

2021

# MACRA NA FEIRME SUBMISSION ON THE DRAFT CAP STRATEGIC PLAN 2023- 2027

IRELAND'S CAP STRATEGIC PLAN  
2023-2027 - PUBLIC CONSULTATION  
ON PROPOSED INTERVENTIONS  
MACRA NA FEIRME

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**Macra na Feirme**

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## Introduction

Macra na Feirme engaged and consulted with young farmers to gather their views to aid the development of this document before you. Young farmers were invited to attend one of the Farm Walk events which were held physically across the country and had the opportunity to attend a virtual CAP consultation to express their views.

The numbers of young farmers under the age of 35 has continued to fall over the past number of decades. The opportunity that presents itself to reform our payments system and transfer a greater proportion of funds to young farmers cannot be missed again. For many years young farmers have heard about their valued importance in the agriculture sector. It is now time that the rhetoric and soundbites to be backed up by supports that will deliver on the key objective of generational renewal. Young farmers will be the leaders in driving the changes required in Agriculture in terms of climate and the environment. It is in this context and the need for more young people to enter the sector that this submission is made.

Providing a viable agriculture sector right across all enterprises must be the ambition of the reforms being made to the CAP payments. Figures from the Teagasc National Farm Survey show that on average 74% of farm income comes from direct payments while the figure for drystock farmers is significantly higher. The same survey also shows that only 34% of farms are financially viable while some 33% are categorised as vulnerable.

## Application administration

A general comment on the application administration for CAP payments is that the cost of implementation should be kept as low as possible to maximise uptake, as for many farmers the administrative burden is cited as a barrier to application. As much as possible the budget for schemes should be focused payments to farmers and not on the administrative costs associated with a scheme. Macra na Feirme are in favour of geo-tagging apps and photo systems to aid the progress of inspections and issues found that need addressing. Where possible the self-assessment for some schemes would also be welcomed by farmers.

### Summary

- Keep cost on implementation low to encourage uptake
- Focus budget on payments and not on administrative costs
- Geo-tagging apps and photo systems to speed up issues/inspections
- Self-assessment for some schemes

## Active Farmer

Macra na Feirme are in favour of a robust Active Farmer definition. The consultation agreed that an active farmer definition should be someone who farms the land, whether that be part-time or full-time.

Criteria should include the following:

- A minimum agricultural activity, whether that be a minimum stocking rate or minimum threshold of crop planted and harvested per year.
- Valuing adding contribution, whether it be social, environmental, food production etc.
- A negative list of those who should not qualify under the definition
  - E.g. those who are leasing land should not be considered an active farmer
  - Large corporations, airports; waterworks; real estate services; railway services; and permanent sport and recreational grounds should be included on a negative list

### Summary

- Robust Active Farmer definition needed to ensure payments are received by those actively farming the land

## Young Farmer – CIS-YF

Attracting more young farmers into the sector is vital for the future. The current suite of supports for young farmers must be increased to address the high age of farmers and to encourage more young farmers into the sector.

Macra na Feirme strongly support the criteria and requirement for young farmers to have an agricultural education to receive direct payment.

Macra na Feirme also raises the issue regarding the proposed distribution of the 3% of Direct payments ringfenced for young farmers. The proposed intervention outlines that 2% is used for the Young Farmer scheme which we support the inclusion of the continued support for the young farmer top up and the National reserve. However we question the inclusion of the support under Pillar 2 payments in the 3% ringfenced for direct payments. The essence of the commissions proposals is to support with increased ambition for young farmers as opposed to the minimum being outlined. It is our members view that the 3% minimum should be secured for direct payments supports as opposed to the inclusion of supports under TAM's which fall under Pillar 2 payments. Increasing the rate payable to young farmers along with increased ambition under other payment schemes and new interventions will encourage more young people into farming thus utilising the 3% allocated under the minimum 3% of direct payments.

A consistent issue for young farmers is the five-year rule criteria which results in two tiers of young farmers. Macra na Feirme propose that the five-year rule be removed from the current young farmer definition. Many young farmers may not get the opportunity to take over the farm before the age of 40. Macra na Feirme support the proposal that Ireland should define the age of a young farmer as no more than 40 years of age. There must be access for all young farmers to the same supports. The age of young farmers is particularly relevant to female farmers as the average age of Irish women is older than 30 years old when she has her first child. Therefore for those who female farmers who wish to have children, farming is not considered the most attractive of careers for many reasons.

Forgotten young farmers also need a solution as many are still under the age of 40, and yet haven't been provided the opportunity to receive Young Farmer payments. This is a cohort of farmers that have been left behind and at significant disadvantage for long over a decade now and providing a scheme and opportunity to avail of Young Farmer payment supports previously missed out on is crucial in the distribution of funds.

### Summary

- Removal of the five-year rule
- Ensuring 3% minimum is secured for direct payments and supports under Pillar 2 payments is additional
- Raise age of young farmers to 40 years old
- Cater for the Forgotten Young Farmer cohort
- Access for all young farmers to the same supports

## Proposed schemes to address Generational Renewal

### Start-up Aid

#### Rationale for intervention

Macra na Feirme acknowledge current national tax reliefs and what has been contributed to support young farmers from the National envelope, unfortunately, as we have learned they are not enough to drive generational renewal forward at a rate to ensure long term success and growth in farming. Unfortunately, the current suite of measures arising from the current CAP have not had the desired result in increase the number of young active farmers.

Neither the administrative burden nor the size of a scheme should get in the way of a good idea that will benefit young farmers.

Nor should new entrants into farming be discriminated against when you compare to those starting up in other industries what is on offer in the form of installation aid. Below we have outlined grants on offer to other types of new entrants.

