

# **The Farm Sustainability (Transitional Provisions) Regulations (Northern Ireland) 2025**

**REGULATORY IMPACT SCREENING**

**January 2025**



Department of  
**Agriculture, Environment  
and Rural Affairs**

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**Name of Department:**

Department of Agriculture, Environment and Rural Affairs

**Name of the policy:**

Farm Support and Development Programme – The Farm Sustainability (Transitional Provisions) Regulations (Northern Ireland) 2025

**Policy Objectives:****Farm Sustainability Transition Payment**

The Farm Sustainability Transition Payment (FSTP) forms part of the Farm Support and Development Programme. FSTP will replace the current Basic Payment Scheme (BPS) and will provide a vital safety net payment for farm businesses. FSTP will also provide a transition from BPS to the implementation of the Farm Sustainability Payment (FSP) in 2026. FSTP is expected to attract approximately 24,000 applications annually.

FSTP is expected to operate for one year and then be replaced by the full FSP. Legislation to give legal effect to FSP will be subject to a separate regulatory impact screening in due course.

To ensure FSP when it is introduced in 2026 is directed towards farm businesses actively engaged in agricultural activity this SR legislates that businesses that did not meet specific agricultural production levels during an historic reference period, set by DAERA as 2020 and 2021 will not be eligible. The historic years requirements will not apply to an applicant who has set up a new farm business in any year following 2021.

Those no longer eligible for FSP will be able to transfer the entitlements that they currently hold, if they choose to do so, by the closure of the 2026 entitlement trading window (15 May 2026). Entitlements not transferred by this date will expire.

These businesses however may be eligible to apply for other funding streams being developed under the Farm Support and Development Programme such as the Farming with Nature Scheme.

**Hemp**

Land on which certain categories of hemp is grown is currently eligible for BPS and will continue to be so for FSTP and FSP. DAERA, as a Paying Agency for BPS, is required by legislation to analyse the Tetrahydrocannabinol (THC) content of hemp under Article 9 of EU Regulation 639/2014.

The Department of Health licenses the growing of low THC hemp varieties in Northern Ireland. The unlicensed production of hemp is a criminal offence. DAERA does not play a role in licensing or controlling the production of hemp. Given that the growing of hemp is already controlled within Northern Ireland, it is not necessary for DAERA to continue to test THC levels in a crop going forward for the purpose of establishing the eligibility of the land on which it is being grown for FSTP or FSP.

This has been agreed with DoH.

The Regulation, therefore, introduces an easement by removing the requirement to sample hemp as part of the control process for FSTP from the date this legislation comes into effect. However claimants will still be required to hold a current licence to grow hemp and supply original seed labels upon request to the Department.

### **Reinstatement of Active Farmer Definition**

Farm businesses currently in receipt of BPS must be actively engaged in agricultural activity and meet the active farmer definition. This will continue for FSTP and FSP.

An active farmer is currently defined as “the person having decision-making power, benefits and financial risks in relation to the agricultural activity on the land for which activation (payment) of entitlements is requested”. Agricultural activity includes the production, rearing or growing of agricultural products, including harvesting, milking, breeding animals, and keeping animals for farming purposes, and / or maintaining an agricultural area in a state which makes it suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machineries.

The active farmer definition was removed from legislation by The Rules for Direct Payments to Farmers (Amendment) Regulations 2020 as the provision was spent given that it related to establishment of entitlements in 2015. However, the recital containing the provision remains and it continues to be applied by DAERA. For legal certainty it is desirable to express it in legislation. These Regulations reinstate the active farmer definition into law. The Regulations also introduce the following policy changes to enable the continued roll out of the Farm Support Development Programme.

### **Young Farmer Payment / Regional Reserve**

The Regional Reserve (RR) and Young Farmers’ Payment (YFP) were introduced as compulsory schemes for EU Member States to implement as part of the 2015 CAP Reforms to encourage generational renewal within the agricultural industry.

