



Isle of Man
Government

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Agricultural Development Scheme

Definition of Active Farmer

Purpose of the policy

This DEFA policy is to provide a single definition as a clear statement of the Department's vision of an active farmer.

Policy

The Department seeks to provide support to agricultural businesses, where the core enterprise clearly consists of "conventional" farming enterprises where the person carrying out the agricultural activity falls within the definition of active farmer given below. However, it is expected that a significant minority of any individual agricultural business may consist of diversified commercial enterprises which are undertaken on-farm and complement the conventional enterprises.

Definition of Active farmer:

"active farmer" means a person who –

- (a) undertakes an activity or activities listed in the definition of "agriculture" in this Scheme; and
- (b) is responsible for the decision making power, benefits and financial risks in relation to the agricultural activity in (a) above; and
- (c) is in possession of records of agricultural type expenses and receipts on which they are the named recipient, and which are readily available for inspection by the Department.

An active farmer is an individual, an equal or senior partner or an equal or major shareholder in a business, who has the decision making power, is responsible for the financial risks normally faced by a farming business and will be the beneficiary in relation to the agricultural activity undertaken on the land which comprises the application. They must have management control of the land. This can be determined by the applicant demonstrating they undertake financial transactions on behalf of the business; such activity should be evidenced by providing specimens of the following records as required.

Assessment

To qualify automatically as an active farmer the applicant will be expected to meet one or both of the following eligibility requirements, as calculated from their census return:

- Their declared stocking/cropping would generate a 520 standard hours labour requirement per annum (standard hours will be from a recognised, independent source and published on the DEFA website).

and/or

- The declared livestock stock numbers would achieve a minimum stocking level of 0.45LU/BML acre on the relevant forage area as outlined in GC 02/13 Countryside Care Scheme - National Reserve Policy

However, where these criteria are not met, additional evidence of farm business activity may be requested by the Department to demonstrate that the claimant would normally fulfil the 'active farmer' criteria.

Additional Evidence to Demonstrate Compliance

Predominantly Stock Farmers:

- Current movement records for stock.
- Current medicine stock and use records.
- Relevant invoices for feed, fertiliser and pesticides if appropriate.
- Evidence of sales of produce and/or livestock.

Predominantly Arable Farmers:

- Relevant invoices for inputs seeds, fertilizers, sprays, etc.
- Evidence of returns from the agricultural activity (sales receipts, etc).

Mixed farms:

- Will be required to provide an appropriate selection from the examples above.

Only receipts obtained by a farmer from their agricultural activities on the farm on which ADS is being claimed are considered for this test. A receipt from working on someone else's holding (as with most agricultural contracting and contract farming) will not be considered a receipt from agricultural activities.

Receipts from the processing of agricultural products are only considered relevant if the product remains in the ownership of the farmer and remains an agricultural product.

Receipts from the breeding of animals (for example, receipts from the selling on of animals after the breeding of the animals) are considered agricultural receipts, irrespective of the nature of the animal or the final use of the animal.

The Department will carefully assess each application received to consider whether the active farmer requirements have been met. The assessment of whether an applicant meets the active farmer requirements will be based on individual circumstances. No decisions will be taken in advance of applications being submitted and no blanket exclusions will apply.

Where there is any doubt as to whether the active farmer requirements have been met, further evidence will be requested. The outcome in each case will depend on the evidence submitted which demonstrates what is happening in practice and not just what may be recorded in writing.

The onus is on the applicant to be able to prove that they are eligible in relation to the land declared on their application. If they are unable to provide satisfactory evidence when asked to show that they meet the scheme requirements, then their application may be rejected.

The following are examples of evidence that may be required:

- Accounts for the farming business prepared by a qualified accountant
- Receipts relating to output and inputs
- Bank statements showing income/expenditure relating to receipts
- Contract Rearing Agreements
- Share Farming Agreements
- Evidence demonstrating that agricultural activity has a different practical and financial outcome compared to renting.
- An explanation of their farming activities, their personal involvement in these and how this can be reconciled with other documentary evidence relating to the farm business

Additional evidence may also be required.

It is important that the claimant can demonstrate that the active farmer requirements are being met on all the land they declare. Attempting to gain Agricultural Development Scheme payments on land on which the claimant undertakes no agricultural activity i.e. where the activity is carried out under the control of another farmer is not allowed, even if the claimant is clearly farming other areas of land which they declare. If crops are being grown on the land, the claimant may need to be able to demonstrate that they are growing and harvesting the crops.

Appeals process

Applicants who are not satisfied with the outcome of the Departments assessment of their eligibility may appeal the decision using the appeals process outlined in the Farmer's Handbook.