According to the CSO (2016), approximately 7.4% of farmer holders are under the age of 35 years. To assist young farmers during the initial stages of acquisition or establishment of a farm business, start-up aid similar to what was previously seen in an Irish context needs to become a mandatory measure across all Member States as part of the Rural Development Programme. A start-up aid measure should be targeted toward offsetting establishment costs and capital inputs required on-farm when starting up in a farming career. It must be viewed as assistance to improve productivity on a young farmer's holdings during the early stages of establishment. Results from the Irish Agri-Taxation Review (2014) show, from an Irish context, an increase in capital inputs by 10% results in likely increases in agriculture output by 1.6% to 4.2%. This highlights the beneficial nature a targeted capital input start-up aid could have when rolled out on a European basis.

As we have seen with the Young Farmer Top Up Scheme there was estimated to be approximately 1,000 fewer applicants successful in 2020 than in 2019. Not just that but some 4,000 out of 8,700 applicants received their last Young Farmers Scheme payment in 2019 even though many still qualify as young farmers due to the five-year rule. There are not enough young farmers to replace those who are moved out of schemes due to the five-year rule and therefore something must be done to change this.

### Description of what scheme does & delivers

This scheme has three components. There is not a requirement to avail of all three components of the scheme.

#### Start-up Grant

This investment Grant to deliver offset the costs of starting up a farm, e.g. legal, accounting, advisory costs. Investment in stock, etc. This section of the scheme would be exclusive to young farmers in their first five years of farming, offsetting the significant costs associated with farming.

This grant would encourage those who are worried about the costs associated with farming to reconsider and it would also lighten the financial burden associated with starting up a farm business.

#### Continuous Professional Development

The training would be to the value of €5,000. This will allow young farmers to continue their education whether it be in financial accounts, grassland management, personal development, people management and environmental measures. Keeping young farmers in the frame of mind to improve themselves and their careers will set a habit which they will carry into the future.

Research carried out by Macra Agricultural Skillnet found that there is an interest in skills and knowledge development as four out of five (79.2%) of survey respondents participated in agriculture-related courses in the past five years. Almost nine out of ten (87.1%) respondents believe that Continuous Professional Development (CPD) could benefit Irish farmers in general. The main areas that respondents measure implementation of learning from the training include efficiency changes (58.8%); change in practices (57.1%); lifestyle, health and well-being (50.9%); financial changes (49.1%); and change in productivity (43.4%).

## Financial Instruments

Macra na Feirme proposed that Financial Instruments (FI) for young farmers be included in Ireland's Rural Development Programme. The inclusion of Financial Instruments should accelerate Generational Renewal and support young farmers sustainable Investment.

Financial Instruments provide low-cost loans and are self-financing where the loans and interest paid back are, in turn, loaned to another young farmer. The availability of Financial Instruments under the Rural Development Program would allow young farmers who experience market failure from pillars banks to access farm investment credit under the RDP.

Access to credit is cited by young farmers as a significant barrier to entry and to the subsequent development of their farms. *The Indecon Ex-ante Assessment of the Use of Financial Instruments within Ireland's European Agricultural Fund for Rural Development, and European Maritime and Fisheries Fund Operational Programmes* has identified market failure to the tune of €105m in agriculture rising to €350m over time. The report identified that market failures are more acute for young farmers. Introducing a new policy instrument in Ireland's CAP strategic plan to help generational renewal in the form of a Financial Instruments in the Rural Development Programme provides greater options for young farmers to help them in their establishment in farming.

This is very positive and beneficial for sustainable investment in rural areas by creating a multiplier effect as per the Indecon report each euro of public money will activate between €3.7 (young farmers/start-ups FI) and €5.2 (standard FI) of investment, including revolving money. The average debt levels on Irish farms is approximately half of the European average. Access to credit is critically important for young farmers and Financial Instrument have an important role in making credit available, they should not be viewed as a means to encourage young farmers to take on unsustainable debt.

The scheme would be open for the duration of the Common Agricultural Policy, and the repayment extend on beyond for approximately five to seven years.

## Financials

- The allocation of Financial Instrument resources in the RDP should be based on market response. Macra na Feirme believe young farmers must be a strategic priority within FI resource allocations.
- The new Financial Instrument would address the market failures experienced by young farmers such as: terms of the loan, security, interest rate charged.
- The Introduction of a Financial Instrument under a farm and business development/Business start-up aid measure would be of significant benefit to young farmers.
- Financial Instrument should be used for capital investment both dependent and independent of the Targeted Agricultural Modernisation Scheme (TAMS).
- Financial Instruments should not be viewed as a replacement for grants or funding available for grant schemes but as a complement to grant aid for farmer who have difficulty accessing suitable credit.

## How it would work & how payments would be made

To qualify for start-up aid, similar criteria to the young farmer/new entrant definition needs to be introduced such as:

- Recipients must be under the age of 35
- Recipients commencing agriculture within a defined time frame
- Mandatory completion of a farm development business plan
- Have completed agriculture education, similar to the requirement in the young farmer definition
- Recipients fulfil the active farmer criteria

## Numbers involved & allocation

The maximum financial allocation per young farmer would be €100,000

Expect to attract approximately 1,000 young farmers every year. Not every young farmer will be able to avail of the maximum financial allocation.

## Financial allocation

The maximum cost of this scheme if indeed 1,000 young farmers availed of it would be €100,000,000.

## Succession Scheme

### Rationale for intervention

Director general of agriculture at the European Commission, Wolfgang Burtscher shared that member states have the possibility to support forms of co-operation among farmers that could include farm partnerships between older and young generations. The Department of Agriculture itself has identified the need for a mechanism to encourage generational renewal and to encourage land mobility through greater succession planning.

In Germany, their structure has linked pensions and farm transfer in order to encourage farmer approaching retirement age to consider transferring their farm. They have an old-age Insurance Scheme for farmers which is a partial pension for people involved in agriculture.

