Hill Farm Allowance
Explanatory booklet 2006
Review of Hill Farm Allowance (HFA)

With the current England Rural Development Plan (ERDP) drawing to a close at the end of 2006, Defra is now looking at the possibility of a successor scheme under the new draft Rural Development Regulation (RDR) to cover the period 2007-2013. For further information on the new Rural Development Regulation (RDR) use the following link:
http://defraweb/rural/rdrconsultation/default.htm

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NE99 7YQ

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The ERDP provides the framework for the operation of ten separate but integrated schemes offering grants to protect and improve the countryside and to encourage sustainable enterprise and thriving rural economies. The Hill Farm Allowance is one of those schemes, the others are:

- Countryside Stewardship Scheme
- Rural Enterprise Scheme
- Organic Farming Scheme
- Vocational Training Scheme
- Environmentally Sensitive Areas
- Woodland Grant Scheme (now closed to new applicants)
- Farm Woodland Premium Scheme
- Processing and Marketing Grant
- Energy Crops Scheme

Early 2005 will see the launch of two new schemes which will also form part of the England Rural Development Programme: The Environmental Stewardship Scheme is to replace the existing Countryside Stewardship Scheme, Organic Farming Scheme and Environmentally Sensitive Areas. The Forestry Commission’s English Woodland Grant Scheme is to replace the Woodland Grant Scheme and the Farm Woodland Premium Scheme.

You can apply for and receive payments under more than one of these schemes at the same time. Further information on the eligibility requirements for these schemes can be obtained from your local Defra office or found on the Defra website at www.defra.gov.uk/erdp/erdphome.htm.
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1.1 What is the Hill Farm Allowance?
Hill Farm Allowance (HFA) is a scheme which provides dedicated support to beef and sheep producers who farm the English Less Favoured Areas (LFAs). It recognises the difficulties that farmers face in these regions and the vital role that they play in maintaining the landscape and rural communities of the hills. HFA is administered by the Rural Payments Agency (RPA) on behalf of the Department for Environment, Food and Rural Affairs (Defra).

1.2 What are the Less Favoured Areas?
LFAs are areas where the natural characteristics such as geology, altitude and climate make it more difficult for farmers to compete. LFAs were designated under Council Directive 75/268/EEC. Originally two categories of LFA were designated – Mountainous areas and Hill Farming areas, from which the LFA regions were identified using a mixture of physical and socio-economic data.

The original designation criteria are now incorporated within Council Regulation 1257/1999. Maps designed to show the different land classifications are available for viewing on-line at the following address:

www.magic.gov.uk/default.htm

Land coloured pink is severely disadvantaged, whilst the disadvantaged land is coloured blue.

1.3 What are the aims of HFA?
HFA:

- contributes to the maintenance of the social fabric in upland communities through support for continued agricultural land use;
- helps to preserve the farmed upland environment by ensuring that land in the LFAs is managed in a sustainable way.

1.4 What will payments consist of?
HFA payments made in 2006 (referred to as HFA 2006) will be made up of two parts:

- a basic payment per hectare of eligible LFA forage land, paid at different rates for different types of land and size of holding;
- an enhancement of 10% or 20% depending upon additional criteria you are able to meet.

1.5 What is the HFA budget?
£27.2 million is available under the scheme in 2006, 50% of which comes from the European Union.
2.1 Who can claim HFA?
To be eligible for HFA 2006, producers must meet all of the criteria set out below:

- have submitted a Single Payment Scheme (SPS) application form and have indicated at Section L that they wish to claim HFA, by 16 May 2005;
- have a minimum of ten hectares of eligible LFA forage land (this may include a share of common land);
- keep breeding sheep and/or breeding cows (which satisfy the relevant criteria, which are explained at paragraph 2.8);
- stock at a minimum of 0.15 livestock units per hectare (LU/ha) (or less if they have an agri-environment or other agreement that restricts their stocking density further);
- follow Good Farming Practice (GFP), outlined in Annex B;
- undertake to keep at least ten hectares (three hectares under Hill Livestock Compensatory Allowance (HLCA)) of land situated in a Less Favoured Area in agricultural production, continuously, for five years, from the date of the first payment of LFA support (i.e. HFA or HLCA).

