

GUIDE TO 2021 COVID 19 POTATO SUPPORT SCHEME

INTRODUCTION

This Guide explains the background and eligibility criteria for the 2021 COVID 19 Potato Support Scheme.

BACKGROUND

The DAERA Minister, Edwin Poots MLA, responded to concerns raised by industry stakeholders about the depressed market conditions and need for financial support in respect of the 2020 crop. This was due to lack of demand from the food service and hospitality sector caused by a prolonged period of Covid-19 lockdown.

TARGETED SUPPORT

The target audience for the 2021 Covid-19 Potato Support scheme will be those farmers growing potatoes for the processing supply chain including specialist seed producers. Growers who have been unable to sell their potatoes as normal into the processing supply chain, and have sold surplus tubers for livestock feed, as raw material for AD plants or to a starch production facility can make a claim for loss to the Covid-19 Potato Scheme.

The scheme has been designed to ensure evidence based targeted support and reduced levels of bureaucracy to support claims.

This will be achieved in two ways:

1. DAERA inspectors quantified stocks of unsold potatoes in all farm stores during late May / early June, and verified that they were unacceptable for the processing market. Growers can subsequently utilise these potatoes for stock feed on their own farm or sell them to other farmers / AD plants without having to present further evidence of sales. Potatoes held in cold stores that remain unsold by mid / late July will require a second inspection to verify loss.

2. In cases where potatoes have been sold for stock feed or as raw material for an AD plant, between 1 March and the date of a DAERA verification inspection, or by 31st July if no verification inspection took place, paper based evidence of sales (invoices and bank statements) will be accepted.

Invoiced sales of these eligible potatoes should state the tonnage, value and date of sale. Associated proof of payment shown on a bank statement is required and if more than one cheque is lodged together then please provide a copy of the lodgement slip or submit your records to explain the breakdown of the lodgement.

POTATO PROCESSING

Potato processing is defined as the preparation of convenience potato products which are primarily made by washing, peeling, size reduction and the removal of defective matter. Subsequent steps may involve a wide combination of heat treatments, cooling processes, dehydration steps, frying systems or freezing stages. The final product is then packaged and stored appropriately.

ELIGIBLE FARM BUSINESSES:

