

## DEGRESSIVITY – EXAMPLE OF CALCULATION

## ANNEX G

- Main location code in the Fragile area
- Historic stocking density (2009) :  $576.70 \text{ lu} / 4,632.27 \text{ ha} = 0.13 \text{ lu/ha}$
- 12% cattle based on declared 2009 animal numbers = 1.35 uplift

Area after non-ring fenced dairy and stocking density reduction:

- 6,349.40 ha category A, more disadvantaged land
- 158.18 ha category B, more disadvantaged land
- 5.23 ha category C, less disadvantaged land
- Total area is  $A + B + C = 6,512.81 \text{ ha}$

Application of degressivity:

Eligible hectares after 6,512.81 ha **(a)**

4,000 ha will be paid at 100%

2,512.81 ha will be paid at 90%

Area after degressivity:

$4,000 \text{ ha} + (2,512.81 \text{ ha} \times 90\%) = 6,261.53 \text{ ha}$  **(b)**

Area reduced by degressivity is a – b:

$6,512.81 \text{ ha} - 6,261.53 \text{ ha} = 251.28 \text{ ha}$  **(C)**

Degressivity area **(C)** as a % of **(a)**:

$251.28 \text{ ha} / 6,512.81 \text{ ha} = 3.86\%$  **(D)**

The area after any non-ring fenced dairy and /or stocking density reduction then reduced by the figure obtained at **(D)** in this case 3.86%.

Category A,  $6,349.40 \text{ ha} \times 3.86\% = 6104.31 \text{ ha}$

Category B,  $158.18 \text{ ha} \times 3.86\% = 152.08 \text{ ha}$

Category C,  $5.23 \text{ ha} \times 3.86\% = 5.03 \text{ ha}$

The reduced area is then used to calculate the LFASS payment

Grazing category land X Grazing Category multiplier X Enterprise mix multiplier

Category A,  $6104.31 \text{ ha} \times 0.167 \times 1.35 = 1376.22 \text{ ha}$

Category B,  $152.08 \text{ ha} \times 0.333 \times 1.35 = 68.37 \text{ ha}$

Category C,  $5.03 \text{ ha} \times 0.667 \times 1.35 = 4.53 \text{ ha}$

Estimated payment summary

More disadvantaged A + B =  $1444.59 \text{ ha} \times £24.84 = £35,883.62$

Less disadvantaged C + D =  $4.53 \text{ ha} \times £21.80 = £98.75$

Payment due = £35,982.37

If your application is effected by the degressivity thresholds, we will make contact with you once all applications have been considered to provide clarity on the impact this will have on your payment