2.2 How do I claim HFA?
There will not be a separate claim form for HFA 2006. If you wish to receive HFA 2006 you must complete the relevant questions at Section L and the sign the declaration at Section S of the SPS claim form. The details provided, as well as any additional information that we may request will be used to process your claim.

Details of any Milk Quota that you hold on 31 March 2005 will also be used in determining the amount your are entitled to for HFA 2006. See Annex A for an explanation of how this applies. Statements of Milk Quota should be checked to ensure that the correct amount of quota has been attributed to the business. Failure to do so may complicate the processing of your application and ultimately may result in recovery of any payments to which you are not entitled.

2.3 What is eligible LFA forage area?
Eligible LFA forage land is any land with a cover of either permanent or temporary grass, which is within the LFA boundaries and is available to be grazed or have a grass cut taken from it for a period of seven continuous months, starting between 1 January 2005 and 31 March 2005.

In order for you to claim HFA on the land it must be available to you for four of the seven months, although the four months need not be consecutive. Where applicable, the ten hectares minimum may include LFA common land.

If your holding includes land in Wales, Scotland or Northern Ireland, any payments due to that land will be dealt with by the Devolved Administrations.
Land used for milk production is not eligible for HFA payment. Deductions will, therefore, be made to eligible land areas where a producer has Milk Quota available to him. Details of the method of reduction can be found at Annex A of this booklet.

2.4 How will my land be classified?
The declared forage area from your SPS 2005 form will be divided into the following categories:

- land within the Moorland Line;
- other LFA common land;
- other Severely Disadvantaged Area (SDA) land;
- other Disadvantaged Area (DA) land;
- non-LFA land (including non-LFA Common).

The category of your land will be determined by the information held on the Rural Land Register.

2.5 What is the Moorland Line?
Land within the Moorland Line is predominantly semi-natural upland vegetation, used primarily for rough grazing. The Moorland Line was drawn using Ordnance Survey mapped features such as walls, tracks or streams. It was established in 1992 to assist the development, implementation and evaluation of policy in the English Uplands.

2.6 How can I find out if I have land within the Moorland Line?
You should contact your RPA office who will be able to provide information about land within the Moorland Line. Maps showing the Moorland Line are also available online, via the following address: www.magic.gov.uk/default.htm

2.7 Why is my land within the Moorland Line if it is not moorland?
The Moorland Line was professionally surveyed in 1992. Some changes have taken place since then (e.g. the land may have been improved for greater productivity), and so there was an opportunity in the autumn of 2004 to make representations against the position of the Moorland Line. The pre-populated Field Data Sheets (FDS) that will be sent to applicants will not, however, take account of any successful representations made with regard to the Moorland Line.

Applicants will need to ensure that any such affected land parcels are entered onto the appropriate Field Data Sheet for the region which the land is determined to fall within. (Full details/instructions will be provided in the Single Payment Scheme Handbook and Guidance for England 2005).
2.8 What are eligible cattle and/or sheep?

The cattle that can be included for HFA are those that form part of a herd used for rearing calves for meat production only; dairy herds are not eligible. Cattle must be female and:

- either be of a beef breed or be a crossbreed which is the offspring of a cross with at least one parent being a beef breed or a beef/dairy cross. A list of ineligible breeds is included at Annex D;
- must be entered into your records, which must comply with the Cattle Identification Regulations 1998, be kept up to date, and be available for inspection;
- at least 60% of the cattle included in the stocking density calculation must have calved. The other 40% can be made up of heifers over eight months old which have not calved. The number of heifers must not exceed 40% of the total cattle included in the calculation;
- you must own, or have a formal leasing agreement, on the cattle included (which must be produced upon request) and also have economic responsibility for them;
- you must keep all the cattle on which you are claiming or their eligible replacements on your holding for a 6 calendar month retention period. For HFA 2006, the retention period can start from a date between 1 July 2005 and 31 December 2005.

