



Rural Payments
Agency

Milk Quotas Purchaser's Annual Declaration 2014/15

Please read these guidance notes carefully before completing your MQ/13 form.

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If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

Introduction

This guidance will help you fill in the MQ/13 correctly and tell you when you need to return it to us.

If you have any questions please contact the Purchaser Team on 01392 315763.

Why do I need to fill in an MQ/13?

As an approved milk purchaser, you need to tell us who you purchased milk from during the quota year. You do this by completing the MQ/13.

The main scheme regulations are:

- Regulations (EC) No 1308/2013,
- Commission Regulation No 595/04, and
- Dairy Produce Quotas Regulations (DPQR) 2005, as amended and the equivalent Regulations in Scotland, Wales and Northern Ireland.

This guidance reflects how we've interpreted the legislation. It is not a definitive statement of the law. Only the courts can give this.

We reserve the right to review our position if circumstances change, for example, if the European Commission issues new guidance or we change how we interpret the regulation.

What information do I need to fill in the MQ/13?

You will need:

- **a Registered Quota Report (RegQ)** listing all producers who had their quota registered with you during the 2014/15 quota year;

But we will only send you a RegQ if we have been notified by your producers that they have registered quota with you;

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If appropriate, we will either send your RegQ report to you by post, with your MQ/13 form, or email it to you. **You must make sure that all quota holders listed on your RegQ are accounted for at either Part B or C of your MQ/13 form;**

- **details of the whole milk deliveries made to you during the 2014/15 quota year and the butterfat results for those deliveries.** You will need to include any whole milk received from **non-registered** producers and any **pasteurised** whole milk received direct from a producer;
- **the date of the last delivery for any producer who stopped delivering to you during the quota year.** You will need to include any who ceased on 31 March 2015;
- **details of any non-producing quota holders who have not delivered to you in the 2014/15 quota year.** This should include those producers whose quota was registered with you at 31 March 2015, even if leased out.

Signing your MQ/13

The MQ/13 must be signed and dated by an authorised individual.

We will check the signature against the signatories you supplied on the *Confirmation of Details* form that we sent to you in November 2014.

If you have not yet returned this form or the signatory is not recognised, this may hold up the processing of your form. We will contact you if this is the case.

Returning your MQ/13

The deadline for submitting your MQ/13 to us is midnight on 14 May 2015. If it is submitted after this date we will apply a late submission penalty.

Continuation sheets form part of your declaration and are subject to the same deadlines.

You can fax your form to us but we must still receive the signed original within a week of the deadline.

If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

Penalties

Financial penalties will be based on the levy and Euro rates on 31 March 2015 and will be applied if:

- **your MQ/13 (including any continuation sheets) is submitted after midnight on 14 May 2015.** The minimum penalty for any late return is €100 up to a maximum of €100,000 (approximately £75 and £75,000 respectively). We will calculate your penalty on the levy due on 0.01% of your volume deliveries per calendar day of the delay;
- **we find that you have not declared all your deliveries.** If the UK reaches a levy position, you will have to pay levy on the butterfat adjusted volume you have under declared;
- **the delivery information you have provided is incorrect.** The minimum penalty for any incorrect declaration is £60 up to a maximum of £60,000.

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Complaints and Appeals Process

We are committed to giving good customer service and we welcome your feedback because it helps us to improve. We take all complaints very seriously and seek to handle them quickly, sensitively and fairly.

Our complaints and appeals process covers all aspects of our customer services (including inspection visits) as well as all our schemes. Use it to tell us if you are not satisfied with our **customer service** or with a **decision we have made**. Whichever category your issue falls into, we will work with you to try to resolve it satisfactorily.

There are a number of steps which your complaint may go through as we work to resolve it. Most complaints are resolved at the first step.

We will acknowledge receipt of your complaint by telephone. If we are not able to do this we will send an email or letter. We aim to resolve your complaint within 15 working days. If this is not possible, the person dealing with your complaint will identify what action is required and contact you to agree a proposed plan to resolve your complaint, which may include passing it on for further consideration.

After our complaints review process, if you are still not satisfied with the outcome, you can:

- Ask your Member of Parliament to raise your complaint about our **customer service** with the Parliamentary and Health Service Ombudsman, who helps to resolve complaints about government departments and other public bodies.
- Appeal against any **decision we have made** that affects your entitlement to, or liability for, payments or your ability to participate in a particular scheme.

To appeal you will need to fill in an *Appeal Form* (CA1). You can read or print the form and guidance on our website. Or you can ask us to send them to you by calling our Customer Service Centre on 0345 603 7777 or email csc@rpa.gsi.gov.uk.

Our website details are www.gov.uk/rpa, and select Complaints procedure. You can either fill in the form on screen then print it, or print it and fill it in before you send it to us by post along with a cheque for £100, £250 or £450 depending on the scheme and amount of the appeal. Cheques should be made payable to the Rural Payments Agency.

We will refund this money if your appeal is fully or partly successful.

