

The Organic Farming Conversion Scheme (OFCS)

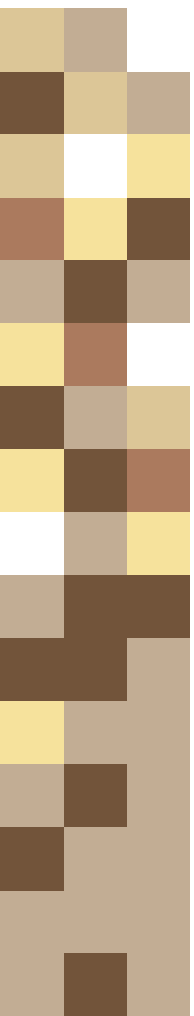
Explanatory Booklet



Cronfa Amaethyddol Ewrop ar gyfer Datblygu
Gwledig: Ewrop yn Buddsoddi
mewn Ardaloedd Gwledig
The European Agricultural Fund for
Rural Development: Europe Investing in
Rural Areas



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



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E3320910

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Section I

Introduction

The Organic Farming Conversion Scheme (OFCS) is an agri-environment scheme that provides funding to farmers and land managers who deliver effective environmental management of their land in Wales.

The scheme is a 2 year conversion scheme, provided for under the Rural Development Programme for Wales 2007 to 2013. It is open to new applicants and existing agreement holders wishing to bring in additional land, who meet the eligibility criteria.

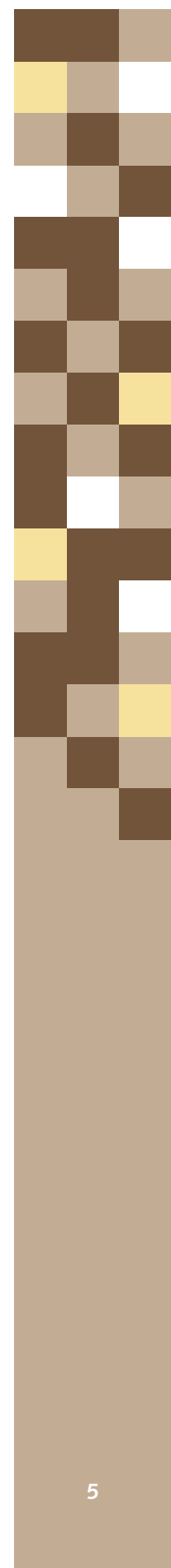
The scheme is jointly funded by the Welsh Assembly Government and the European Commission.

This booklet provides guidance for farmers who intend applying to the scheme. It is not exhaustive and may be updated or amended during the lifetime of the OFCS to take account of any scheme developments.

The OFCS is governed by The Rural Development Programmes (Wales) Regulations 2006 ((Statutory Instrument) 2006 No. 3343 (W.304)), Council Regulation (EC) No. 1698/2005 and Commission Regulations (EC) No. 1974/2006 and (EC) No. 1975/2006 and Council Regulation (EC) 1290/2005 (all as amended from time to time). Copies of these Regulations are on the Welsh Assembly Government web site at www.wales.gov.uk or copies can be requested from Welsh Assembly Government Divisional Offices.

European Commission Approval

The OFCS is subject to approval by the European Commission. This approval may result in changes to commitments. If so, the Welsh Assembly Government will publicise changes in Gwlad, and where necessary, contact farmers.





Scheme objectives

The Welsh Assembly Government values the contribution that organic farming can make to environmentally sensitive food production. Organic farming seeks to work with natural processes using methods which are designed to achieve a sustainable production system with limited use of external inputs. The potential for pollution and other environmental damage is lessened as organic farming avoids the use of artificial fertilisers and synthetic pesticides. Instead it emphasises the role of crop rotation in helping to maintain soil fertility and to combat pest and disease problems and relies on the use of fertility-building crops and natural fertilisers, such as animal manure.

Organic Standards

All food sold as 'organic' must be produced according to European laws on organic production. These laws require food sold as 'organic' to come from growers and processors who are registered and approved by Organic Certification Bodies (OCB), which are in turn registered by the Department for Environment, Food and Rural Affairs (DEFRA).