Any female sheep can be considered as long as they:

- formed part of a flock kept on the holding for any 100 consecutive days starting between 1 January 2005 and 22 September 2005;
- were at least 12 months old or had given birth to a lamb by the end of that period;
- were owned by you, or formed part of a formal agreement leasing them to you (which must be produced upon request);
- were entered into your records which were SAGIMO compliant, kept up to date and available for inspection.

2.9 How will you work out if my claim meets the minimum stocking rate of 0.15 LU/ha?

The calculations that we use to determine your stocking density are explained in Annex A.
2.10 What happens if my stocking rate is below 0.15 LU/ha?

We will write to you before payment explaining what you should do. You may still be paid if you fall into any of the following categories:

- have additional animals on your holding which would bring you up to the minimum stocking rate. This may be the case if you did not declare animal numbers;
- have an official agreement which commits you to maintain a low stocking rate. Agreements with Defra such as Environmentally Sensitive Areas (ESAs) or Countryside Stewardship (CSS) agreements are included as are agri-environmental agreements with other official bodies (e.g. English Nature, National Parks, etc).

If you have any other reason for having a low stocking density, please let RPA know and they will consider your case individually.

2.11 What is the maximum stocking density that I am allowed?

There is no maximum stocking rate. However, you are required to manage your land in line with Good Farming Practice (GFP) and, therefore, should avoid overgrazing or unsuitable supplementary feeding practices.

2.12 What other conditions must I meet?

You must adhere to Good Farming Practice. Any confirmed breaches of GFP may lead to penalties being applied to your HFA claim and any other land based ERDP scheme that you are involved with. See the details of what is required at Annex B.

You may also be excluded from HFA for one year if residues of any prohibited substances are found in your herd or on your holding. Article 14 of Council Regulation 1257/1999, allows for the exclusion of any applicant found to have any of the substances described in Council Directives 96/22/EC(17) or 96/23/EC(18) either in their herd or held illegally on their holding. This breach would receive an immediate penalty without warning. The year of exclusion would be the calendar year of the infringement and not a future year. Repeat offenders may be excluded from HFA for up to five years. If someone prevents the relevant checks being made, a single year exclusion can be imposed.
3.1 What are the payment rates?

The payment rates per hectare are:

<table>
<thead>
<tr>
<th>Type of Eligible Forage Area</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0-350 hectares</td>
</tr>
<tr>
<td>Land within the Moorland Line</td>
<td>£9.39</td>
</tr>
<tr>
<td>LFA Common land</td>
<td>£9.39</td>
</tr>
<tr>
<td>Other SDA land</td>
<td>£24.82</td>
</tr>
<tr>
<td>Other DA land</td>
<td>£13.42</td>
</tr>
</tbody>
</table>

No payments will be made on land in excess of 700 hectares.

Payment rates for 2006 may be subject to an increase. Increased rates will be announced by Defra as soon as they become available.

3.2 Will different payment rates be used depending on the size of my holding?

Yes.

- You will receive the full payment rates for your first 350 hectares of eligible LFA land.
- Land in excess of 350 hectares up to a maximum of 700 hectares will be paid at half rates.
- No payments will be made on land over 700 hectares.

3.3 Will you pay on land in such a way as to maximise the payment that I receive?

Yes. Payment will be made in accordance with the payment rate and the hectare limits outlined above, but the land will be paid upon in the following order:

- other SDA;
- other DA;
- land within the Moorland Line and LFA common land.
That is, we will pay on the land which attracts the highest rate of payment first when counting against the hectarage limits. The following 2006 example illustrates this:

eligible LFA forage land = 900 ha area made up from:
- 300 ha of other SDA
- 300 ha of other DA
- 300 ha of LFA common land.