Over 30% of farmers in Ireland are aged 65 or over, with a further 25% aged between 55 and 64, according to the CSO. Support generational renewal is one of the nine pillars of the next CAP. To address this, the European Commission has focused on providing supports to young farmers and Macra na Feirme would ask that the Department of Agriculture, Food and the Marine do the same for Irish young farmers.

### Description of what scheme does & delivers

The scheme has stepped payments linked to the percentage of land transferred over to a qualifying young trained farmer. It will deliver farm transfers to young farmers earlier and increase the level of



generational renewal in Ireland. Access to land is a major barrier to young farmers, and the current schemes and taxation measures are not having the desired effect of encouraging large numbers of older farmers to pass on their land. This succession scheme would have widespread support from all parties in agriculture.

This scheme allows for a controlled handover of the farm with clear steps to achieve. This will also contribute to reducing rural isolation and improve the social demographics of Irish farms. Similar idea to the Succession farm partnerships in which farmers enter into such arrangements to plan for the transfer of your farm to a successor. This is a registered farm partnership where a farmer agrees to transfer at least 80% of the farm assets to a chosen successor within a specified period. The succession farm partnership must satisfy the requirements set out in section 667D of the Taxes Consolidation Act 1997 and must also be recorded on the register maintained by the Department of Agriculture, Food and the Marine.

Unlike the current succession farm partnership model, the transferor would transfer 100% of farm assets. The older farmer can still remain part of the partnership once the scheme comes to the end in the form of a 0% asset partnership.

### How it would work & how payments would be made

This scheme will take place up to the end of the CAP term in 2027. It will be a four-year process. Opening up yearly tranches can get into the scheme at any time. The scheme will be first come, first served.

Open to those over 63 years old. \* Allowances for those younger than 63 years old with qualifying health conditions.

To qualify for the scheme, you must meet the following conditions:

- The transferor must currently or have previously met the definition of an active farmers
- the farm partnership must first be entered on the Department's Register of Farm Partnerships and have an appropriate Farm Partnership Registration Number (FPRN)
- the farm partnership must have at least 2 members and at least one must not yet have reached 40 years of age
- at least one partner in the succession farm partnership must have farmed at least 3 hectares in their own right for the two previous years - this person is defined as the "farmer"
- at least one other partner under 40 must have an appropriate qualification in agriculture and they must hold an entitlement to at least 20 % of the profits of the partnership - this person is defined as the "successor"
- the farm partnership must apply for entry to the Succession Farm Partnership Register in writing

The application must be accompanied by the following documents:

- a four-year business plan setting out the evolution of the partnership over that period of time

- a legally binding agreement showing the plans to transfer or sell a minimum of 100% of the registered farm partnership's farm assets to one or more of the members under 40 years of age in a time period before the 31<sup>st</sup> of December 2027
- documentary evidence that the relevant members are under 40 years of age at the time of application

The Teagasc My Farm My Plan Booklet must be completed for the partnership. Teagasc is the certification body for this farm plan. Applicants must comply with the conditions of the scheme as outlined by DAFM.

### Milestones

The landowner entering the scheme must agree to the transfer of 100% of the farm assets to the younger farmer (under 40) before the 31<sup>st</sup> December 2027, irrespective of when the scheme is entered. Below is an example of parties entering the scheme in Tranche 1 of year 1.

- Year 1 and 2 organising transfer of farm assets
- End of year 2 – 50% of farm assets transferred
- Year 3 and 4 organised the remaining transfer of farm assets
- End of year 4/scheme end – 100% of farm assets transferred

### Clawback

If the milestones are not hit, then the clawback of the financial allocation will occur.

### Numbers of those involved & allocation

Macra na Feirme would like DAFM to calculate the numbers to best gauge the cost of the scheme, as DAFM are in a position to model this information more accurately than ourselves.

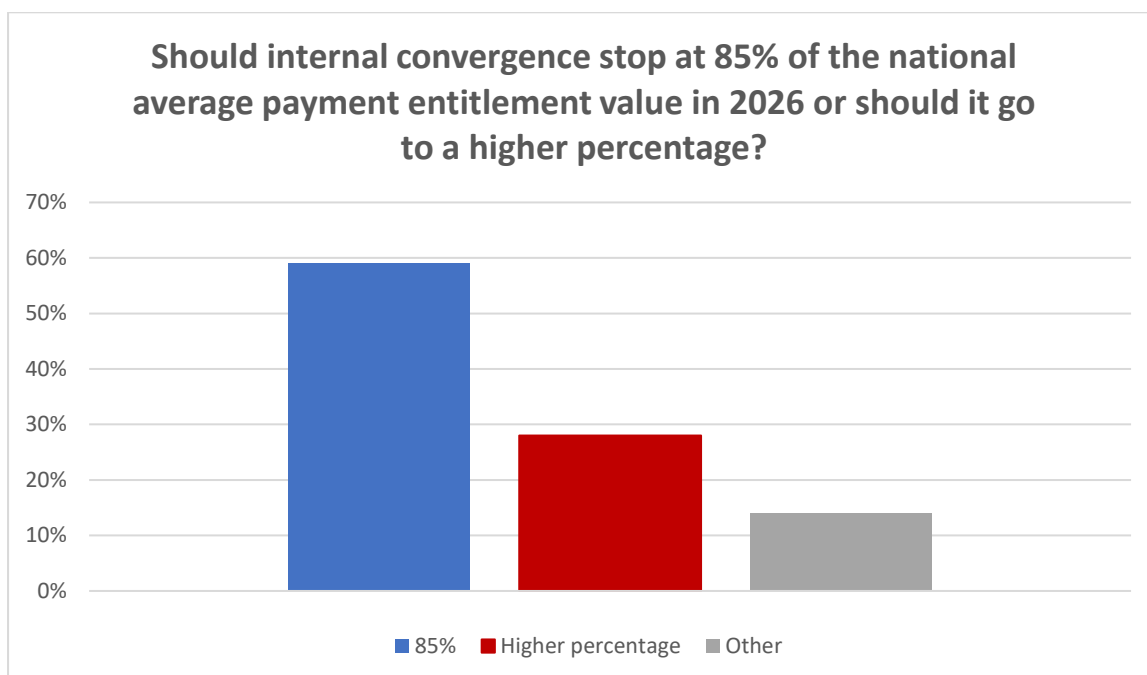
### Financial allocation

Banded approach minimum €100 and maximum €100,000 based on recent direct payments, reference period 2021. Front-load payments to those with a lower band of direct payments.