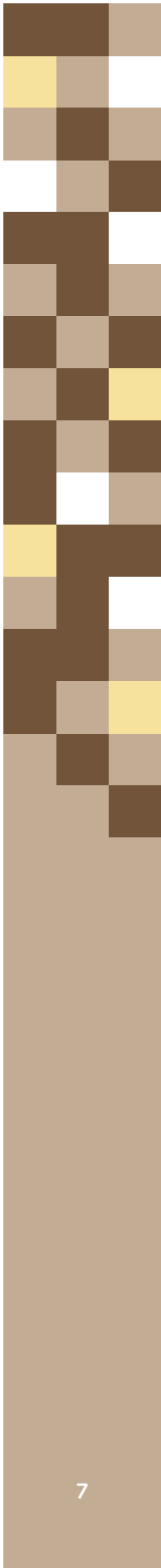
Farmers who register with an OCB, whose standards go beyond the European law, will have to follow their requirements in order to be registered with that body.

Further Information

The Welsh Assembly Government runs a service called the Organic Conversion Information Service (OCIS). This service aims to ensure that farmers who choose to go organic, do so based on a sound understanding of the implications for the business. A list of OCBs can be obtained from this service.

To take advantage of this service, farmers should telephone the Organic Centre Wales (OCW) help line on 01970 622100. It will provide advice and information on organic farming and, if appropriate, arrange for a free visit by an advisor experienced in organic production and marketing who will provide impartial information relevant to the business.

Organic farming is not an easy option. Farmers should consider very carefully the financial implications of an organic conversion and may well need training in organic husbandry if their enterprise is to succeed. A number of colleges offer courses in organic agriculture and horticulture. Details of these can be obtained from the OCW help line.





Section 2

Eligibility

What are the eligibility requirements to enter into the OFCS:

- You must be a registered customer with the Welsh Assembly Government, and have been issued with a Customer Reference Number (CRN).
- All your land must be registered with the Welsh Assembly Government, and all agricultural and non agricultural land on your holding must be declared annually on the SAF.
- Field parcels must be entirely located in Wales.
- You must have a minimum of 3 ha of eligible land.
- Only field parcels which commenced conversion on or after the 15th July 2009, and no later than 1st January 2010 are eligible.
- Each field parcel must be registered with an OCB continuously during the lifetime of the commitment.
- Your OCB Certificate and land schedule must use the same sheet and reference numbers as registered with the Welsh Assembly Governments Land Parcel Identification System (LPIS), and as entered on your SAF.
- You must have an organic conversion plan, deemed to be acceptable by the Welsh Assembly Government.
- You must be the sole user, and have full management responsibility and control of the land, for the duration of the commitment. European Commission auditors have advised the Welsh Assembly Government that the same parcel of land cannot be used to claim European Common Agricultural Policy (CAP) payments by more than one farmer.
- You must comply with cross compliance.
- You must notify the Welsh Assembly Government within 21 days of the event of any changes to your commitment or land managed under this scheme.

Cross Compliance

You must comply with the requirements of Cross Compliance, which is a set of Statutory Management Requirements and Good Agricultural and Environmental Conditions set out in the “Farmers’ Guide to Cross Compliance” issued by the Welsh Assembly Government in December 2004, with updates issued in January and December 2006, and March 2008, and any amendments made from time to time. If you do not have this guide you must notify your local Divisional Office to obtain a copy and ensure a full understanding of what is required.

What land is eligible to be entered into the scheme?

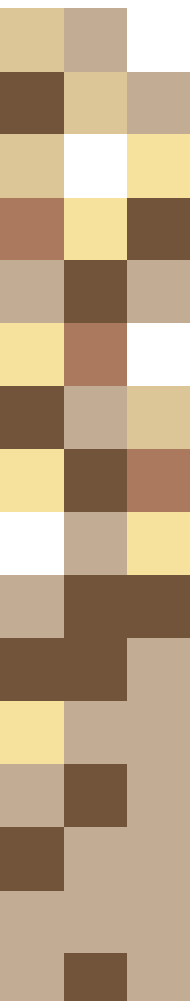
- Land located entirely within Wales.
- Land on which organic conversion was started on or after the 15th July 2009, but no later than the 1st January 2010.
- Common land used for grazing by a single grazier.
- Whole field parcels only.
- A minimum of 3 hectares must be entered into the scheme and the minimum eligible size of a field parcel to be entered into the scheme is 0.10 ha.
- Reductions and recoveries may be applied to land which does not remain throughout the lifetime of the commitment.

To note:

- If a statutory designation, such as a Site of Special Scientific Interest (SSSI) or a Scheduled Ancient Monument (SAM), applies to your land you may need consent from the relevant body before you enter a commitment.

Existing Organic Farming Scheme customers with additional land.