Using the payment rates and hectarage limits set out above, the area payment is calculated as follows:

<table>
<thead>
<tr>
<th>Land</th>
<th>Area (ha)</th>
<th>Payment rate (£/ha)</th>
<th>Payment (£)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SDA</td>
<td>300</td>
<td>24.82</td>
<td>7,446.00</td>
</tr>
<tr>
<td>DA</td>
<td>50</td>
<td>13.42</td>
<td>671.00</td>
</tr>
<tr>
<td>DA</td>
<td>250</td>
<td>6.71</td>
<td>1,677.50</td>
</tr>
<tr>
<td>LFA Commons</td>
<td>100</td>
<td>4.70</td>
<td>470.00</td>
</tr>
<tr>
<td>LFA Commons</td>
<td>200</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>900</strong></td>
<td><strong>-</strong></td>
<td><strong>10,264.50</strong></td>
</tr>
</tbody>
</table>

### 3.4 Will I be paid for my LFA common land?

LFA common land will be eligible for payment at the same rate as land within the Moorland Line. The notional forage area of your common land will be calculated according to grazing rights allocated to your SPS claim. Non-LFA common land is not eligible for payments.

### 3.5 Why are the payments lower for land within the Moorland Line and LFA common land?

The costs of sustainable farming of moorland and commons are generally less per hectare than elsewhere in the LFAs. There is a risk of over-compensating producers on large, low density, low input farms. The EU regulation for rural development, under which HFA operates, specifically prohibits any over-compensation.
To ensure that HFA contributes to good environmental practice, payments will be increased for farmers who can meet certain environmental criteria. You could receive a 10% or 20% increase on your basic HFA area payment.

4.1 When will payments be enhanced by 10% or 20%?

Your basic payment will be increased by 10% if you meet one of the following criteria. If you meet two or more of the following three criteria your basic payment will be increased by 20%:

- maintain at least one hectare or 5% (whichever is the smaller) of the LFA area on your holding under arable cover that is not receiving other financial support and was not converted from permanent grassland in or after 1999. We will calculate whether you meet this criterion based on the information provided on your Field Data Sheet. Please ensure you use the correct codes in column G as appropriate for each parcel of land;

- maintain at least one hectare or 5% (whichever is the smaller) of the LFA area on your holding under woodland cover that is not receiving other woodland financial support and was not converted from permanent grassland in or after 1999. We will calculate whether you meet this criterion based on the information provided on your Field Data Sheet. Please ensure you use the correct codes in column G as appropriate for each parcel of land;

- you have declared both breeding sheep and breeding cows for HFA 2006, and at least 15% of the combined livestock units are cattle.
5.1 How will payments be made?
RPA’s preferred method of payment is by direct credit BACS (Bank Automated Clearing System) which is the quickest way of getting payment into your bank account. If you already receive grant and subsidy payments from RPA by direct credit, then payment under HFA will also be made by this method.

5.2 What is the payment target?
We aim to make 95% of payments for HFA 2006 by 31 March 2006.

5.3 Will there be any on-farm checks?
We will check to make sure that you comply with the requirements of the scheme. You must allow us to inspect your forage area, to check your farm records, measure your land and count your animals at any reasonable time. Inspection visits may occur without notice. If you refuse to allow an inspection, obstruct an inspecting officer or fail to give reasonable assistance this will lead to a loss of payment and may give rise to prosecution. This is in line with Council Regulation 1257/1999.

5.4 What is the legal basis of the scheme?
The HFA scheme implements articles 13-21 of Council Regulation 1257/1999 and Commission Regulation 817/2004, the Commission implementing regulations, together with the Rural Development Regulations under which the ERDP was drawn up. Payments will be made under the Hill Farm Allowance Regulations 2006. The enforcement provisions are contained in the ERDP (Enforcement) Regulations SI 2000/3044. For the list of relevant legal provisions, please see Annex C.

5.5 What if I have a complaint about RPA administration?
If you are not happy with the way RPA has dealt with your payment, please contact the RPA Customer Service Centre (CSC), who will make sure that your complaint is investigated fully and that you receive an explanation of their findings. If you are still unhappy with the outcome, you will be advised how to take your complaint further.