If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

Filling in your MQ/13 – step by step

Part A – Purchaser details

Please fill in this section in full. If any box does not apply please write 'N/A'.

Part B – Producer deliveries for the 2014/15 quota year

In this section you must tell us individual delivery details for every producer who delivered whole milk to you during the 2014/15 quota year.

Fill in columns B2–B4 of the table (if you do not know the Trader Registration Number, or they don't have one, you should enter the producer's postcode at B2). If you have your own reference numbers for your producers you can add these in the 'for your own use' column (B1).

To obtain the information needed to complete columns B5–B6 of the table, please carry out the calculations explained at Part D.

If you run out of space in the table, you should use continuation sheets. **These can be printed from our website at gov.uk/rpa (search for 'MQ/13')**, or you can call us on 01392 315763 and we can send them to you.

If you prefer, you can send us your delivery details by email – preferably using an 'Excel' spreadsheet. Please make sure you use the same format as the table at Part B of the MQ/13.

You must tell us at Part B how many continuation sheets you have used and indicate whether you have sent them by post or electronically so that we can take them into account.

The deadline for sending any continuation sheets is the same as for the MQ/13.

If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

Part C – Non-producing quota holders for the 2014/15 quota year

In this section you need to list the producers (as registered on your RegQ on 31 March 2015) who **did not** deliver milk to you during the 2014/15 quota year.

You must include:

- any quota holders who have leased out quota;
- any who were registered with you for a short period, even if this was only for one day.

You should put a cross in the 'No' box at C1 if all of your producers delivered to you during the 2014/15 quota year.

Part D – Details of purchases for the 2014/15 quota year

To help you fill in this section of your MQ/13, there are some examples below.

You will need to use your RegQ (if applicable) to help you complete Part D.

Figure 1 below shows an example RegQ report.

Treg. No: A11111		REGISTERED QUOTA FOR PURCHASER REPORT					Date: 28/04/14		
Quota Year: 2013/14							Page: 2 of 2		
Treg. No.	Producer Name	Qta Typ	Permanent (litres)	Temporary In (litres)	Temporary Out (litres)	Net Quota (litres)	Butterfat % dp	Base % dp	
B2222	Producer 1	OW	1,079,993	722,510	0	1,802,503	3.85	3.845297	
C3333	Producer 2	OW	241,202	0	0	241,202	3.80	3.800000	
D4444	Producer 3	OW	31,457	0	0	31,457	3.71	3.710000	
E5555	Producer 4	OW	400,000	0	0	400,000	3.79	3.793941	
GRAND TOTAL			1,752,652	722,510	0	2,475,162			
Weighted butterfat percentage =		3.83 %	3.830864 %						
calculated as :		Sum of (for each producer (Perm Reg + Temp Reg In – Tem Reg Out) x Ongoing B/Fat x 100							
		Sum of (Perm Reg + Temp Reg In – Temp Reg Out) for all producers							
****	End			of		Report		****	

Figure 1 : Example of RegQ report

If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

You should use the RegQ report we sent to you with your MQ/13, unless there have been changes since the date of that report – in which case use the later one.

It is the purchaser’s responsibility to ensure that all transfers have been processed correctly. Please check the Confirmation of Change report for transfers. If any are missing or incorrect you should contact the Milk Quotas Team immediately on 01392 315763.

Figure 2 below shows an individual producer’s deliveries and butterfat results in a quota year.

Month	A Deliveries	B Monthly average fat content % (to 2 decimal places)	C Divide by 100	D Monthly average fat content in litres (to 1 decimal place)
April	151,935	4.03	100	6,123.0
May	150,685	4.01	100	6,042.5
June	175,324	3.99	100	6,995.4
July	160,334	4.06	100	6,509.6
August	146,746	4.07	100	5,972.6
September	139,112	4.10	100	5,703.6
October	137,216	4.15	100	5,694.5
November	124,655	4.21	100	5,248.0
December	130,332	4.18	100	5,447.9
January	140,347	4.17	100	5,852.5
February	146,885	4.23	100	6,213.2
March	147,631	4.16	100	6,141.4
Total	1,751,202			71,944.2

Figure 2 : Producer 1 deliveries and butterfat results in a quota year

Key to Figure 2

Column A Deliveries – total deliveries from the producer per month in the 2014/15 quota year.

Column B Monthly average fat content % – the **simple average** of butterfat sampled by the purchaser from the producer for that month calculated to 2 decimal places.

Column D – Monthly average fat content in litres calculated to 1 decimal place.

Multi tank farms

For deliveries from a producer with multi tanks or multi farms, you should take individual butterfat samples from each multi tank or multi farm.

If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

For more information about the calculation for multi tank farms, please read Part E4 of the Purchasers' Handbook. If RPA have not previously sanctioned your calculation method, you should contact the Purchaser Team before submitting your declaration. You should use the weighted monthly butterfat result in the calculation of your annual weighted butterfat.

Now, using the information from Figure 1 and Figure 2, the step by step guide will show you how to complete Part B, columns B5 and B6, Part D of the MQ/13 form and how to calculate the figures for D2 and D3.