### Convergence

59% of young farmers surveyed are in favour of internal convergence stopping at 85% of the national average payment entitlement value in 2026.

It is important to note that tillage farms tend to have higher payments and therefore will be most impacted by convergence. Especially smaller tillage farmers which could lead to these farmers exiting the sector. Convergence should only be applied on after a fair wage has been deducted. Macra na Feirme would ask that there is series consideration taken to the negative consequences for the tillage industry going into the future especially concerning industry viability, environmental impacts and the ambition to meet climate targets.



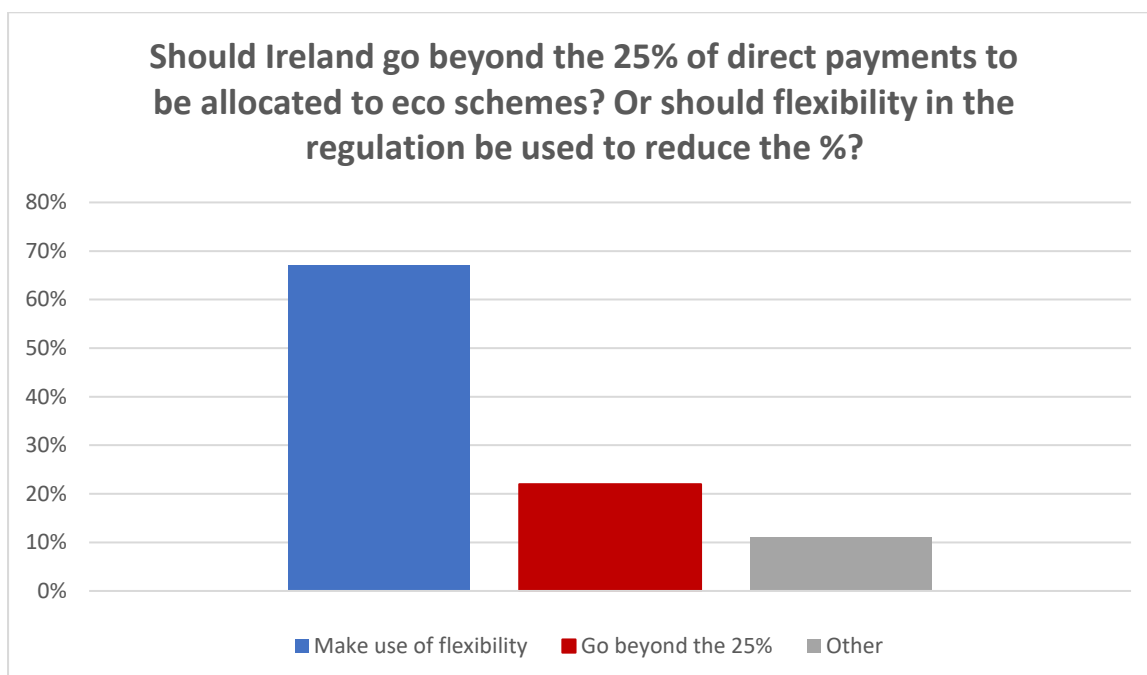
### Summary

- Stop internal convergence at 85%
- Convergence should only be applied on after a fair wage has been deducted
- Serious consideration needed for the negative consequences

## Eco-scheme

Macra na Feirme are in support of the commitment that eco-schemes are to be open to all active farmers in the country. Results-based eco-schemes must take priority with the proposal for young farmers to avail of an increased payment linked to increase environmental ambition. Macra na Feirme would be in favour of young farmers being given priority access to eco-schemes.

Of the young farmers surveyed, 67% believe that Ireland should make use of flexibility in the regulation to reduce the percentage. Macra na Feirme ask that proposed eco-scheme's have sufficient options for farmers to balance the potential losses from convergence some farmers may face.



Macra na Feirme is in favour of the new eco-scheme, which is to replace GLAS. It is paramount that this scheme is accessible to all farms as previous schemes were not fully inclusive for all. Regardless of intensity or enterprise all farmers need to be assured that access to the scheme is easy and favourable to good farming practices. Included in the scheme design there must also be allowance for on farm actions which have been undertaken previously and their benefit to the environment and climate. Our members have highlighted actions taken over the past number of years that have improved the environmental impact of their farm. We cannot have a situation whereby these farmers operating at a high level of environmental efficiency are expected to meet requirements that have yet even greater requirements for a base payment. We welcome schemes with additional ambition but we must also recognise that with additional ambition comes additional payment rates.

There should be both sector specific and common actions for farmers to choose from so that there is flexibility for all. Over cumbersome scheme design or the requirement for significant on farm investment to meet scheme requirements will result in low uptake and vital funds not being available to farmers. It must also be ensured that actions and payments are not directly affected by weather events that may reduce the ability of farmers to meet minimum requirements. Cover crops are a potential measure for inclusion as can contribute to biodiversity and there should be good flexibility to choose varieties to suit different farms.