5.6 Will details of my application be passed by RPA to anyone else?
Your HFA payment is liable to income tax, therefore, should they request it, details of your payment may be supplied to the Inland Revenue. In addition, information from your application may be passed by the RPA, in confidence, to duly authorised agents for the purpose of verifying its accuracy, evaluating the scheme or to assist in wider areas of work within RPA’s interests.

For example, if your 2005 SPS application contained any eligible forage area in Wales, Scotland or Northern Ireland, copies of your application will be forwarded to the relevant Devolved Administration.
5.7 Will any penalties be applied?

HFA payments will be based on eligible forage area after account has been taken of any penalties applied as a result of overdeclaration of the land area (full details of area penalties are given in the SPS explanatory booklet). Where those receiving HFA are subsequently found to have made a false declaration for this or related ERDP schemes as a result of serious negligence they will be disqualified for the calendar year in question. Where it is found that a false declaration has been made intentionally the disqualification period will extend to the following year.

Non-compliance with Good Farming Practice and/or other scheme rules could result in the imposition of penalties against your claim. The size of the penalty applied will be determined by the degree of non-compliance, with the intention of deterring any further infringement. This follows UK Statutory Instrument 2000/3044.

5.8 What happens if an overpayment is made?

If you have an outstanding overpayment in respect of HFA or any other scheme, the overpayment may be offset against your HFA payment. If you have any queries about repaying an overpayment that has been notified to you, please contact the RPA Debt Recovery Unit in Reading. Their address is:

PO Box 69
Reading
RG1 3YD.

Telephone number: 0118 9531775
E-mail: debtrecovery@rpa.gsi.gov.uk

If you are repaying an overpayment, your cheque should be crossed and made payable to ‘RPA’ and sent to the cashier at the above address. Please quote your vendor number/SBI number on the back of the cheque.

Payment can be made directly to our bank account should you wish, provided that you remember to quote your vendor number on the reverse of the cheque, to ensure that payment is correctly attributed. Our bankers are Lloyds-TSB, in Market Place, Reading. Our account details are:

Sort code: 30-96-96
Account number: 00926997
Account name: Rural Payments Agency

If you are to repay an overpayment, you should be aware that you may be required to pay interest on that money. This interest will need to be paid from the date of the initial payment notification letter.
We will use information supplied on your SPS claim form about animals kept and information as to Milk Quota held on 31 March 2005, to determine your HFA 2006 stocking density.

1. **Start with forage area**

We will start with the total forage area declared on your SPS 2005 form, including non-LFA forage area and common land.

2. **Remove land used to support dairy farming**

We will then remove land notionally used to maintain dairy production as this land is specifically excluded from HFA payments. We will take the Milk Quota you held on 31 March 2005 and convert it to livestock units (LUs) at a rate of 5.9 tonnes = 1 LU. This will be calculated to three decimal places.

We will assume, where you have declared that you have non-LFA land that your dairy cattle are maintained on that land. Using a stocking rate of 1.8 LU/ha for non-LFA forage area and 1.0 LU/ha for non-LFA commons, we will calculate how much non-LFA land is needed to support the dairy herd, and remove it from the total forage area.

If there is not enough non-LFA land to accommodate the whole herd, we will calculate how much DA land is used for the dairy herd using a stocking rate of 1.4 LU/ha. This land will also be removed from the total forage area.

In the unlikely event that there are still dairy units remaining, we will then calculate how much SDA land they use, using a stocking rate of 1.4 LU/ha, and if necessary how much LFA commons or moorland using a stocking rate of 1.0 LU/ha. This land will also be removed from the total forage area.

The amount of LFA land remaining after these adjustments will be used to calculate your stocking density, to see if it falls below 0.15 LU/ha.

3. **Calculation of animal numbers**

We will take the number of sheep declared on the HFA section of your SPS form in 2005 and convert it to livestock units; sheep = 0.15 LU each.

