



Independent network on European Agricultural and Rural Policies

Implementation of the CAP reform in Ireland

State of play in January 2014

Source: <http://www.agriculture.gov.ie/press/pressreleases/2014/january/title.73336.en.html>

(thanks to Alan Matthews)

I – DETAILED PROVISIONS ON DIRECT PAYMENTS

Annual Ceilings for Ireland

Ireland's allocation for direct payments to farmers will be just over €1.2 billion per annum in the period to 2020.

Introducing the New Regime

The Single Payment Scheme will be replaced by the Basic Payment Scheme.

The Basic Payment Scheme

Ireland will implement the 'Internal Convergence Model' of redistribution of funds between farmers largely based on the original presentation of that model by the Minister at farmers' meetings in October 2012.

This model, while initially retaining the link with current payments under the Single Payment Scheme, gradually moves all farmers towards a national average value over the five years of the new scheme but does not arrive at a 'flat-rate' by 2019. The purpose of this model is to achieve a phased redistribution of payments between those who currently hold high value entitlements and those who hold low value entitlements. It introduces a fairer more equitable distribution of funds between farmers while avoiding the negative impact of a sudden move to a 'flat-rate'.

Farmers who hold entitlements with a unit value below 90% of the national average value will be increased by one third of the difference between their starting value and the 90% level over the five years of the scheme.

Farmers who hold entitlements with a unit value over 100% of the national average value will see their value decrease over the period of the scheme. The reduction will be determined by the amount needed to fund the increase for those whose entitlement value is being increased.

By 2019 all entitlements will have a minimum value of 60% of the national average value.

No farmer will receive a payment under the Basic Payment Scheme of over €150,000 per annum.

By 2019 no farmer will receive a payment per hectare (Basic Payment plus Greening payment) greater than €700.00.

Payments received under the 2014 Grassland Sheep Scheme will be incorporated into the calculation of the entitlement value in each year of the new regime for those farmers who participated in that Scheme. This will have the effect of increasing their entitlement value and ensure that such farmers do not lose through the cessation of the Grassland Sheep Scheme at the end of 2014.

Farmers who never held entitlements, either owned or leased, under the current Single Payment Scheme but who actively farmed in 2013 will be eligible for an allocation of entitlements in 2015.

Farmers who produced 'fruit and vegetables' in 2013 but did not receive a direct payment in that year, and consequently do not have an automatic 'allocation right', will be eligible for an allocation of entitlements in 2015.

Young Farmers Scheme

Ireland will establish a Young Farmers Scheme the purpose of which is to encourage the participation of young farmers in agriculture. The scheme will assist young farmers in the initial stages of establishing a farming enterprise in their own name by providing a 'top-up' payment on the payment they receive under the Basic Payment Scheme.

Ireland will allocate the full allowable amount of 2% of its national ceiling to the scheme in 2015. Percentages to be applied in subsequent years will be determined by demand.

The payment is available for a maximum of five years from the date of the establishment of the holding in the young farmer's name.

A Young farmer is defined as being aged 40 or less in their first year of application to the Basic Payment Scheme and having established their holding within the previous five years. In addition, successful applicants will have completed a recognised course of education in agriculture giving rise to an award at FETAC level 6 or its equivalent.

The Young Farmers payment will be calculated as 25% of the national average payment per hectare (based on the national ceiling) multiplied by the number of entitlements activated by the young farmer subject to a maximum number of 50.

National Reserve

Ireland will establish a National Reserve using 3% of the ceiling allocated to the Basic Payment Scheme in 2015. This is a once-off allocation and in subsequent years the Reserve will be replenished from the return of unused entitlements.

Priority for the allocation of entitlements from the Reserve will be given to 'young farmers' and to those who 'commence their agricultural activity' i.e. new entrants to farming. In all cases, allocations of entitlements from the Reserve will only be given to persons who are 'active farmers'.

The definition of 'young farmer' is the same as that under the Young Farmers Scheme. A 'new entrant to farming' is defined as persons who commenced their agricultural activity in the 2013 calendar year or any later year and did not have any agricultural activity in their own name and at their own risk in the five years preceding the start of the agricultural activity. As with the Young Farmers Scheme, successful applicants will have completed a recognised course of education in agriculture giving rise to an award at FETAC level 6 or its equivalent.

Greening

Farmers who participate in the Basic Payment Scheme must implement the three standard greening measures as follows;

- Crop diversification
- Permanent grassland
- Ecological Focus Area (EFA)

The greening payment will take the form of an annual payment per hectare. The payment will be calculated as a percentage of the payment the farmer receives under the Basic Payment Scheme. The same percentage will be applied to all farmers and greening will represent some 30% of each farmer's total payment.

There are a number of scenarios where a holding or part of it may be considered as 'green by definition' and there is no further obligation to implement the three greening standard measures. Two of the most significant are;

- Land that is subject to organic farming practices automatically fulfils all greening requirements. However such exemption only applies to that part of the holding which is farmed organically.
- Holdings where more than 75% of the eligible agricultural area is permanent grassland or is used for the production of grasses or other herbaceous forage have no further obligation to implement the three greening measures, provided the remaining arable area does not exceed 30 hectares.

Support for Protein Crops

- A new incentivised support programme for the protein sector will be introduced.