- If you want to bring in additional land into this scheme (OFCS), you must ensure you meet the minimum 3 ha eligibility requirement.
- Therefore, existing OFS customers, who currently have less than 3ha, must enter sufficient land to bring the total area under OFS2 and the OFCS up to 3ha. For example, if you already have 1ha of land under commitment in the Organic Farming Scheme (OFS),



you must apply to enter at least 2ha of land under the OFCS, bringing your entire organic commitment up to the minimum 3ha eligibility requirement.

What land is not eligible to be entered into the scheme?

- Land located outside Wales.
- Land on which conversion started prior to 15th July 2009.
- Land which will start conversion after the 1st January 2010.
- Land certified as fully organic.
- Woodland which is ungrazed/stock excluded under an Agri-Environment Scheme.
- Land under Farm Woodland/Farm Woodland Premium and Improved Land Premium Schemes.
- Common land with multiple graziers.
- Field parcels that are subject to shared grazing.
- Field parcels where only part of the field is in conversion.
- Part field parcels.
- Field parcels being used to claim European CAP payments by another farmer.

What are the organic certification requirements to join the scheme?

- Land entered into commitment must be registered with an approved OCB and remain so during the lifetime of the commitment.
- You must hold a valid and up to date OCB Certificate and Land Schedule. No payments can be released unless the Welsh Assembly Government has received a valid OCB certificate that is current at the time of payment.
- To be valid the OCB certificate and land schedule must use the same Sheet Reference and Field Numbers as registered with the Welsh Assembly Government's LPIS and as entered on the SAF.
- To avoid delays to payment, a replacement OCB certificate should be received by the Welsh Assembly Government within 21 days of the expiry date of your previous OCB certificate.
- Following the offer of commitment, the original valid OCB Certificate and Land Schedule must be submitted to the Welsh

Assembly Government by no later than 31st March 2010. Certificates and schedules received after this date will be rejected, and the offer of OFCS commitment will be withdrawn.

- Land entered into the commitment must be farmed in accordance with the requirements of the approved OCB.
- If you are the beneficiary of any other Agri-Environment schemes, such as Tir Gofal, you must ensure that any works e.g. bracken spraying, due to be carried out under those schemes are compatible with the rules set out by your OCB. Failure to ensure this could place your OFCS payments in jeopardy.
- The OFCS will be terminated on land for which the OCB has set the period of conversion back to the beginning, due to a breach on that land. Full repayment with interest will be required and over-declared penalties may be applied, depending on the reason for the breach which led to the termination of the commitment.

How long will a commitment last?

- Your commitment will last for 2 calendar years from 1st January 2010 to 31st December 2011 inclusive.
- If you decide to leave the scheme during the period of commitment, you will be required to repay all monies received under the scheme with interest.

Will all applicants to OFCS be offered a commitment?

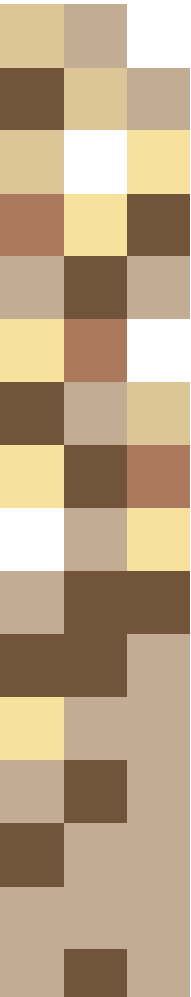
Applications will be prioritised, in line with the available budget, to give preference to those applications which meet the Welsh Assembly Government's wider organic action plan aims.

Offers of commitment will be made to the highest priority applications first.

What are the prioritisation categories?

1. Land used for arable production in 2009, as declared on the 2009 SAF - see Annex 2 for eligible crops and codes

The area of arable crops verified on your SAF 2009 will be calculated as a percentage of the area of the whole farm declared on the SAF 2009.



Applications with the greatest arable percentage will be offered first.

2. Existing agreement holders wishing to bring in additional land.

The smallest area applications will be offered first, subject to meeting the minimum area eligibility requirements.

3. Expressions of Interest submitted in March 2009 (including those rejected).

The smallest area applications will be offered first, subject to meeting the minimum area eligibility requirements.

If the available budget is exhausted at any point during the priority process, the Welsh Assembly Government will not offer commitments to the remaining applicants.

What will happen if I want to sell or transfer land during my commitment?