We will also take the number of cattle declared on your SPS form in 2005 and convert it to livestock units at the following rates:

A suckler cow, or heifer over two years old = 1.0 LU

We will add the sheep and cattle figures together to give the number of LUs used in the calculation. Details of heifers are not asked for on the form and will only be requested if the older cows do not satisfy the stocking density requirement. A heifer aged up to two years on the first day of the retention period will be equal to 0.6 LU.
4. Final stage

We will assume that any remaining non-LFA land is stocked at a rate of 1.8 LU/ha and non-LFA common land at 1.0 LU/ha. We will calculate how many LUs are maintained on the non-LFA land and subtract them from the number of suckler cow and sheep LUs already calculated.

We will then divide the remaining number of livestock units by the remaining LFA forage area to give the stocking rate for your holding.

5. What will be done with this stocking rate?

If your HFA stocking density is below 0.15 LU/ha, then further information is required to establish eligibility. Details of the land area, declared animals and Milk Quota data that we have for your holding will be sent to you. You will be asked to provide one of the following:

- details of additional animals (including heifers between eight months and two years old) which you have not previously declared on your SPS form and which satisfy the eligibility criteria. For additional eligible sheep to be considered for HFA they must have been on your holding for a retention period of 100 consecutive days starting between 1 January 2005 and 22 September 2005. For eligible cattle to be considered, they must have been kept for a six month retention period starting from any date between 1 July 2005 and 31 December 2005;

- you may maintain a low stocking rate as the result of an official environmental agreement. If this is a Defra scheme we will just ask you which one but if it is administered by anyone else, such as the County Council, we would like a copy of the agreement signed by both parties.
Calculating Stocking Density – a worked example

The box below provides an example of claimed details and how these would be used to calculate stocking density.

<table>
<thead>
<tr>
<th>Land Type</th>
<th>Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-LFA forage</td>
<td>150 ha</td>
</tr>
<tr>
<td>Non-LFA Commons</td>
<td>0 ha</td>
</tr>
<tr>
<td>Severely Disadvantaged Land</td>
<td>75 ha</td>
</tr>
<tr>
<td>Disadvantaged Land</td>
<td>50 ha</td>
</tr>
<tr>
<td>Moorland</td>
<td>25 ha</td>
</tr>
<tr>
<td>LFA Commons</td>
<td>0 ha</td>
</tr>
<tr>
<td>Milk Quota</td>
<td>1,029.670 tonnes</td>
</tr>
<tr>
<td>Suckler Cows</td>
<td>170</td>
</tr>
<tr>
<td>Ewes</td>
<td>57</td>
</tr>
</tbody>
</table>

1. Convert the Milk Quota to Livestock Units via the following formula for average yield:

\[ \frac{\text{Milk Quota Held}}{\text{Average Yield}} = \text{Livestock Units} \]

\[ \Rightarrow \frac{1,029.670}{5.9} = 174.520 \text{ LUs} \]

The milk quota therefore works out as 174.52 LUs.

2. To work out how many livestock units will be maintained on your Non-LFA forage, you will need to multiply the total amount of Non-LFA forage by a stocking rate of 1.8:

\[ \text{Non-LFA Forage Area} \times \text{Non-LFA Stocking Rate} = \text{LU maintained on Non-LFA forage} \]

\[ \Rightarrow 150 \times 1.8 = 270 \text{ LU} \]

3. Deducting your Milk Quota from this total will leave the remaining amount of Non-LFA Livestock Units:

\[ \text{Remaining Non-LFA LUs} - \text{Milk Quota LUs} \]

\[ \Rightarrow 270 - 174.520 = 95.48 \text{ LUs} \]
4. The remaining amount of Non-LFA forage land will then be populated with some of your suckler cows and/or sheep. Your animal numbers then require conversion to Livestock Units with the remaining figure for Non-LFA Livestock Units being subtracted from the animal conversion total.