In terms of scheme design and specific requirements of the scheme/s designed the following must be incorporated

- Maximum flexibility for all so broad access is ensured
- Results based measures that have tangible measurable results
- Training for farmers so self-assessment can become an integral part of the programme
- Schemes which are compatible with good farming practices that drive efficiency and financial stability
- Sector specific actions that deliver for sectors that are affected significantly by other measures under this reform i.e. Tillage farmers
- Scheme must allow for growth in an individual's enterprise in terms of scale and intensity

- Measures that support the Maintenance and improvement of practices already carried out on farm i.e. hedgerow management programmes, soil sampling programme, areas of non-productivity/ landscape features
- Measures that improve water quality with informed programmes such as a wider rollout of ASSAP
- Measures that actively reward farmers for carbon sequestration and carbon smart farming
- Measures and training programmes to better inform nutrient application and fertiliser requirements. (Industry must step up to meet demand and also ensure that products with an improved environmental impact are financial available to all farmers).
- Develop specific young farmer eco-scheme with additional payment for actions with increased ambition while remaining complimentary to good farming practices.

## Concerns

Members expressed concerns over the double funding rule, regarding measures already adopted on farms involved in EIPs, or NPWS farm scheme. It should be taken into consideration how to cater for these farmers if already engaged in such measures, so that they can fulfil the 25% requirement under Pillar 1. Other concerns were raised around the practice of negative scoring in eco-schemes as is currently used in some locally-led schemes such as on the Burren Winterage Grasslands.

## Protein Scheme

Macra na Feirme believe that the budget should be increased to €7 million and along with this increase additional investment and research is required. Both Soya and combi-protein crops should be included in the Protein Scheme. Investment is needed in the processing facilities in feed mills and breeding programmes, more research is needed to find high quality protein in Ireland and more varieties are needed that suit Irish conditions. Also the recognition of new breed practices for future development e.g. CRISPR, gene editing. Macra na Feirme asks that a consistent payment is provided as fluctuations in price can lead to fluctuating land area.

## Non-productive areas

Protein crops and diversity of cropping should be taken into account if biodiversity requirements are not met by farmers. Hedgerows and areas of scrub must also be included. Consideration must be given to the opportunity loss and reduction in on-farm profit caused by removing land from production. Ensure to include buffer zones at watercourses.

## Crop rotation requirements

The requirement to have a different crop in the field each year can severely restrict catch crop options and the choice of premium crops a farmer may choose to grow. The benefits of crop rotation are well known and while it is needed for farms there is also a need for flexibility on a farm by farm basis as many factors can affect rotation e.g. soil type. There is also a need for more research on alternative crops such as Rye.

## Minimum green cover

For minimum green cover on soils measure the regeneration of volunteers and weeds should suffice. In the case of invasive species on farms this should help to provide stale seedbeds to combat these species.

## Summary

- Results-based eco-schemes take priority
- Young farmers given priority access to eco-schemes
- Make use of flexibility in the regulation to reduce the percentage
- Sufficient options be given to farmers within eco-schemes
  - sector specific and common actions
- Accessible to all farms

### Concerns

- Concerns addressed around double-funding & negative scoring

### Protein Scheme

- The budget be increased to €7 million
- Consistent payment needed, fluctuation in price leading to fluctuating land area
- The scheme cater for combi protein crops
- Soya should be included
- More research needed to find high-quality protein in Ireland
- More varieties needed to suit Irish conditions, investment in breeding programmes
- Recognition of new breed practises for future development e.g. CRISPR, gene editing
- Investment in processing facilities in feed mills

### Non-productive areas

- Protein crops are taken into account if biodiversity requirements are not met by farmers
- Hedgerows and areas of scrub should be included
- Removal of land from production could lead to a reduction in on-farm profit
- Diversity of cropping should be taken into account, possibly using the biodiversity index
- Include buffer zones at watercourses

### Minimum green cover

- Measure the regeneration of volunteers and weeds

## CRISS

The general consensus amongst Macra na Feirme members is that CRISS is a positive measure but queries around the multiple measures targeting redistribution of funds. Avail of derogation for a reduction under 10% to allow for the impact of other redistributive measures to be taken into account and measure the impact on individual farmers. There is also a belief that there should be a minimum level of efficiency set for smaller farms to ensure that redistribution does not reward inefficiency and regardless of farm size, efficiency and output versus input should be taken into account.

### Summary

- Set a minimum level of efficiency for smaller farms

## Capping Direct Payments

After further consultation with our membership the majority of the Macra Na Feirme members responding wanted to see a Capping of Direct Payments between 66,000 and 100,000 with a consideration given to the farm labour requirement on farm. It is clear that there is a cohort of full time active farmers who will lose out significantly with the array of new measures proposed that will redistribute payments away from their enterprise. Consideration must also be given to the intergenerational nature of these farm structures so as to ensure the farm can continue to support the family structure within the farm. We cannot result in a scenario where a number of efficient productive farms providing an opportunity for young people to come through are unduly affected so as to remove the opportunity for the next generation to become involved.

## Climate-Related Measures

Macra na Feirme believe that all farmers should have the opportunity to be included in climate measures. Farmers must be brought in without anyone being alienated. These measures must be tailored to achievable goals. The scheme must be open to all farmers across all enterprises and independent of intensity. Prescription approach is favoured for a base rate payment for all with additional options to add measures with corresponding additional payments to meet results based measures. Important that the measure does not reduce the productive area of a farm long term or reduce the saleability of a farm due to forcing landscape requirements on farm. Any mandatory planting of trees must be complimentary to farming practices and not result in areas on farm whereby farmers have a long term effect from a measure that may not be continued when the next CAP is agreed and this measure not supported thus resulting in a farm being negatively impacted longer than the benefit was received. Macra na Feirme welcome the addition of LPT to support farmers in advice and training. Ensuring enough personnel are placed in these teams is paramount to ensure success.

Macra na Feirme believe that the targeted 50,000 farmers under this measure is not enough. Getting the scheme design right with actions that are practical, complimentary and not financially burdening will ensure high farmer uptake.