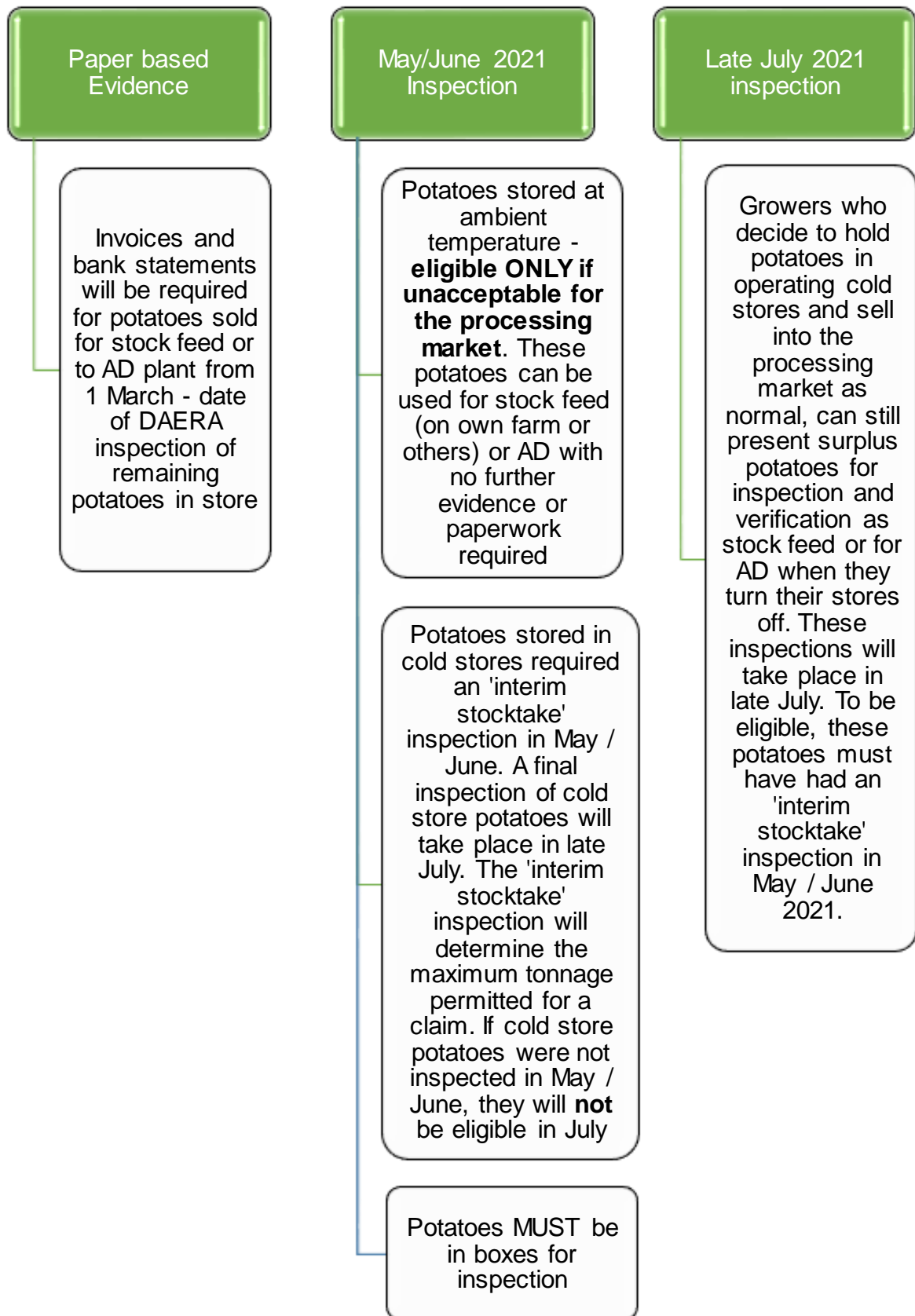
- those who met the eligibility criteria for the 2020 scheme (those who received a payment) are automatically eligible farm businesses for the 2021 scheme;
- other growers must be able to demonstrate that they have produced and sold potatoes to the processing market in one of the last 4 years during the period 1 September to 31 July, by producing verifiable evidence (e.g. invoices and bank statements as proof of payment);
- new entrants will also require verifiable evidence of producing potatoes for the processing supply chain from their processor / customer to determine eligibility.
- growers of seed potatoes must be listed on the '2020 Potato Crop Register' (<https://www.daera-ni.gov.uk/publications/2020-potato-crop-register>), and declare that the varieties grown and presented for the scheme were grown specifically for the potato processing supply chain.

- if the farm business is linked to a potato processing business, there must be clear separation of financial transactions between each business.

ELIGIBLE POTATOES

- must be grown in Northern Ireland in 2020;
- must be potatoes intended for the potato processing supply chain;
- must have been grown (incurred growing costs) and belong to the farm business, and be in a store located in NI if seeking an inspection of unsold potatoes;
- must be used as stock feed, as raw material to an AD plant, to a starch production facility or disposed in line with the Codes of Good Agricultural Practice and / or Agricultural Waste Guidance if normal market outlet cannot be found during the period **1 March 2021 to 31 July 2021**;
- must be specific varieties of seed potatoes destined for the processing supply chain: i.e. Cara, Endeavour, Lilly, Edison, Maris Piper, Miranda, Opal, Peela, Red Cara, Rose Garden, or Up-To-Date ;
- must be verified for the support scheme following a DAERA inspection or through paper evidence as outlined below.