D1

You will find the date at the top right of the RegQ. If your producers did not have any quota registered with your company during the 2014/15 quota year, write 'No RegQ'.

D2

This figure should include:

- Any whole milk that you collected from a producer's holding but disposed of after it left the holding.
- Any whole milk received from producers even if this was not paid for.
- Any excess milk taken from a producer not normally registered with your purchaser group, even if this was a one-off delivery.
- Any deliveries of pasteurised whole milk.

Deliveries on the 31 March 2015

If any deliveries were made on a night collection on the 31 March 2015 and the tanker was en route between farms at midnight, you can *either* declare them for the 31 March or 1 April 2015 as appropriate.

Your decision should be in line with your normal practice and be applied consistently across your producer group. **If deliveries are recorded against 1 April 2015, do not include on the MQ/13 for the 2014/15 quota year.**

If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

Step 1 – Calculate the monthly average fat content in litres for each individual Producer to 2 decimal places. (For guidance on how to calculate decimal places see the Rounding Figures Factsheet which has been included with your MQ/13 form.)

$$\frac{\text{Deliveries} \times \text{Monthly average fat content \% (2 decimal places)}}{100} = \text{Monthly average fat content in litres}$$

So in our worked example, April's monthly average fat content in litres (taken from **Figure 2**) would be:

$$\frac{151,935 \times 4.03}{100} = \mathbf{6,123.0} \text{ litres (1 decimal place)}$$

- Repeat above calculation for each month.

Then:

- Add together the monthly volume deliveries for the producer.
- Add together the monthly average fat content in litres (to 1 decimal place).

So using our worked example from **Figure 2**:

The total volume of milk delivered by Producer 1 is **1,751,202** litres. This is the figure you would enter for the producer at **B6** of the MQ/13.

The total monthly average fat content in litres (to 1 decimal place) is **71,944.2** litres.

Repeat **Step 1** for each producer who has delivered to you in the quota year.

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Step 2 – Calculate the annual weighted fat content for an individual producer:

$$\frac{\text{Monthly average fat content (litres)(Total Column D of Figure 2)}}{\text{Total deliveries (Total Column A of Figure 2)}} \times 100$$

So for our worked example (**Figure 2**)

$$\frac{71,944.2}{1,751,202} \times 100 = 4.1082753\% = \mathbf{4.11\%}$$

(to 2 decimal places). This is the figure you would enter for the producer at **B5** of the MQ/13.

Please round all butterfat results used to calculate the monthly average fat content to 2 decimal places as failure to do so could result in an inaccurate declaration.

Repeat **Step 2** for each producer who has delivered to you in the quota year.

Step 3 – Calculate the weighted average of your producer group.

You can now calculate the weighted average for your producer group.

You will need the following:

- The total yearly average fat content in litres (to 1 decimal place) for your producer group.
- The total annual deliveries from all your producers.

Figure 3 below is a summary of all producer's annual deliveries and weighted butterfat.

Producer	A Total Annual Deliveries	B Yearly average fat content litres
Producer 1	1,751,202	71,944.2
Producer 2	249,851	9,019.6
Producer 3	34,761	1,222.7
Producer 4	382,519	14,421.0
Total	2,418,333	96,607.5

Figure 3 : Summary of all producer's annual deliveries and weighted butterfat

In our worked example, there are four producers, as shown in **Figure 3**. The yearly average fat content in litres is 96,607.5 litres. The total annual deliveries are **2,418,333** litres (this is the figure that you would enter at **D2** of the MQ/13).

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Now use the following calculation:

$$\frac{\text{Yearly average fat content in litres}}{\text{Total annual deliveries}} \times 100 = \text{weighted butterfat content (2 decimal places)}$$

So for our worked example (**Figure 3**):

$$\frac{96,607.5}{2,418,333} \times 100 = 3.9947972 = \mathbf{3.99} \text{ (to 2 decimal places)}$$

You should now enter this figure at **D3** on your MQ/13.

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MQ/13 checklist

Use this checklist before you send us your MQ/13 form. We strongly advise that you obtain proof of posting when sending your form as you are responsible for it reaching us. Please remember to check that:

- ✓ you have completed all parts of your **MQ/13**.
- ✓ your **MQ/13** has been signed by an authorised individual.
- ✓ you have told us how many continuation sheets you have used and whether you have emailed them.
- ✓ you have rounded your calculations to two decimal places.
- ✓ you have checked your **RegQ** report to make sure all transfers and leases have been processed correctly and that you have listed all the quota holders shown at either **Part B** or **Part C** of your **MQ/13** form.
- ✓ you have initialled and dated any mistakes you have corrected.
- ✓ you have not used correction fluid.
- ✓ you have kept a photocopy of your **MQ/13** for your records.

If you have any specific queries or problems, please contact the Purchaser Team on 01392 315763

Data Protection

Defra is the data controller for personal data you give to us or we hold about you. We use it in line with the Data Protection Act. For more information visit our website at www.gov.uk, then put 'Personal Data' into the search box.

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