As one suckler cow is equivalent to one Livestock Unit, it may be simpler to subtract your remaining amount of Non-LFA Livestock Units from your equivalent amount of breeding cow Livestock Units:

1 cow = 1.0 Livestock Unit,

=> 170 x 1.0 = 170

Cow Livestock Units Remaining – Remaining Non-LFA Livestock Units,

=> 170 – 95.48 = 74.52 LUs

5. You then need to convert your sheep into Livestock Units:

1 Sheep = 0.15 Livestock Units,

Sheep Numbers x Sheep to Livestock Units conversion factor,

=> 57 x 0.15 = 8.55

6. Now add your sheep Livestock Units to the remaining Livestock Units from your suckler cows:

Sheep Livestock Units + Cow Livestock Units,

=> 8.55 + 74.52 = 83.07

7. Finally, to work out the stocking density on your Less Favoured Area land you need to add up all your LFA land areas and divide your livestock Units total by the total amount of LFA:

SDA + DA + Moorland = Total LFA,

75 + 50 + 25 = 150 ha. LFA

Stocking Density = Livestock Units (after disposal of Non-LFA Land) /Total LFA Area,

83.07/150 = 0.55 LU/ha. = Stocking Density
Council Regulation 1257/1999, under which HFA is administered requires that farmers in receipt of HFA should respect Good Farming Practice across the whole of their farm in order to maintain the countryside by sustainable farming methods.

The conditions most relevant to the HFA Scheme include:

- **Overgrazing**
  
  This is defined as ‘grazing land with livestock in such numbers as to adversely affect the growth, quality or species composition of vegetation (other than vegetation normally grazed to destruction) on that land to a significant degree’.

- **Undergrazing**
  
  The regulations require that livestock be distributed across the farm in such a way that both overgrazing and under-utilisation are avoided. Under-utilisation is defined as ‘land where there is evidence of the annual growth not being fully utilised, or scrub or coarse vegetation is becoming evident, and such changes are detrimental to the environmental interest of the site’.

  Where an inspection finds evidence of either overgrazing or undergrazing, a management plan, including a maximum or minimum stocking rate to be observed on that site, will be prescribed. Failure to observe the plan would be a breach of Good Farming Practice requirements and could lead to your HFA payments and possibly other subsidy payments being reduced or withheld.

- **Unsuitable supplementary feeding**
  
  Feed must be provided in such a way that the vegetation is not excessively trampled or poached by animals or rutted by vehicles used to transport feed. Cases of suspected unsuitable supplementary feeding will be investigated and failure to follow advice could result in a reduction in HFA payments for breaching this condition.

The following elements also contribute to Good Farming Practice:

- **Field boundaries**
  
  You must not remove or destroy any hedges or stone walls on your holding except by special derogation. Enforcement will be through visual assessment of any recent damage during field checks.

- **Sites of Special Scientific Interest (SSSIs)**
  
  If you have an SSSI on your holding, you must obtain approval from English Nature before proceeding with any potentially damaging operations.

- **Silage and slurry stores**
  
  If you construct a new silage or slurry store you must notify the Environment Agency before starting to use it. We will check to see if this notification has taken place.

- **Disposal of sheep dip**
  
  If you propose to dispose of sheep dip on your holding you must obtain prior authorisation from the Environment Agency. Checks will be made to see that either an authorisation has been obtained or that there is a reason why no authorisation is needed in that individual case.
Trimming of hedgerows

Do not trim hedgerows on your holding between 1 March and 31 July. We will look for visual evidence of recent damage during any checks carried out in these months.

Environmental legislation


Soil, Water and Air

You should follow the Codes of Good Agricultural Practice for the Protection of Soil, Water and Air (published by Defra: reference PB0617, PB0587 and PB0618 respectively). These publications are available for viewing via Defra online at www.defra.gov.uk.
### Regulation number | Description
---|---
1257/1999 | Council Regulation setting out the framework for Rural Development
1782/2003 | Council Regulation setting out the framework for the Integrated Administration and Control System and Single Payment Scheme
795/2004 | Commission Regulation setting out the detailed rules for the Single Payment Scheme
796/2004 | Commission Regulation setting out the detailed rules for the integration of IACS (Integrated System)