The YFP provides an annual top-up to the BPS to those farmers who meet its eligibility requirements. The RR is used to provide entitlements for Northern Ireland farmers under the BPS in certain situations. The RR enables DAERA to allocate entitlements or to top up existing entitlements to the Regional Average Value (RAV) of entitlements for certain categories of farmers. It is used to allocate payment entitlements to Young Farmers (YFs) and New Entrants (NEs). DAERA may also use it to award entitlements to farmers who were prevented from being allocated entitlements as a result of a force majeure/exceptional circumstances (FM/EC) incident and farmers eligible for revised entitlements following a court ruling or administrative act by DAERA.

The importance of generational renewal is recognised within the Farm Support and Development Programme. Going forward the Farming for the Generations Scheme, included within the Farm Support and Development Programme will be the policy instrument to support generational renewal. This new scheme rather than focusing

on purely financial incentives is designed to take a holistic approach to generational renewal which supports the intergenerational needs of the farm family, thereby facilitating a smooth and planned transition and supporting the long-term sustainability of the farm business.

The Regulations therefore establish 2025 as the final year for new applications to YFP. Successful applicants to YFP in 2025 will receive the YFP top-up payment for five years. 2025 will also be the final year that NEs and YFs can obtain entitlements from the RR.

NEs and YFs will retain the right to buy or lease entitlements to allow them access to FSP.

### **Regional Ceiling**

The Regulations remove reference to the total ceiling for Northern Ireland from Regulation (EU) No.1307/2013 of the European Parliament and Council of 17 December 2013 and allows DAERA to determine the ceiling for each scheme year prior to the commencement of payments. The Regulations remove the requirement for DAERA to publish this ceiling and also provide the power to DAERA to make additional payments to BPS, FSTP or FSP eligible farm businesses in a scheme year, if required.

### **Beef Carbon Reduction Scheme**

The Regulations amend The Beef Carbon Reduction Scheme Regulations (Northern Ireland) 2023 to include reference to BPS, FSTP and FSP under the eligibility for payment requirements for that scheme.

Screening Questions	Response to Screening Questions		Full Impact Assessment Required		Justification / Key issues and groups to focus on
	Yes	No	Yes	No	
Is the policy or amendment to the policy likely to have a direct or indirect impact on businesses?	x			x	<p>FSTP is intended to provide a transition from the current direct payments system to FSP which is conditional on the delivery of wider public benefits such as climate change mitigation and enhancing biodiversity.</p> <p>To ensure FSP when it is introduced in 2026 is directed towards farm businesses actively engaged in agricultural activity the Regulations legislate that businesses that did not meet specific agricultural production levels during an historic reference period, set by DAERA as 2020 and 2021 will not be eligible for FSP.</p> <p>The Regulations also introduce a number of additional policies to enable the continued roll out of the Farm Support and Development Programme.</p> <p>Schemes under the Farm Support and Development Programme, including FSTP and FSP, will be available to all farm businesses meeting the eligibility requirements. Therefore, the wider programme and FSTP and FSP specifically are anticipated to have a positive direct impact on eligible farm businesses.</p>
Is the policy or amendment to the policy likely to have a direct or indirect impact on the voluntary / community sector?		x		x	

CONCLUSION			x	<p>FSTP and FSP are intended to provide payments to farm business most at risk from shocks outside their control.</p> <p>It is therefore unlikely that there will be any mandatory costs, savings or administrative burdens placed on NI farm businesses. Rather FSTP and FSP are anticipated to have a positive direct impact on eligible farm businesses.</p> <p>For these reasons, a full Regulatory Impact Assessment has been screened out</p>
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**When is regulatory impact assessment required?**

If the answer to any of the above is yes, consideration should be given to undertaking a Regulatory Impact Assessment. However, the level of appraisal should be proportionate to the costs involved. A Regulatory Impact Assessment is not required for:

- I proposals which impose no costs or no savings, or negligible costs or savings on business, charities, social economy enterprises or the voluntary sector;
- II increases in statutory fees by a predetermined formula such as the rate of inflation; or
- III Road closure orders.

**APPROVAL and  
AUTHORISATION**

<b>Screened by:</b>	<b>Position/Job Title</b>	<b>Date</b>
Lorna Christie	Grade 7 Farm Sustainability and Development Policy Branch, Agricultural Policy Division	24 September 2025

<b>Approved by:</b>	<b>Position/Job Title</b>	<b>Date</b>
Martin McKendry	Grade 3	