



Government Circular No 16/03

THE ORGANIC FARMING SCHEME 2004

Approved by Tynwald on 20th May 2004

Coming into operation on 1st July 2004

1. Citation and commencement

This Scheme may be cited as the Organic Farming Scheme 2004 and shall come into operation on the 1st June 2004.

2. Interpretation

In this Scheme -

“agriculture” includes horticulture, fruit growing, seed growing, dairy farming, livestock breeding and keeping and the use of land for grazing, meadow land, market gardens and nursery grounds, but does not include the use of land for woodlands;

“application” means an application for aid made in accordance with paragraph 10 in respect of one or more organic parcels and “applicant” and “apply” shall be construed accordingly;

“approved” means approved by an inspection authority;

“approved organic sector body” means the United Kingdom Register of Organic Food Standards or such other body as may be approved by the Department;

“authorised person” means a person (whether or not an officer of the Department) who is authorised by the Department, either generally or specifically, to act in matters arising under this Scheme;

“beneficiary” means a person whose application in respect of land comprising one or more organic parcels has been accepted by the Department;

“certificate of registration” means a certificate issued by an inspection authority in respect of an organic parcel specifying the conversion period which applies in relation to that organic parcel, or the date on which that conversion period begins;

“conversion” in relation to an organic parcel, means the conversion of the organic parcel to being fully organic;

“conversion period”, in relation to an organic parcel means the period determined by the inspection authority as the period in which the conversion of that organic parcel is expected to be completed, being a period starting-

- (a) in relation to the first organic parcel registered for conversion, not later than the date of receipt; and
- (b) in relation to any other organic parcel, not later than the fifth anniversary of the date of receipt;

“date of receipt”, in relation to an organic parcel, means the date on which the Department received an application in accordance with paragraph 10 in respect of that organic parcel;

“Department” means the Department of Agriculture, Fisheries and Forestry;

“first organic parcel” means, of all the organic parcels comprised in an application, the organic parcel the conversion period for which begins first;

“ first year means-

- (a) in relation to an organic parcel-
 - (i) in a case where the conversion period in respect of the organic parcel has commenced no later than the date of receipt, the year beginning with the date of receipt; and
 - (ii) in any case, the year beginning with the anniversary of the date of receipt which is the first such anniversary to occur during the conversion period relating to the organic parcel in question; and
- (b) in relation to an organic unit, the first year in relation to the first organic parcel to which an application relates, being the first such application relating to land comprised in that organic unit,

and any reference to any successive year is a reference to the relevant successive year following in sequence from the first year;

“fully organic” in relation to an organic parcel or organic unit means that the inspection authority is satisfied that the conversion of that organic parcel or organic unit is completed;

“grazing year” means any period of twelve months beginning with the date of receipt or any anniversary of the date of receipt;

“holding” means all the production units managed by an applicant;

“inspection authority”, in relation to an organic unit or organic parcel, means the

authority or private inspection body to whom the applicant has applied to carry out inspection functions in relation to that organic unit or organic parcel, and which has been approved by the Department for such purpose;

“land” means land which is used for agriculture;

“landlord”, in relation to the tenant of a holding, means any person who either solely or jointly owns that holding;

“last organic parcel” means, of all the organic parcels which are the subject of an application, the organic parcel the conversion period for which begins last;

“livestock” means any animal or fowl kept for the production of food, wool or skin or for the breeding of any animal for any such purpose;

“livestock undergoing conversion” means livestock which are identified in an approved plan as being in the process of being converted into organic livestock, and which fully conform to those UKROFS standards which apply in relation to the organic farming of livestock undergoing conversion;

“organic farming” means farming by organic methods;

“organic livestock” means livestock that are identified in an approved plan as being livestock that fully conform to those UKROFS standards which apply in relation to the organic farming of livestock;

“organic parcel” means an area of land which comprises the whole or part of an organic unit and which is identified in an approved plan by reference to such system of field numbering as the Department may direct;

“organic unit” means an area of land which comprises the whole or part of a holding;

“owner” means the person who owns the fee simple of the holding;

“phased conversion” means the conversion of a number of organic parcels over a maximum period of 10 years;

“plan” means a schedule in writing specifying, in relation to an organic unit -

- (a) those parcels which have been registered by the inspection authority;
- (b) those parcels which it is intended to register in the future;
- (c) the dates on which such organic parcels have been or (as the case may be) are to be registered; and
- (d) where the plan relates to land on which the livestock are kept, the livestock that are undergoing conversion or are organic livestock;

“specified period”, in relation to an application, means the period beginning with the date of receipt and ending on the expiry of the period of five years from the

date on which the first payment becomes payable in respect of the last organic parcel which is the subject of that application;

“tenant” means a person who occupies a holding or part of a holding under a contract of tenancy for a fixed term of years of which at least 5 years remain unexpired at the commencement of the specified period;

“UKROFS standards” means the standards for organic farming of the United Kingdom Register of Organic Food Standards published in January 1999 by the Ministry of Agriculture, Fisheries and Food and known as UKROFS Standards for Organic Food Production and the additional standards published in August 2000 by the Ministry of Agriculture, Fisheries and Food known as the UKROFS Standards for Organic Food Production-Standards for Organic Livestock and Organic Livestock Products.

