

ANNEX A: ENRP Agricultural Water Subsidy Policy

Policy Updated April 2020

Agricultural Water Subsidy Policy

a. Aim

To establish a water subsidy policy for agricultural customers to reduce the impact on agricultural production as a result of increases in water tariffs.

The policy applies to users of *agricultural untreated water* and *agricultural treated water* under Connect St Helena's tariff structure.

b. Supporting Policy

Supporting access to affordable water provisions for livestock, poultry and traditional and modern crop production is an important action of the National Agriculture Policy.

c. Conditions of Subsidy Provision

A number of conditions would be attached to this option and inform policy procedure:

- I. Producers should have access to an agricultural meter to demonstrate their water being subsidised was being used for agricultural production. This will require them to meet the cost of having an agricultural meter installed/retained.
- II. Water meters are read by producers themselves where this may be necessary for subsidy purposes.
- III. Payment will be paid only on the basis of receipt of an ANRD claim form for subsidy from a producer accompanied by a copy of the Connect STH utility bill for the period being claimed for.
- IV. A claim for subsidy can only be made within a financial year for water consumption occurring during that financial year.
- V. Production data for the period claimed for is made available to ANRD when the subsidy is claimed for.
- VI. Advice is taken where ANRD or Connect STH gives advice/guidance on efficiency of an irrigation method or practice.
- VII. Where direct subsidy payment may not be available from Connect STH to be left with SHG or SHG funding is limited or not available to support agricultural customers for a tariff increase, a quarterly or annual cap on the amount of subsidy a producer receives may need to be applied or the policy withdrawn until funding is available.

1. Policy Procedure

a. Registration for Subsidy

A simple registration form would be made available from ANRD for producers to fill out and return in order to register. This will require information on the type of agricultural activity practiced, the type of agricultural water the producer wishes to claim subsidy for and signing an agreement to meet the conditions of subsidy provision.

On return of the registration form to the Agricultural Development Officer (ADO) at ANRD, producers must also provide details to this officer of their meter readings at the time of registering, so that ANRD can determine actual water consumed from the time of registration.

ANRD reserves the right not to accept registration for subsidy until a registration agreement is signed and an agricultural meter is in place.

b. Claim For and Payment of Subsidy

Claims for subsidy provision will need to be made through a claim form provided to the ADO and accompanied by a copy of the Connect STH utility bill for the period being claimed for and a record of actual production achieved during the period.

A claim for subsidy can only be made for water consumed after registration. As producers' utility bills from Connect STH will vary across the Island in terms of quarterly periods, for the first claim and subsidy payment, ANRD will use the meter reading figures obtained from those producers eligible for subsidy when they registered in order to determine the amount of water able to be claimed for the first period.

For those quarters after the first claim and payment period, subsidy payment will be based on consumption occurring during that quarter until the subsidy policy remains in force.

Subsidy payment will be at the rate of £0.37 per cube for agricultural untreated water and £0.74 per cube for agricultural treated water.

When the subsidy is claimed for production data for the period claimed for will be made available to ANRD. For livestock/poultry producers this will involve livestock slaughtered and born, eggs produced; and for arable producers the kgs of vegetables produced during that period. Where production data is not made available then the subsidy payment will be delayed until such data is received.

ANRD reserves the right not to make a subsidy payment until the conditions of subsidy provision is met by a producer.

c. Transfer of / New Tenancy of a Production Unit

Where ownership or tenancy of a production area changes after registration for subsidy, it will be the responsibility of the previous producer to cancel their registration and the new producer of that production area to register for a subsidy before payments will be made to the new producer of the unit.