VERIFICATION OF ELIGIBLE POTATOES



DISPOSAL OF POTATOES

Potatoes that have not been sold from the farm must be disposed of in line with the Codes of Good Agricultural Practice and / or Agricultural Waste Guidance.

These potatoes can be placed in the farmyard midden but must be covered – either with waste (silage/manure) or a plastic cover. You must ensure there is no regrowth on the potatoes to mitigate the risk to plant health. The run-off must be collected and the subsequent waste treated as per Codes of Good Agricultural Practice:

<https://www.daera-ni.gov.uk/sites/default/files/publications/dard/code-of-good-agricultural-practice-2008.pdf>

If you wish to spread the potatoes on land then you require an exemption. Historically exemptions were listed on the SAF form so if you ticked the box pre 2016 then you are already registered. If not then you can apply for Exemption 47B: Deposit of plant tissue at the place of production. This can be found in the Agricultural Waste Guidance 2016:

<https://www.daera-ni.gov.uk/publications/agricultural-waste-guidance-2012>

SCHEME REGISTRATION AND INSPECTION

Most growers will have already registered their interest in the Scheme by completing the online 'Expression of Interest' application form in May/June and requesting an inspection of potatoes in store. This element of the scheme opened on 26 May 2021 and closed on 11th June 2021.

A final inspection of the cold store potatoes will take place between 14th and 31st July. These businesses have been contacted in early July and asked to complete a further 'Expression of Interest' form to request the second inspection or declare that potatoes have all been sold.

Other growers who have not already completed an 'Expression of Interest' application may apply provided they can provide sufficient evidence of sales and loss to meet the eligibility criteria for the scheme.

JULY POTATO INSPECTION AND VERIFICATION

DAERA inspectors will contact you following submission of the July 'Expression of Interest' form and make an arrangement to visit your farm. Potatoes presented for inspection must be in boxes and inspectors may ask for boxes to be moved within the store to improve accessibility.

Potatoes will be assessed to determine the amount of degradation that has taken place and acceptability for the processing market. To be verified as eligible for the scheme potatoes should feel soft or spongy, have wrinkled skin and exhibit buds. Surplus potatoes must only be presented for inspection and verification when cold stores are turned off. If these conditions are not met, a repeat inspection will be organised by the inspector at a later date.

RATE OF SUPPORT

The payment rate per tonne for potatoes presented into the scheme will be £127/t. This is the difference between the DAERA assessed local cost of production £147/t, and the stock feed market price of £20/t.

In 2020, growers received 80% of the verifiable loss as a contribution toward losses incurred. Since potato growers have faced significant loss for the second year in succession, 100% of the verifiable loss will be provided in 2021 (i.e. £127/tonne).

The maximum amount of Agricultural Commodities (Coronavirus) (Income Support) paid to a farm business for 2020 and 2021 combined will be £210,124. DAERA has secured a budget of up to £2m for the Covid-19 Potato Support Scheme.

SCHEME OPENING

The 2021 COVID-19 Potato Support Scheme opens on **Wednesday 28th July** and close on **Wednesday 18th August 2021**. The 'Application Form' will be available on the DAERA website at page found [here](#).

HOW TO APPLY

All growers who presented potatoes in cold stores in June MUST submit a further 'Expression of Interest' form in July to initiate an inspection of these potatoes.

Growers will also have to complete an Application Form when the scheme opens formally on Wednesday 28th July 2021. The Application Form will be on the DAERA website along with supporting information and guidance.

Applicants who had a potato inspection in May/June and follow up in July, will be required to e-mail a copy of the report(s) to COVID19.Support@daera-ni.gov.uk before **Wednesday 18th August 2021** (scheme closing date). This is a declaration of the tonnage of potatoes inspected in stores by DAERA officials.