### Domestic provisions | Description
---|---
SI 2000/3044 | Statutory Instrument setting out the ERDP (Enforcement) Regulation
SI 2001/431 | Statutory Instrument setting out the ERDP (Enforcement) (Amendment) Regulations
SI 1998/871 | Statutory Instrument setting out the Cattle Identification Regulations
SI 1998/1339 | Statutory Instrument setting out the Cattle Identification (Amendment) Regulations
SI 2002/240 | Statutory Instrument setting out the Sheep and Goat Identification and Movement (Interim Measures) (England) Order
SI 2002/2153 | Statutory Instrument setting out the Sheep and Goat Identification and Movement (Interim Measures) (England) (No.2) Order
SI 2003/29 | Statutory Instrument amending and extending SI 2002/2513, which sets out the Sheep and Goat Identification and Movement (Interim Measures) (England) (No.2) Order

### Council directives | Description
---|---

An effective Statutory Instrument will be in force for HFA 2006.
Annex D Ineligible cattle breeds

- Angler Rotvieh (Angein) – Rød dansk mælkerace (RDM)
- Ayrshire
- Armoricaine
- Bretonne Pie-Noire
- Friesians: Fries Holland (FH), Française frisonne pie noire (FFPN), British Friesian, Friesian-Holstein, Holstein, Black and White Friesian, Red and White Friesian, Frisona Italiana, Frisona Espanola, Zwartbonten van België/Plenoire de Belgique, Sortbroget dansk mælkerace (SDM), Deutsche Schwarzbunte, Schwarzbunte Milchrasse (SMR)
- Groninger Blaarkop
- Guernsey
- Jersey
- Malkekorthorn
- Reggiana
- Valdostana Nera
- Itasuomenkarja
- Lansisuomenkarja
- Pohjoissuomenkarja
### Annex E Glossary of terms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BACS</td>
<td>Bank Automated Clearing System</td>
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<tr>
<td><strong>Breeding cow</strong></td>
<td>A female animal 12 months old or over, of either a beef or beef-cross breed, which on the first day of retention has borne a calf, and which forms part of a regular breeding herd used for rearing calves for meat.</td>
</tr>
<tr>
<td>Breeding sheep</td>
<td>A female animal, which has lambed by the start of the one hundred day consecutive period, and which forms part of a regular breeding flock used for rearing lambs.</td>
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<tr>
<td>CSC</td>
<td>Customer Service Centre</td>
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<tr>
<td>CSS</td>
<td>Countryside Stewardship Scheme</td>
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<tr>
<td>DA</td>
<td>Disadvantaged Area</td>
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<tr>
<td>Defra</td>
<td>Department for Environment, Food and Rural Affairs</td>
</tr>
<tr>
<td>ERDP</td>
<td>England Rural Development Programme</td>
</tr>
<tr>
<td>ES</td>
<td>Environmental Stewardship</td>
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<tr>
<td>ESA</td>
<td>Environmentally Sensitive Area</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GFP</td>
<td>Good Farming Practice</td>
</tr>
<tr>
<td>HFA</td>
<td>Hill Farm Allowance</td>
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<tr>
<td>Ha</td>
<td>Hectare</td>
</tr>
<tr>
<td>HLCA</td>
<td>Hill Livestock Compensatory Allowance (predecessor scheme for HFA)</td>
</tr>
<tr>
<td>LFA</td>
<td>Less Favoured Area</td>
</tr>
<tr>
<td>LU</td>
<td>Livestock Unit</td>
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<tr>
<td>RDR</td>
<td>Rural Development Regulation</td>
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<tr>
<td>RPA</td>
<td>Rural Payments Agency</td>
</tr>
<tr>
<td>SAGIMO</td>
<td>Sheep and Goat Identification and Movement Order</td>
</tr>
<tr>
<td>SBI</td>
<td>Single Business Identifier</td>
</tr>
<tr>
<td>SDA</td>
<td>Severely Disadvantaged Area</td>
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<tr>
<td>SI</td>
<td>Statutory Instrument</td>
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<tr>
<td>SPS</td>
<td>Single Payment Scheme</td>
</tr>
<tr>
<td>SSSI</td>
<td>Site of Special Scientific Interest</td>
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</tbody>
</table>