The intervention must also ensure that Organic farmers are not excluded from the scheme due to double funding issues or on farm practices that are already in place including extensive farming, sequestration measure, biodiversity measures. This has been an issue previously and this measure must ensure Organic farmers are not excluded.

## Training

Training should be farmer-friendly and offered on both weekdays and weekends to accommodate both full and part-time farmers. It should also be simple and streamlined to get maximum buy-in from farmers and will result in greater success for the scheme. The option of webinars and farm walks should be considered. The training should also be available in small groups and delivered within a reasonable timeframe.

The training programme mentioned above and previously mentioned training programmes must be included in an overarching CPD Framework for farmers. Over the past four years after the release by Macra na Feirme of the report on developing a CPD for farmers, it has been our belief that it remains a missed opportunity. Proper consultation with stakeholders and active engagement can result in the development of a framework. Other sectors are moving ahead in developing the skillset of their

labour force while the lack of a national CPD framework in farming has left us lagging. The development of the framework is essential in moving forward the development of farmers. The training programmes mentioned in this submission and the consultation document should be framed in this framework and funding made available for its establishment.

## Carbon farming

Carbon farming has been a hot topic across the agri-media recently and for good reason. Other EU countries have systems in place already e.g. France, and so Ireland should develop a similar system for carbon credit trading as to not be left further behind. If implemented there is the opportunity for extra income through carbon credits and recognition on-farm for farmers contribution. Farmers need to be rewarded on the carbon storage potential of hedgerows based on the likes of height, width, maturity and density. But with this recognition, there must come allowances for natural occurrences beyond the farmer's control e.g. ash dieback, drought and storms. There is the potential for schemes such as the soil sampling scheme to be used to gather information on soil carbon and soil microbiome and the continuation of schemes such as the soil incorporation scheme which can return carbon to the soil relatively quickly.

### Summary

- All farmers should have the opportunity to be included
- Measures tailored to achievable goals

### Training

- Training should be farmer friendly and offered on weekdays and weekends
- Simple and streamlined training
- Use of webinars and farm walks
- Delivered in small groups and within a reasonable timeframe

### Carbon Farming

- Extra income through credits
- Recognition on farm for contribution
- System needs to be developed for carbon credit trading, other EU countries have systems e.g. France
- Ensure supports through pillar 1 & 2 to increase tillage area, which has a low carbon footprint
- Schemes such as soil sampling scheme should be used to gather info on soil carbon, soil microbiome
- Continue schemes such as the soil incorporation scheme which can return carbon to the soil relatively quickly
- Farmers should be rewarded on carbon storage potential of hedgerow based on height, width, maturity and density.
  - Consideration for natural occurrences, e.g. ash dieback, storms

## Organic Farming Scheme

As mentioned above it is crucial that farmers in the organic scheme are not excluded for participating in the Agri environmental climate measure. The ambition is to have 7.5% of UAA under Organic farming in the programme for government. This will only be achieved by developing markets



for organic produce to be sold into at premium organic prices. Funds from outside the CAP budget must be used to develop the market. Young farmers have been mentioned as playing an important role in increasing the amount of land farmed organically. In order for this to occur additional payments are required for young farmers entering organics while also increasing the conversion payment and taking into account the conversion cost but also the cost of change of enterprise within the conversion process.

#### Summary

- Provision of funds for the further development of markets for organic produce
- Additional payment for young farmers entering organic agriculture

## Suckler Carbon Efficiency Scheme

Macra na Feirme do not believe that there should be a cap on livestock numbers within this scheme. Payments under this scheme should be based on efficiency factors e.g. Improved genetics, weight gain, calving interval, grass utilisation. Suckler farming is part of the lifeblood of Irish agriculture and must continue to be supported to protect not just the industry but also many farming families. The very inclusion of the statement regarding the capping of herds participating shows a complete lack of consideration of the importance of the suckler system to Ireland's rural communities. A sector capped without growth will not encourage young farmers into the sector which already has an older demographic of farmers. The scheme must also not discriminate against those farmers who have grown their business over the past few years by way of reference year that unduly affects their business. Basing payments on efficiency measures is crucial to improve the KPI associated with the suckler herd.

#### Summary

- No cap on livestock numbers
- Based efficiency factors e.g. Improved genetics, weight gain, calving interval, grass utilisation

## Dairy Beef Welfare Scheme

Sexed Semen must be incentivised in order to facilitate the move away from the stock bull and to increase the uptake of sexed semen. Macra na Feirme members support the implementation of the DBI as a driver of on-farm beef performance. Given the importance of grass management for growth rates and performance our members believe that the inclusion of grass measurement as an option for the growing calf would be beneficial. The inclusion of farm grazing infrastructure support under the Capital investment scheme will also drive the efficiencies achieved on-farm as a direct result of the inclusion of this measure.