3. Aid for organic farming

(1) Subject to the provisions of paragraphs 5, 8 and 9 the Department may make payments of aid in accordance with this Scheme -

- (a) in respect of an organic parcel, to any person who is a beneficiary in respect of that organic parcel; and
- (b) in respect of an organic unit, to any person who is a beneficiary in respect of an organic parcel comprised in that organic unit,

provided that, in relation to any payment in respect of any given year, the beneficiary has made a claim for payment in respect of that year in accordance with paragraph 10, and has supplied such further information and evidence in relation to that claim as the Department reasonably may direct to be supplied.

(2) If, following the receipt of an application made in accordance with paragraph 10 and such information and evidence as the Department reasonably may direct to be supplied, it appears to the Department that the applicant satisfies the conditions of eligibility specified in paragraph 5 in respect of all, some or any one of the organic parcels that are the subject of that application the Department shall, subject to paragraphs 5, 6, 7, 8 and 9 accept the application with respect of the eligible organic parcel or parcels and notify the applicant in writing of the acceptance and the date from which aid shall become payable in respect of the eligible organic parcel or parcels.

(3) A claim for the payment of aid shall be made at such time as the Department may reasonably direct.

(4) Payment of aid made by the Department to a beneficiary pursuant to this Scheme may be made at any time during the year in respect of which the payment in question is to be made.

4. Determinations of Amounts of aid and periods for which aid is paid

(1) Subject to the provisions of the Scheme, where a beneficiary is entitled to the payment of aid, the aid shall be paid in respect of the following periods -

- (a) in respect of an organic parcel, five years -

- (i) in the case of the first organic parcel, beginning with the date of receipt; and
- (ii) in any other case, beginning with the anniversary of the date of receipt which is the first such anniversary to occur during the conversion period relating to the organic parcel in question; and
- (b) in respect of an organic parcel which is already in conversion at the time of application 4 years starting from the date of receipt of the application.
- (c) in respect of an organic parcel which has already been converted at the time of application 5 years starting from the date of receipt of the application.
- (d) in respect of an organic unit, three years beginning with the date of receipt of the first application relating to land comprised in that organic unit.

(2) The amount of aid payable under paragraph (1)(a) and (b) shall be determined in accordance with Part I of Schedule 1; the amount of aid payable under paragraph 1 (c) shall be determined in accordance with Part II of Schedule 1; the amount of aid payable under paragraph 1 (d) shall be determined in accordance with Part III of Schedule 1 provided that such rates may be varied by the Department with the prior concurrence of Treasury.

5. Eligible Applicant

To be eligible for inclusion in the Scheme an applicant must –

- (a) be the lawful occupier of the land included in any application either as an owner or tenant. A tenant will be required to provide the Department with the written consent of the landlord or landlords to include any land in the Scheme;
- (b) have registered a conversion plan with an approved organic sector body and received a certificate of registration from that body;
- (c) hold a certificate from an approved organic sector body confirming that the inspection authority has approved a plan relating to the whole of the organic unit, comprising the organic parcel to which the application relates;
- (d) give the undertakings mentioned in paragraph 7 in support of his application.

6. Eligible Land

(1) Applications may be made –

- (a) for a single organic parcel;
- (b) for a series of organic parcels as part of a phased conversion plan. If

conversion is to be phased, application for the last organic parcel must be made no later than 5 years from the date of entry into the Scheme of the first organic parcel;

- (c) for an organic unit which comprises whole or part of a holding registered with the Department.

(2) An organic parcel must comprise a minimum of 2 acres being part of a holding but sufficient in size to be considered as supporting a viable sustainable organic enterprise to the satisfaction of the approved organic sector body and the Department.

7. Undertakings

An applicant shall be required to give the following undertakings in support of any application -

- (a) before claiming aid in respect of any organic parcel, to furnish to the Department a certificate of registration in respect of that organic parcel;
- (b) for the duration of the specified period -
 - (i) to retain a certificate of registration in respect of each organic parcel on which aid has been claimed;
 - (ii) to farm the land that is the subject of his application, and such part of the organic unit comprising that land as at any given time is being farmed by organic farming methods, in accordance with the proposals set out in his application and with UKROFS standards and the standards set out in Schedule 2;
 - (iii) to ensure that no livestock other than organic livestock or livestock undergoing conversion are grazed on his organic unit for more than 120 days in each grazing year unless with the prior written agreement of the Department;
 - (iv) to ensure that any such organic livestock undergoing conversion which are kept on his organic unit are kept in accordance with UKROFS standards; and
 - (v) where, at the date of his application, the applicant has introduced organic farming on a part of his holding other than the part which is the subject of the application, to ensure that that other part conforms to UKROFS standards and he continues with organic farming on that other part of his holding, in accordance with UKROFS standards and the standards set out in Schedule 2; and
- (c) to complete the conversion of each organic parcel no later than the fifth anniversary of the date on which the conversion period in respect of the organic parcel in question begins.