Applicants must also post/ hand deliver all evidence required, e.g. evidence to confirm grower eligibility for the scheme and evidence of financial loss for invoice based sales of potatoes sold for stock feed or to AD in the period 1 March – 31 July. All the supporting documentation should be returned to Agri-food Support Branch, Dundonald House by **4pm Wednesday 25th August.**

Department of Agriculture, Environment and Rural Affairs (DAERA),
Agri-food Support Branch,
Room 518 Dundonald House,
Upper Newtownards Road,
Ballymiscaw,
Belfast
BT4 3SB

State Aid

State Aid is defined by the European Commission as an advantage in any form whatsoever conferred on a selective basis to undertakings by national public authorities. In simple terms, this means that governments are not allowed to give an unfair advantage to a business by, for example, giving it money. State Aid is usually

prohibited. But it can be allowed in certain circumstances, for example, during an emergency. Payments under this scheme are considered to be a form of State Aid, and are subject to the conditions of a derogation from EU State Aid rules (where they are applicable to UK authorities) to support the production of and trade in agricultural products pursuant to Article 10.2 of the Northern Ireland Protocol. To ensure parity of support between agricultural product sectors and other Covid-19 schemes, DAERA has made a policy decision that grants from this measure will be subject to a £210,124 support cap.

Previous grants received from schemes using Section 3.1 of the Temporary Framework for COVID-19 and any grants made within the last three fiscal years (current plus the two previous) subject to agricultural de minimis rules under Regulation EU 1408/2013 will be deducted from this maximum support cap as a matter of policy.

You may have received other aid under the COVID-19 Temporary Framework. Below is a list of schemes that apply, but it is not exhaustive. If you have received aid under this framework this will be included in your support cap.

- DAERA Covid-19 Sector Support Schemes,
- Bounce Back Loan,
- NI Executive Covid-19 Grants,

In the application you will be asked to inform us of the amount outstanding on your Bounce Back Loan. The Bounce Back Loan is considered as 'financial support under the Covid-19 Temporary Framework', even though it will be repaid. Due to the favourable conditions associated with both obtaining the loan and the interest payments, the amount borrowed through a Bounce Back loan was considered an advantage to business but was permitted under Section 3.1 of the Temporary Framework to address the impact Covid-19. If you repay a Bounce Back loan before receiving your Letter of Offer for this support scheme, the value of the loan will not be taken into account when calculating the total amount of State Aid and application of the financial cap on support. You do NOT need to repay your Bounce Back Loan if you do not exceed the financial cap so please wait until DAERA calculate the value of