#### Summary

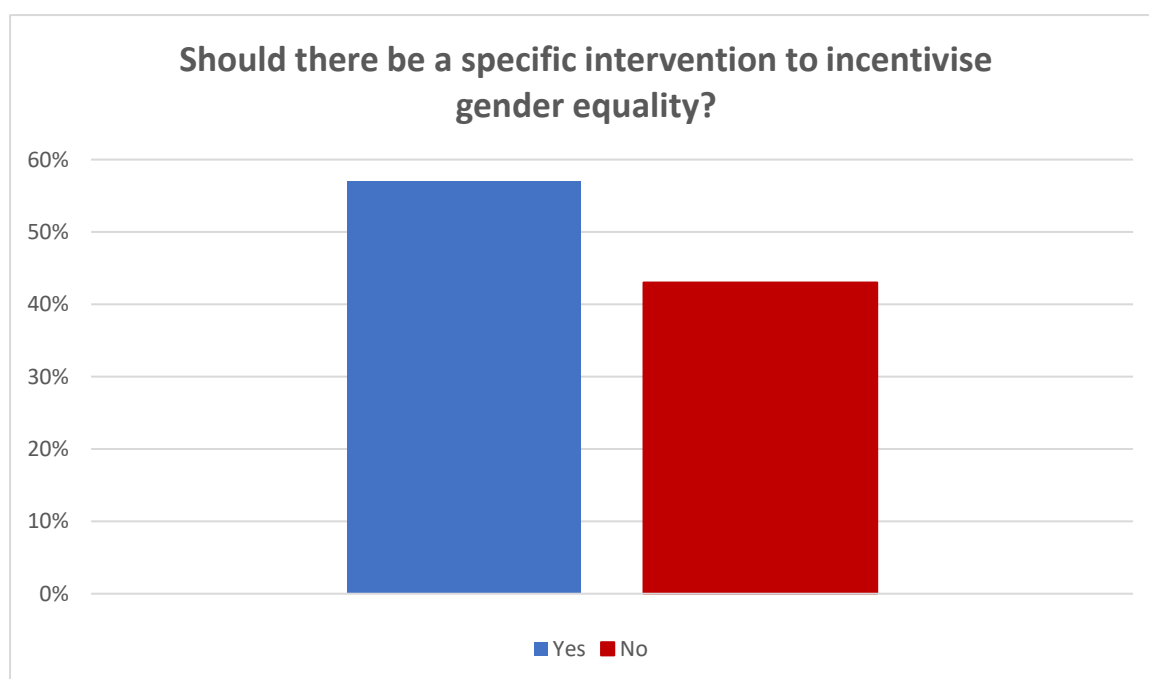
- Incentives for sexed semen usage
- Inclusion of grazing measurement

## Gender Equality Measures

57% of young farmers surveyed believe that there should be a specific intervention to incentivise gender equality. The first step to address the gender imbalance within Irish agriculture is the acknowledgement of women already farming following the saying that if they can't see they can't be. This acknowledgement will encourage more women to get involved in farming. Almost every farm has or had a women involved, but rarely these women are visible on paper or in the decision making process on farms.

Macra na Feirme are in favour of Women Specific Knowledge Transfer (KT) Groups which cover not only the usual topics but also mental health, time management etc. Feedback from members was that often a barrier to joining a KT group is the lack of other females or the feeling that they may be there as a token gesture. These KT groups must be funded. Another option is to have specific payments for KT groups and discussion groups who have a certain percentage of actively farming females within the group.

There should not be token gestures to address the gender imbalance but rather research into the topic to better understand the depth of the issue. Manufacturing and innovation with women in mind- most farm handling aids and machinery are designed for men, small changes can allow women to use much of the same equipment or facilities.



### Summary

- Acknowledge of women who are already farming
- Women specific Knowledge Transfer Groups
- Funding for KT groups and discussion groups payments which have a certain percentage of actively farming females within the group

- Further research into gender imbalance in Irish agriculture
- Research and changes to manufacturing and innovation with women in mind

## On Farm Capital Investment Scheme

Macra na Feirme are in favour of the continuation of TAMS or similar scheme. There needs to be assurances that the scheme caters more for new entrants. Along with that there is a commitment to regularly updated costs to reflect the current prices. For example building costs have increased yet costing reflect outdated prices. There must also be no exclusion of on farm investment support for Dairy farmers who are investing in dairy equipment or related investment. Investment in improving on farm infrastructure will only improve efficiency and environmental impact. The scheme must also allow for the addition of new investment supports to support investment in new technologies.

Macra na Feirme would like to see an increase in the grant available to young farmers to 80%. This is highlighted by the commission as an option for each member state to utilise. Increasing the support level will allow for greater investment and a more diverse investment profile as the cost of on farm investment have increased dramatically over the past years and months.

An increase in the scope of items available under the scheme would increase the uptake. There is the potential to cater for farm to farm trading infrastructure in the form of weigh bridges, slurry storage etc. While the likes of precision agricultural equipment, quality control equipment and novel health and safety equipment should also be included.

### Summary

- Continuation of TAMS or similar scheme
- Scheme caters for new entrants
- Regularly updated costing to reflect current prices
- Increase in the grant percentage available to young farmers to 80%
- Increase the scope of items available under the scheme
  - Farm to farm trading infrastructure
  - Precision agricultural equipment
  - Quality Control equipment
  - Novel health and safety equipment

## Land Mobility Initiatives

The following proposed interventions are proposed by the Land Mobility Service.

### The Proposed Intervention

A funded Independent Land Mobility and Generational Renewal Facilitation Service.

### Rationale for The Intervention

- Current age profile of Irish farmers, Eurostat and others.

- 2012 Macra Na Feirme *Land Mobility and Succession in Ireland* Research report undertaken by Pat Bogue, Broadmore Research which found that 48% of full-time farmers had no identified farming successor, this led to the formation of the Macra Land Mobility Service.
- 2021 IFAC Irish Farm Report survey found that 77% of farmers over the age of 55 had no definite succession plan.
- Generational renewal remains a significant issue in spite of young farmer supports under CAP and national tax initiatives.

It is in this context that the rationale for a funded independent Land Mobility and Generational Renewal Facilitation Service emerges.

While a Land Mobility and Generational Renewal Facilitation Service would deliver a positive impact towards many of the objectives under the next CAP, this proposed intervention is framed under *Objective 7: Attract young farmers and facilitate business development in rural areas*.

#### Reference documents

- EC Dec 2020, Commission Recommendation for Ireland CAP Strategic Plan, Section 2.7 Attract Young Farmers and facilitate Business Development in Rural areas.
- ENRD Workshop Dec 2018, Attracting young farmers and fostering Generational Renewal in rural areas.
- Macra na Feirme President address to Joint Oireachtas Committee on Agriculture, April 2021.
- SWOT Analysis for the CAP Strategic Plan post 2020, Objective 7: Attract Young Farmers and facilitate Business Development in Rural areas.