8. Restrictions on acceptance of applications

- (1) The Department shall not accept an application unless-
 - (a) it is accompanied by a certificate of registration given by the inspection authority in respect of the first organic parcel; and

- (b) it contains a declaration by the applicant that the inspection authority has approved a plan relating to the whole of the organic unit comprising the organic parcel to which the application relates.

(2) The Department shall not accept an application for aid under this Scheme for a new organic parcel unless it is made within six months of the date on which a certificate of registration is first issued by the inspection authority in respect of the first organic parcel.

(3) The Department shall not accept an application from an applicant who occupies his holding as a tenant unless the applicant has satisfied the Department that he has notified his immediate landlord, in writing, of the making of such an application.

9. Restrictions on payment of aid

(1) In respect of a new organic parcel aid shall not be payable in respect of an application in respect of any period before the date of receipt.

(2) No payment of aid shall be made in respect of an organic parcel until the Department has received a certificate of registration in respect of that organic parcel.

(3) Where an application in respect of an organic parcel as part of a phased conversion plan is accepted before the date on which the conversion period in respect of that organic parcel begins, no payment of aid in respect of that organic parcel shall be made in respect of any period beginning before the anniversary of the date of receipt which is the first such anniversary to occur during that conversion period.

(4) Aid shall not be payable under Part II of Schedule 1 in respect of any organic parcel in respect of any period beginning more than five years after the date on which the first payment of aid became payable in respect of that organic parcel.

10. Form and content of application

An application and a claim for payment shall be made in writing and in such form, and shall be accompanied by such information, as the Department reasonably may direct.

11. Amendment of approved plan

No amendment to a plan approved by an inspection authority shall have effect unless such amendment has been approved by the inspection authority.

12. Obligation to keep records

An applicant shall keep for the duration of the specified period any correspondence or any other records relating to any document mentioned in paragraph 10, and any records relating to his farming of any land in accordance with his undertakings under this Scheme.

13. Determination of Land Type

The Department shall at its discretion determine the category or categories of land type for which application is made as an organic parcel or organic unit in accordance with the land types outlined in Schedule I

14. Review and Appeal in Relation to Land Type

(1) Where an applicant is notified in writing of the Department's decision under the provisions of paragraph 3(2) and considers that the Department has not taken one or more factors into account or given due weight to one or more factors in making its decision, the applicant may, within 14 days of the date of notification, request the Department to review its decision, stating the grounds on which the review is requested.

(2) The Department shall review its decision within 14 days of the applicant's request and shall notify the applicant of its decision on review in writing.

(3) If an applicant remains dissatisfied with the Department's decision on review, the applicant may, within 14 days of the date of notification, make an appeal to the Minister and Chief Executive, stating the grounds on which the appeal is made.

(4) The Minister and Chief Executive shall consider an appeal within 14 days of the applicant's written appeal and shall notify the applicant of their decision in writing.

15. Obligation to permit entry and inspection

(1) An applicant shall permit an authorised person, accompanied by such other persons acting under his instructions as appear to that authorised person to be necessary for the purpose, at all reasonable hours and on production of evidence of his authority, if so required, to enter upon any part of the applicant's holding for the purposes of -

- (a) inspecting any land forming part of an organic unit or any document or record in the possession or under the control of the applicant relating to, or which the authorised person may reasonably suspect relates to, any document referred to in regulation 9, with a view to verifying the accuracy of any particulars given therein, or in relation thereto;
- (b) ascertaining whether the applicant has duly complied with any undertaking given by him under this Scheme; or
- (c) determining the category of land of the Organic parcel in accordance with the land types set out in Schedule 1.

(2) An applicant shall render all reasonable assistance to an authorised person in relation to the matters mentioned in paragraph (1) and in particular shall -

- (a) produce such document or record as may be required by the authorised person for inspection;
- (b) permit the authorised person to take copies or extracts from any such document or record; and
- (c) at the request of an authorised person, accompany him in making an inspection of any land and identify any area of land to which any application or any undertaking relates.

(3) Paragraphs (1) and (2) shall apply in relation to a beneficiary as they apply in relation to an applicant.