If you transfer/sell any land which forms part of your OFCS commitment, then both you and the purchaser/transferee must notify the Welsh Assembly Government in writing within 21 calendar days of the event. Failure to notify the Welsh Assembly Government within the period specified could result in a penalty.

The transfer of OFCS commitments to a new beneficiary is subject to approval by the Welsh Assembly Government and the requirements of the European Regulations. If you transfer/sell any land covered by an OFCS commitment you must also notify the Welsh Assembly Government in writing indicating whether or not the new occupier intends to take over the OFCS commitment within 21 calendar days of the event.

Where the transfer of commitments to a new beneficiary due to the transfer/sale of land is approved, no reductions or exclusions to payments will be made, provided that you have complied with the Scheme Rules.

If your successor does not wish to continue with the OFCS commitment or where the transfer is not approved, then reductions and exclusions to payments will be applied. You will have to repay all OFCS payments and may also have to repay Organic Farming

Scheme payments made under previous commitments in respect of the transferred/sold land.

In circumstances where part of your commitments are transferred / sold, the land remaining under the commitments must meet all the Scheme eligibility criteria (e.g. must have a minimum 3ha of land under commitment). The Welsh Assembly Government may consider ending a commitment where the land transferred/sold seriously undermines the environmental objectives of the commitments. Where this is the case you will be required to pay back all of the OFCS commitment payments made to you and may also have to repay Organic Farming Scheme payments made under previous commitments.

What will happen if I want to cease farming organically before the end of my commitment?

- If you stop farming your land organically before the end of the commitment, the Welsh Assembly Government will recover all payments made in respect of that land under the OFCS scheme, with interest. Furthermore if you are a farmer with additional land you will be required to pay back all of the OFCS commitment payments made to you and may also have to repay Organic Farming Scheme payments made under previous commitments.
- Payments will be recovered with interest on land that is not registered for the duration of the commitment with an OCB.
- Payments will be withheld if a claim is made which is not supported by an original and valid OCB Certificate and Land Schedule at the time of payment.



Section 3

Payment Rates, application process and claiming

How are payments calculated under OFCS?

Payments are calculated annually in respect of each field parcel claimed on the SAF, taking into account the eligible area, land use category and crop declared on the SAF.

What are the Land Use Categories?

There are 7 land use categories:

1. Horticultural crops

Land used for cultivating fruit and vegetables.

2. Fruit Trees

3. Arable rate 1

Land used for cultivating crops such as wheat, beans or maize, as will be declared on the 2010 SAF.

4. Arable rate 2

Field parcels declared on the SAF 2009 as an arable crop (see annex 2 for a list of arable crops), which will then be claimed as temporary grassland or clover (red or white) only on the 2010 and 2011 SAF.

5. Grassland

Land used for permanent and/or temporary grass lays.

6. Extensive Grassland

Areas of:

- coastal belt / salt marshes
- bracken / scrub
- sole grazier common land
- permanent grass land over 10ha in the Severely Disadvantaged Areas

Extensive grassland which has been split to attract the higher payment rate will not be permitted. In addition, offers of commitment may be withdrawn if the Welsh Assembly Government deems that a parcel has been subdivided to circumvent the rules. Furthermore, reductions and exclusions will be applied as outlined within your scheme rules, if applicable.

7. Grazed woodland

Woodland used for grazing stock.

Where can I find a list of OFCS eligible crop codes

The list of eligible crops and the crop codes are provided annually with the SAF

What are the annual payment rates?

	In conversion £/ha
Establishment Payment	1,000
Horticultural crops	150
Fruit Trees	200
Arable Rate 1	160
Arable Rate 2	350
Grassland	110
Extensive Grassland, including sole grazier common land	12
Grazed woodland	12

Payments will be restricted to 20 ha on Horticultural crops and 300 ha on Arable and Grassland. This includes any horticultural crop payments. For example if you receive 20ha payment for horticulture the maximum payment eligible under the arable & grassland combined would be 280ha.

If your application is successful, your annual payments will be restricted to the area of Land Use Category approved on your application and validated against your original OCB Certificate.

How do I apply to join the scheme?

- You must complete and submit an OFCS Application form, which is available from your Divisional Office (listed at annex 1) or the Welsh Assembly Governments website.
- If you are an existing commitment holder wishing to bring additional land into the scheme, then you must complete an application form.
- A fully completed application form, and an acceptable organic conversion plan, must be received by the Welsh Assembly Government by no later than 30th September 2009. Application forms and plans received after this date will be rejected.
- It is your responsibility to ensure that your application form and an acceptable conversion plan are received by the Welsh Assembly Government by no later than 30th September 2009.

