher subsidy.

#### **5. Scheme for Young Farmers**

Next year, nearly 7 million leva will be allocated for them. This will allow young farmers to receive a 25% supplement to SAPS payments for their first 30 hectares (300 decares). They must be up to 40 years old and be new-entrant farmers.

#### **6. Scheme for Small Farmers**

Under the scheme, small farmers will be able to receive subsidies ranging from 500 to 1250 euros. Entry into the scheme is voluntary and only for 2015.

#### **7. Scheme for Coupled Direct Support**

These will provide additional support to priority sectors for the country such as livestock farming, fruits, and vegetables, which need additional financing. For these schemes in 2015, about 232 million leva are directed, of which about 31 million leva will be for protein crops. The amount of coupled direct support, which directly depends on production, increases from 3.5% to 15% of the direct payments resource.

The new scheme for coupled support for livestock farming includes opportunities for targeted support per head of animal for dairy cattle farming, beef cattle farming, sheep farming, cattle farming, and buffalo farming. They cover dairy cows, beef cows, ewe mothers, and goat mothers across the entire country, unlike the period 2010-2014 when specific support was received only by certain regions.

Support for the sector amounts to about 122 million leva. A higher subsidy will be received for raising cows, sheep, and goats under breeding control. The requirement for reducing the retention period for declared animals is eased from 100 to 80 days. For the fruit and vegetable sector, the application of three separate schemes for coupled support is envisaged: "Fruit Scheme",

"Vegetable Scheme - field production", and "Vegetable Scheme - greenhouse production". The budget for the coupled support schemes is 79 million leva annually, which is an increase of over 5 times compared to the 2012 budget.

*Fruit and vegetable producers will be able to apply for and receive support under SAPS, Green Direct Payments, and the Coupled Support Schemes in the sector.*

Source: State Fund Agriculture