16. Withholding and recovery of aid, termination and exclusion

(1) Where any person, with a view to obtaining the payment of aid to himself or any other person, makes any statement or furnishes any information which is false or misleading in a material respect, the Department may withhold the whole or any part of any aid payable to that person or to that other person and may recover the whole or any part of any such aid already paid to that person or to that other person.

(2) Where a beneficiary -

- (a) fails to comply with any undertaking given by him under this Scheme;
- (b) fails without reasonable excuse to permit entry and inspection by an authorised person or to render all reasonable assistance to such authorised person as required by paragraph 13(2); or
- (c) fails to comply with any other requirements of this Scheme,

the Department may withhold the whole or any part of any aid payable to that beneficiary and may recover the whole or any part of any aid already paid to him.

(3) Where the Department takes any step specified in paragraph (1) or (2) it may also treat as terminated any entitlement of the beneficiary to the payment of aid under this Scheme.

(4) Any dispute between the Department and an applicant, beneficiary or other person in relation to a matter arising under this Scheme shall be referred to and determined by a single arbitrator to be agreed between the parties or in default of such agreement to be appointed by the President of the Isle of Man Law Society for the time being in force.

Schedule I

Part I

Payment in respect of an Organic parcel.

1. Arable land and fruit.

- a) in the first year; £95 per acre
- b) in the second year; £95 per acre
- c) in the third year; £55 per acre
- d) in the fourth year; £30 per acre
- e) in the fifth year; £20 per acre

2. Improved land

- a) in the first year; £60 per acre
- b) in the second year; £60 per acre
- c) in the third year; £30 per acre
- d) in the fourth year; £30 per acre
- e) in the fifth year; £20 per acre

3. Unimproved land/Rough grazing -

- a) in the first year; £5
- b) in the second year; £5
- c) in the third year; £5
- d) in the fourth year; £3
- e) in the fifth year; £3

Part II

Payment for a period of 5 years of an Organic parcel already converted.

- 1. Arable land and fruit; £20 per acre
- 2. Improved land; £12 per acre
- 3. Unimproved land/rough grazing; £2 per acre

Part III

Payment in respect of an organic unit as a whole

- (a) in the first year; £300
- (b) in the second year; £200 and
- (c) in the third year; £100

In this part –

“arable land” means land which has been registered with the Department for the purpose of the Arable Area Payment Scheme 2002;

“fruit” means trees for the production of apples, pears, cherries and plums;

“improved land” means land designated by the Department as being permanent pasture and where the grass sward shall contain at least 30% ground cover of perennial ryegrass, Timothy, Cocksfoot, White Clover or any combination thereof and includes any land other than arable land and unimproved rough grazing land;

“unimproved land/rough grazing” means land designated by the Department as not suitable for cash cropping.

paragraph 7

SCHEDULE 2

Standards to be observed

- 1. The main beneficiary shall not plough, reseed or improve, by use of drainage, manures or liming agents, any heathland, grassland of conservation value, (including species-rich grassland,) or rough grazing. The beneficiary shall not graze any such semi-natural habitats so as to cause poaching, over-grazing or under-grazing affecting the conservation value of such habitats.

2. The beneficiary shall avoid localised heavy stocking in the nesting season on areas of semi-natural vegetation, including heathland, species-rich grassland and rough grazing.
3. The beneficiary shall not carry out field operations, such as harrowing and rolling, on species-rich grassland or rough grazing during the nesting season.
4. The beneficiary shall not cultivate or apply fertilisers to the land within 1 metre of any boundary features, such as fences, hedges or walls.
5. The beneficiary shall retain traditional farm boundary features, for example hedges and walls. He shall carry out hedge-trimming in rotation, but not between the 1st March and the 31st August. The beneficiary shall maintain any stock-proof boundaries, using traditional methods and materials.
6. Ditch maintenance shall be carried out in rotation, but not between the 1st March and the 31st August.
7. The beneficiary shall maintain streams, ponds and wetland areas.
8. The beneficiary shall retain any copses, farm woodlands or groups of trees.
9. The beneficiary shall ensure that in farming the land he does not damage, destroy or remove any feature of historical or archaeological interest .
10. The beneficiary shall abide by the Code of Good Agricultural Practice for the Protection of Water published by the Department of Agriculture, Fisheries and Forestry.

MADE

2004

J Rimington

Minister for Agriculture, Fisheries & Forestry

EXPLANATORY NOTE

(This note is not part of the Scheme)

This Scheme provides for the payment of aid to farmers who propose to undertake or have undertaken organic farming methods and comply with specified environmental management conditions.

To be eligible farmers must have a plan to convert land to organic status approved by a body sanctioned by the United Kingdom Register of Organic Farm Standards and agree to farm such land to organic standards. A minimum of 2 acres is required to enter into the scheme.

Aid is available through a degressive annual payment per acre for a 5 year period for land already converted and for land proposed to be converted. Additional lump sum payments per organic unit are available by an annual payment for a 3 year period.