Please note if offered a commitment you must submit your first original OCB certificate and land schedule by no later than 31st March 2010.

What should I include in my conversion plan?

In order for the conversion plan to be accepted by the Welsh Assembly Government, it must cover the following sections:

1. The current farming system, including livestock details and cropping.
2. The organic farming system plan, including livestock details and cropping.
3. Livestock management system.
4. Livestock herd/ flock health plan.
5. Rotation of crops, including a list of parcels (same sheet and reference numbers as registered with the Welsh Assembly Governments LPIS, and as entered on your SAF) and proposed crops.
6. Crop pest and disease control plan.
7. Manure management plan.

- If your conversion plan does not provide sufficient detail on the above sections, your application will be rejected.
- The OCIS service can help in the preparation of an outline conversion plan.
- The OCIS visit report is not deemed to be an acceptable conversion plan.

What happens after I have submitted my application?

You will receive a letter, no later than the 1st December 2009, informing you whether or not your application has been approved. If successful, this letter will include an Acceptance form and a copy of the Scheme Rules.

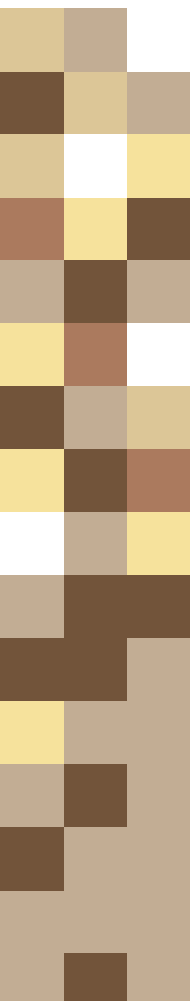
If you have not received a letter by 1st of December 2009, contact your Divisional Office immediately.

Your commitment is subject to you:

- Signing and returning the acceptance form to the Welsh Assembly Government, confirming you have understood the contents and requirements set out in the offer letter and scheme rules, by 15th December 2009.
- Submitting an original and valid OCB Certificate and Land Schedule, with the same sheet and reference numbers as registered with the Welsh Assembly Governments LPIS, by 31st March 2010.
- Claiming payment on your 2010 SAF.

What must I do to receive payment?

- Have entered into an OFCS commitment and met the eligibility requirements, and scheme rules.
- Submit an annual SAF claiming payment on eligible field parcels under commitment.
- Claims for payments must be received by the Welsh Assembly Government no later than 15th May each year to avoid late claim penalties
- Submit by 31st March 2010, a valid OCB Certificate and land schedule, and provide a replacement within 21 days of expiry. OCB Certificates and land schedules received after this date



will not be accepted, and offers of OFCS commitments will be withdrawn.

- Not make a false or misleading statement or declaration, or furnish false or misleading information intentionally or as a result of negligence.
- Not artificially create the conditions required to obtain the payments.
- Allow all land to be inspected at a time notified by the Welsh Assembly Government or other authorised persons and provide any document or record that the Welsh Assembly Government or other authorised persons may require.

Payments

You will be paid following successful validation of:

- All Single Application Forms
- All land declared under all Rural Development area based schemes
- Compliance with all Rural Development area based scheme rules.

The Welsh Assembly Government may, following the completion of the administration checks, authorise the annual payment in two instalments.

The Welsh Assembly Government will only make payments by BACS.

If you already receive any agricultural support you will be receiving payment by this method and will therefore not need to do anything else.

If you are a new customer to the Department, you will be required to complete a BACS form which is available from Divisional offices.

Penalties

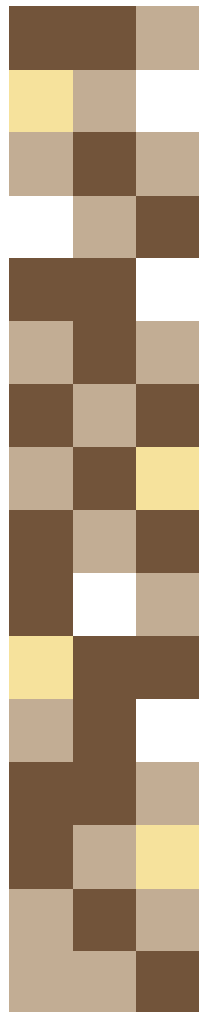
Penalties will be imposed if you submit a late SAF, over declare land, or breach the OFCS rules or the cross compliance requirements.