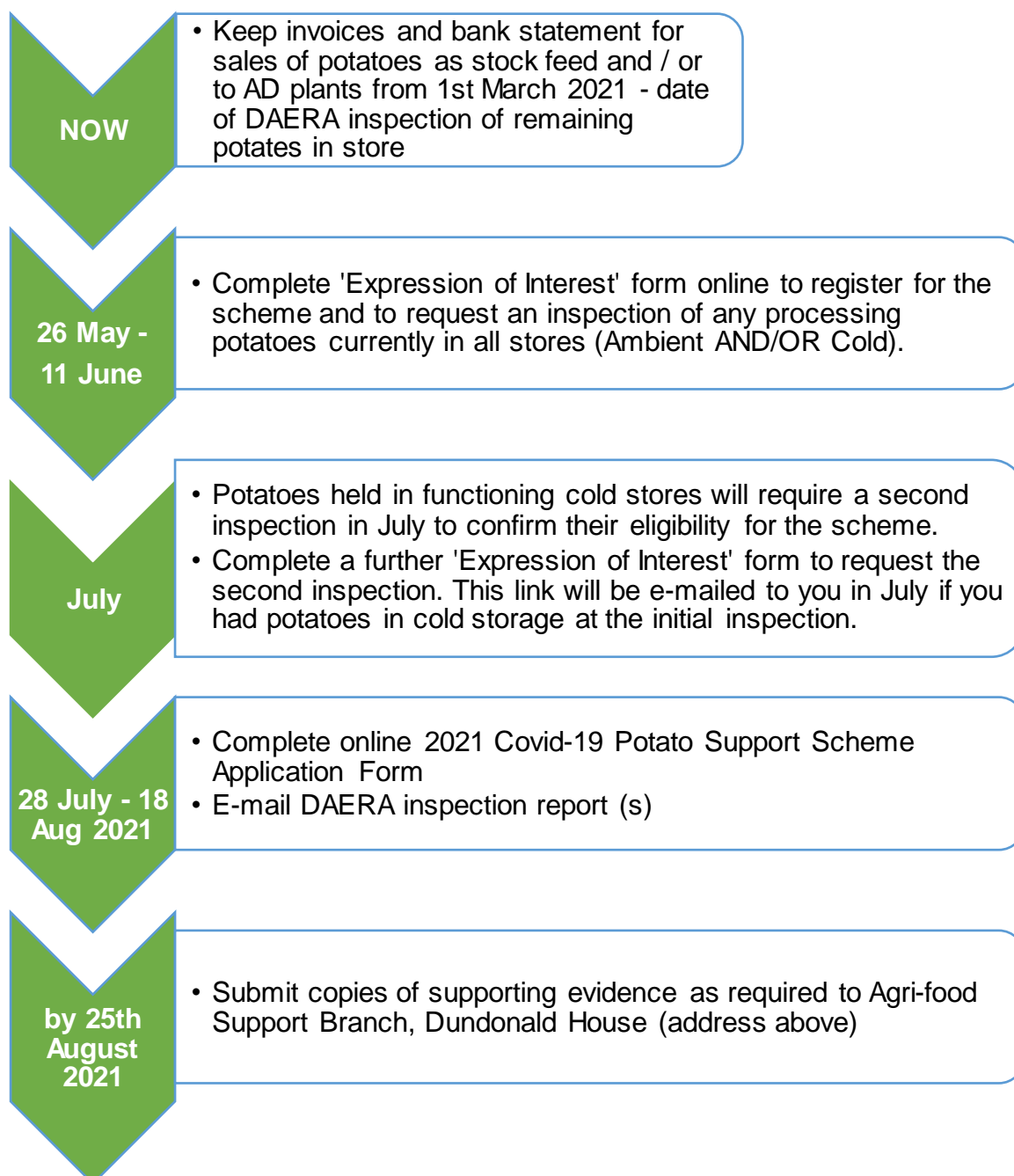
your Potato 2021 scheme. If you are in this position DAERA will be in touch to discuss BEFORE issuing you a Letter of Offer.

Below is a list of schemes that ARE NOT considered State Aid under the Covid-19 Temporary Framework therefore you do not need to consider them for this scheme. The list is not exhaustive.

- Basic Payment Scheme;
- Young Farmer Payment;
- Regional Reserve Scheme;
- Environmental Farming Scheme (EFS);
- Protein Crop Scheme;
- Small Woodland Grant Scheme;
- Farm Woodland Premium Scheme;
- Farm Woodland Scheme;
- Forest Expansion Scheme;
- Self-Employment Income Support Scheme;
- Coronavirus Job Retention Scheme (Furlough Scheme);
- Tuberculosis/Brucellosis Control Scheme.

The derogation from State Aid rules for this scheme is for primary producers only. If your **FARM** business is also engaged in activities that add value to primary agricultural products by changing them in nature, e.g. peeling, chipping, pre-cooking; you should let us know as this may impact your eligibility for support. If the farm business is linked to a potato processing business, there must be clear separation of financial transactions between each business. If you are unsure please e-mail COVID19.Support@daera-ni.gov.uk.

CHECKLIST



HOW TO GET HELP

If you need help or advice please email Covid19.Support@daera-ni.gov.uk or ring 0300 200 7848.

Further information is also available on our website at:

<https://www.daera-ni.gov.uk/articles/Coronavirus-Income-Support-Scheme>