II - PROPOSED MEASURES UNDER THE RURAL DEVELOPMENT PROGRAMME 2014-2020

The proposed measures outlined in this note are intended strictly as outline proposals, which have been formulated on the basis of the design work and stakeholder consultations undertaken to date. The proposals will be developed following further consultation with key stakeholders. At that stage a draft Programme of measures will be submitted to the Commission for discussion and subsequent approval.

A more detailed outline of the proposed measures is being made available to stakeholders to facilitate their input to the finalisation of the Programme.

A new Agri-Environment/Climate Scheme: GLAS

- The proposed new agri-environment/climate measure - to be called GLAS (green, low carbon agri-environment scheme) - will build on the progress made under REPS and AEOS. It is proposed that a maximum payment of €5,000 per farmer will apply, and it is expected that there will be up to 50,000 farmer participants at its peak. The Scheme will target specific environmental challenges facing the sector as well as focusing on biodiversity, water quality and climate change issues in certain key areas. It will be designed to deliver real environmental benefits and will require significant action by farmers on environmental challenges including those identified in the recent environmental assessment of Food Harvest 2020.
- It is also proposed that, within budget limits, a GLAS+ payment would be put in place for a limited number of farmers who take on particularly challenging actions which deliver an exceptional level of environmental benefit. It is proposed that this additional payment will be up to €2,000.

Continued support for disadvantaged areas - now known as Areas of Natural Constraint (ANCs).

- It is proposed that support to farmers in these areas will continue at its current level, with payments to the tune of about €195 million per year. A full review of the scheme will be necessary, before 2018 at the latest, when the areas classified as ANCs will be redesignated using new bio-physical criteria.

Incentives for on-farm capital investment

The investment areas covered under this measure will support a number of key policy priorities, including

- Targeting support at key sectors to enable growth and expansion, including dairy farming in the context of the abolition of milk quotas in 2015,
- Support for capital investment on beef farms to contribute to environmental and climate change objectives, support infrastructural development on farms, improve animal health and welfare, and farm safety,
- Contributing to environmental and climate change objectives,
- Supporting increased efficiency of holdings, e.g. through support for farm infrastructural investments,
- Improved animal health and welfare.

Support for Young Farmers

- A separate strand of the support for on-farm capital investment will be ring-fenced for young farmers setting up for the first time as the head of an agricultural holding. This will provide a dedicated support for young farmers by offering a higher rate of aid intensity of 60% for young farmers investing in key physical assets.

Knowledge Transfer and Innovation Measures

Knowledge transfer and innovation will be a key theme running through the entire Programme. Support here will help to underpin viability, sustainability and growth by ensuring that best practice and innovative solutions are embedded across the agri-food sector. A number of integrated delivery mechanisms are being proposed in this area, including:

- Support for Knowledge Transfer Groups in key sectors to be facilitated by appropriately qualified professionals. Knowledge Transfer groups will be designed to improve farmers skills and change behaviour to address specific competitiveness and sustainability challenges. Areas to be addressed include skills related to financial management, animal health, grassland management, carbon efficiency and breeding,

- A targeted advisory service on animal health and welfare will assist in the provision of farm-specific advice in relation to matters such as BVD and Johnes Disease, as well as the control or mitigation of chronic or recurring elevated somatic cell counts. This measure can help address issues which add significantly to the costs of individual farmers, impair efficiency and adversely affect the quality of production,
- The development of the European Innovation Partnership (EIP) model to link research and innovation to farm practice. It is proposed that support for the EIP model could be targeted at strategically important issues such as environmental and climate change challenges, and increased on farm efficiency via the utilisation of the most recent scientific methods,
- A range of specifically targeted on farm training measures and support for continued professional development of advisors.

Collaborative and Quality-Focused Measures

- Support to partly offset the start up costs of approved collaborative farming arrangements. In the context of the dairy sector this has the potential to assist new entrants to the sector, to encourage young farmers into the farm enterprise, to encourage intergenerational transfer and to improve efficiency at farm level,
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- Support for quality schemes, which will assist groups of farmers in developing proposals for the marketing of distinctive local products through the EU's Protected Designation of Origin (PDO), Protected Geographical Indication (PGI) and Traditional Speciality Guaranteed (TSG) programmes.

A New Beef Data and Genomics Measure

- Up to €52 million per year will be spent on a new, highly innovative beef data and genomics measure which will support farmers who participate in a programme to significantly improve the genetic quality of the beef herd.
- Using genomics to increase genetic improvement in cattle, Ireland can further exploit its advantage of a green grass-based production system by producing beef animals which maximise productivity per unit of input and which can also accrue substantial benefits in terms of traceability and quality.
- This will drive improved genetic performance and production efficiency in suckler herds, as well as delivering improvements in animal health and welfare, and environmental sustainability.
- It can also provide the basis for a genetic traceability system in the future.
- Estimated costs of the programme are based on €80 per calved cow for approximately 650,000 participant calved cows.

Organic Farming

- Organic Farming Scheme to be continued.
- Core requirements for organic farmers would be the same as for those in GLAS, with Organics incorporated into GLAS as a priority action (Commission approval needed).
- Organic farmers meeting existing requirements under the rural development regulation would top-up payments by complying with other GLAS criteria.

Support for Island Farming

- The Department is examining mechanisms to support island farming, given the dependence of island communities on the agriculture sector and the particular constraints and difficulties associated with island farming.