If you have an Organic Farming Scheme commitment, in certain circumstances the application of penalties may result in the recovery of payments made under that scheme also.

Appeals

The Welsh Assembly Government will try to work through any disputes that you may have. However, if the Welsh Assembly Government cannot do this and you wish to challenge a decision, you can apply to have your case reviewed under the two-stage appeals process for farmers in Wales.

Further details of the appeals process can be obtained from the Welsh Assembly Government Divisional Offices.



Annex 1

Welsh Assembly Government: CONTACTS

Website: www.wales.gov.uk/environmentandcountryside and the GWLAD magazine contain key information on the Organic Farming Conversion scheme and other schemes covered by the Single Application Form

Staff are on hand to provide information and answer queries. Farmer's first point of contact should be the offices in Carmarthen, Llandrindod Wells, and Caernarfon which are open to telephone callers between 08:30 and 17:00 and to visitors between 09:00 and 16:30 Monday to Friday. Contact details are as follows:

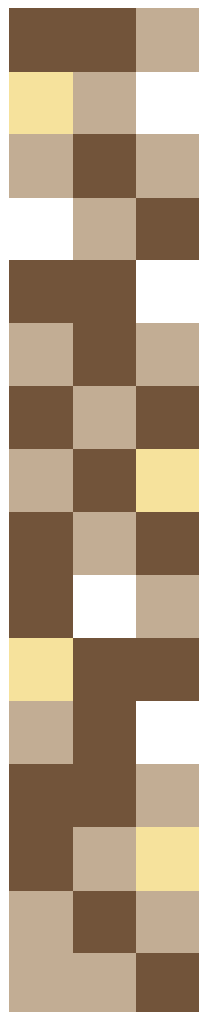
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CARDIFF CF14 5EZ
Tel: 02920 752222
Fax: 02920 681381

Aberystwyth Area Office
Old Welsh School
Alexandra Road
Aberystwyth SY23 1LD
Tel: 01970 621440

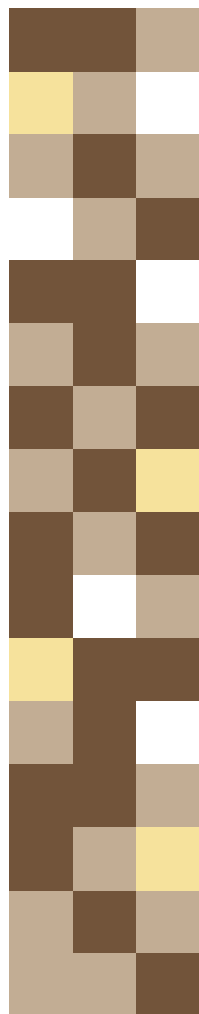


Annex 2

List of arable crop codes

Code	Crop
BA1	BARLEY
BA3	BARLEY(fodder)
BE3	FIELD BEANS
BE8	FODDER BEET
BU1	BUCKWHEAT
CA1	CANARY SEED
FL1	FLAX
HE2	HEMP
HE3	HERBAGE SEED
HE5	HERBAGE SEED(fodder)
KA1	FODDER KALE
LI1	LINSEED
LU1	LUPINS (sweet)
LU2	LUCERNE
MA1	MAIZE
MA2	MANGOLDS
MA4	FODDER MAIZE
MC1	MIXED CEREALS
MF1	MIXED FORAGE
MI1	MILLET
OA1	OATS
OA3	OATS (fodder)
PE1	PEAS (harvested dry)
PE2	FODDER PEAS
PH2	PHARMACEUTICAL CROPS
RA1	RAPESEED
RA5	FODDER RAPE
RA6	FARM SAVED RAPE
RC1	REED CANARY GRASS
RY1	RYE (INC. MESLIN)
SF1	SAIN FOIN
SO1	SORGHUM
SO2	SORGHUM (forage)
SP1	SPELT WHEAT
SU2	SUNFLOWER SEED
SW3	SWEDES (FODDER)

Code	Crop
TR1	TRITICALE
TR6	TRITICALE (fodder)
TU1	TURNIPS (fodder)
TY1	TYPHON
VE2	FODDER VETCHES
WH1	WHEAT
WH2	DURUM WHEAT
WH5	WHEAT (fodder)



Annex 3

Simplified step by step guide to the OFCS application and claim process

Please refer to guide for full eligibility criteria

