



The Dairy Cow Financial Assistance Scheme 2001

Approved by Tynwald on 22nd February 2001.

Coming into Operation on 1st March, 2001

Citation and Commencement

1. This Scheme may be cited as the Dairy Cow Financial Assistance Scheme 2001 and shall come into operation on the 1st March, 2001.

Interpretation

2. In this Scheme -

“creamery” means the Isle of Man Milk Marketing Association constituted under the Agricultural Marketing Act 1934(a) or such other trading body as may be responsible for carrying out the operations of the Association;

“dairy cow” means a female bovine animal comprised in a regular breeding herd which is maintained primarily for the production of milk;

“dairy herd” means a herd of dairy cows and in calf dairy heifer which was in existence prior to the commencement of this Scheme;

“dairy producer” means a producer registered with the Department who operates a commercial dairy farm based on a minimum number of 5 dairy cows;

“Department” means the Department of Agriculture, Fisheries and Forestry;

“in calf dairy heifers” means female bovine animals which are in calf for the first time on the 1st January immediately preceding the 4th June in any year in respect of which a headage payment falls to be made;

“national dairy herd” means the total of dairy cows and in calf dairy heifers as recorded by the Department under the 4th June Agricultural Census;

“producer retailers” means dairy producers who retail liquid milk direct to the public;

“qualifying day” means the 4th June in any year in respect of which a headage payment is made;

(a) 1934 c5

“registered with the Department” means having completed a 4th June Agricultural Census prior to the commencement of this Scheme;

“regular herd” means a herd of cows and in calf dairy heifers maintained throughout their normal life for the purpose of producing milk, and managed in accordance with sound husbandry practice; and

“scheme year” means the calendar year 2000 and each succeeding calendar year.

Scope

3. This Scheme shall apply to dairy cows and in calf dairy heifers, maintained in a regular herd in the Isle of Man by dairy producers registered with the Department.

Headage Payment

4. Subject to the conditions of this Scheme, the Department may in respect of 2000 and in each of the four following years make a headage payment in respect of dairy cows and in calf dairy heifers to dairy producers registered with the Department.

Cheese Reference Price

5. The Department and the Treasury in consultation with the Creamery will calculate the average sale price per tonne for all cheese sold by the Creamery in a Scheme year which they believe to represent the financial return necessary for the Creamery to pay producers for all milk purchased into the Creamery in a Scheme year, an average price after deductions for costs incurred by the Creamery in the collection, distribution, and processing of milk and such costs normally incurred by a Creamery in the manufacture of cheese of 20.00 pence per litre of milk. Such sale price to be known as the Cheese Reference Price.

Average Cheese Sale Price

6. For every Scheme year the Department shall determine the average sale price per tonne for all cheese sold by the Creamery.

Annual Production Volume

7. The Department will establish for every Scheme year, the annual total volume of milk produced in litres and intended for sale, taking particular account of -

- (a) the total volume of milk purchased by the Creamery in a Scheme year;
- (b) the total volume of retail sales by producer retailers in a Scheme year; and
- (c) the number of cows and in calf dairy heifers in the National Herd in a Scheme year.

Headage Rate

8. (1) For every Scheme year the Department shall compare the average cheese sale price as determined in accordance with paragraph 6 and the cheese reference price as calculated in accordance with paragraph 5.

(2) In any Scheme year where the average cheese sale price is lower than the cheese reference price, the Department will establish the extent of the deficiency per tonne between the two prices.

(3) The Department will convert the deficiency per tonne into a deficiency per litre of milk. Such conversion will be made by using the relationship between the cheese reference price per tonne as calculated under paragraph 5 and 20.00 pence per litre.

(4) The headage payment rate per dairy cow shall be obtained by -

- (a) multiplying the deficiency per litre calculated under paragraph (3) above (subject to a maximum value of 2 pence per litre) by the annual production volume of milk as determined by the Department under paragraph 7, subject however to a maximum annual production total of 40,000,000 litres; and
- (b) dividing the total figure as calculated under sub-paragraph 4 (a) above, by either the National Dairy herd for the Scheme year as registered by the Department, through the 4th June Agricultural Census or the National Dairy herd registered by the Department in 1999, through the 4th June Agricultural Census, whichever is the lower.

Payment per Dairy Producer

9.

(1) Subject to the conditions of this Scheme, the number of cows for which headage payment may be made to any dairy producer or the successor in title to such producer in respect of any Scheme year shall be -

- (a) the number of dairy cows and in calf dairy heifers maintained in the dairy herd on the 4th June 1999 as recorded by the Department through the Annual Agricultural Census; and
- (b) the number of dairy cows and in calf dairy heifers on the qualifying day, whichever is the lower.

(2) Where after a qualifying day there is during the same year a reduction in the number of dairy cows in a producers herd, the total number of dairy cows and in calf dairy heifers eligible for payment shall be reduced by such number as it appears to the Department to reflect the average number of dairy cows and in calf dairy heifers kept for the whole of the Scheme year.

Application for Headage Payment

10. It shall be a condition of the making of a headage payment under this Scheme that any dairy producer who desires to be paid in accordance with the provisions of this Scheme -

- (a) shall apply in writing in such form and at such time as the Department may from time to time require; and
- (b) shall to the best of his ability facilitate any counting or inspection of the dairy cows which the Department may consider necessary and shall, if so requested, gather them at some convenient place for the purpose.

MADE this 22nd day of January, 2001

A handwritten signature in black ink, appearing to read "Alan F. Howie MHA". The signature is written in a cursive style with a large initial 'A' and 'F'.

Minister for Agriculture, Fisheries and Forestry.

Explanatory Note

(This note is not part of the Scheme)

This Scheme sets out the conditions under which the Department may provide financial support to the dairy industry. A headage payment per cow is provided for where the average sale price of cheese sold by the Milk Marketing Association Creamery in a calendar year is below that necessary to pay dairy producers an average purchase price of 20p per litre for their milk.

A maximum payment equivalent to 2p per litre is set on a maximum annual volume of 40 million litres produced by the dairy herd. Eligible cow numbers for payment per producer are determined by whichever is the lower, the total number of cows in the operative year or in the 1999 herd.

The Scheme is to operate for 5 years.