#### Highlights there from

- Young Farmers account for only 6% of farmers
- Access to land is a challenge
- Long Term Leasing growth is a positive
- The Land Mobility Service is a positive
- Identifying sufficient Interventions for Young Farmers / Generational Renewal is a challenge
- A collaborative / partnership / share approach is required in addition to the traditional succession and inheritance model
- The Facilitation of collaborative farming arrangements between young and old can be slow and labour intensive, such a process requires funding.

The Generational Renewal delivery in Ireland from this intervention will be

- 1) A fall in older farmers and an increase in younger farmers, by providing options for land owners and opportunities for younger farmers.
- 2) An aid for access to land

- 3) Continued growth in long term leasing but also other forms of collaborative farming and land access / land use models.

### What would the Service Do?

The Service would be a scaled-up version of The Land Mobility Service. The Land Mobility Service is nationwide with funding from industry, farmer participants and the Department of Agriculture. The Service is having a positive impact, its independent focused and expert nature being a major positive. The focus is on delivering sustainable solutions. Engagement with farmers and landowners has proven the benefit of and need for such a service.

However further success and engagement is curtailed by a restricted budget.

The Service provides options for landowners and opportunities for young trained farmers. There are three key elements to the service:

1. Create awareness and provide information.
2. Facilitate and deliver arrangements including matching.
3. Support operating arrangements.

The Service has and would support all land owners but the cohort with whom the Service has most engaged are farmers with no identified farming successor and those with a successor but requiring an additional land resource for viability. Studies have shown this to be a significant cohort, a cohort that requires support outside the traditional initiatives. (*Land Mobility and Succession in Ireland*, Pat Bogue 2012 48% of full-time farmers having no identified farming successor and 26% of all farmers are over the age of 65, IFAC 2020 one in three farmers don't progress succession due to viability fears, Shane Conway NUI Galway 2019 highlighted the benefit of funded facilitation to land-owners).

Based on there being 130,000 to 140,000 farmers in Ireland, those aged over 60 in this non successor and/or viability constrained cohort would represent 30,000 plus farmers. (2016 Farm Structures Survey CSO 7,400 farmers under 35 (5%) 41,200 over 65 (30%) 34,700 aged 55 to 64 (25%), Pat Bogue, IFAC, Eurostat).

A positive Generational Renewal outcome for this cohort requires matching, family input and support, non family collaboration, focused facilitation and building a sustainable farm plan. The positive outcomes would be

- A family farming succession/progression made possible by way of access to extra land for viability or
- Collaboration (non family) with a young trained farmer who has little or no land or
- Collaboration with an existing younger farmer.

The benefits of positive farmer Generational Renewal and young people to rural communities is well established. This generational renewal does not have to be confined to within the

family or land ownership, many successful and sustainable farming enterprises are operated by excellent young farmers, who own no or little land.

Apart from the social benefits delivered by young farmers there is evidence to show that they better adopt new technologies and environmental considerations, both their carbon footprint and income return per unit of output tends to be more positive than that of older farmers, Teagasc and Land Mobility Service 2019 Report (study of productivity pre and post collaboration).

The risk and past experience from relying on traditional young farmer supports and land-owner exit measures alone to deliver change is that the result is:

- a) A lack of awareness of the support measures, and how they can be availed of in conjunction with all the other elements and schemes within a CAP, e.g. a positive environmental scheme could have a negative generational renewal impact due to landowner misinformation or misunderstanding.
- b) Delivery, but not enough to reverse a trend due to insufficient support at farm level and/or facilitation with obstacles and identifying collaborators.
- c) A focus on one party rather than a sustainable and win-win outcome.
- d) Land abandonment.
- e) Conglomeration with young farmers disadvantaged and large operators accessing available land.

Having a funded facilitation service included in the suite of measures will positively impact overall delivery.

### The Financial Ask

To illustrate the scale of the task there are circa 130,000 farmers in Ireland, a 1% engagement is 1,300 farmers per annum. Even adjusting for part time and farms that would not be viable without support from other income there are still an estimated 70,000 farmers. There are farming family options for 50 to 60% of these leaving a significant number where the collaborator for generational renewal has to come from outside the family. (Data sources Teagasc, IFAC, Pat Bogue, Land Mobility Service).

No matter what matrix or calculation basis you take there is a cohort of at least 30,000 farmers who are of an age to step back but need support and options outside the simple or traditional. At present, due to budget and scale constraint, the Service only manages to engage with 1 to 2% of this group annually.

The Service will target and support all land owners but it is this “hard to reach, problematic, needing different options” cohort that will be specifically targeted. This is the cohort most in need of a specialized service and the one that will deliver most in terms of additionality.

The Land Mobility Service currently engages with circa 300 to 400 farmers per annum and helps facilitate 100 to 150 arrangements annually. Farmers and landowners' own advisors including accountants, solicitors and agri advisors are invariably included in the process but the stimulant and facilitator for change has been the Land Mobility Service. The service is a time consuming and people engagement process, so delivery is directly linked to having a facilitator resource in place, this is evidenced by our highest delivery in counties where resources are present.

Engagement is the measure of success.

Inquiries are a step in the engagement process. Inquiries to date have come from Referrals (advisors, other farmers, professionals, farm organisations and industry), Agri Media, and Information Events..

A particular emphasis will be put on Information Events and Clinics linking in with KT groups, Teagasc, the Dept of Ag, and farm organisations.

To progress an inquiry targeted, intensive and confidential support is required. Progression from Knowledge Transfer to Knowledge Exchange takes effort but has positive implications (Roberta McDonald Nuffield Paper 2016). Time and space is needed to act, transfer of knowledge takes time and incurs cost with no guarantee of outcome (Szulanski 2003 Knowledge Transfer and barriers to adoption).

There is a building process from awareness to inquiry to engagement, which takes time and specialized focused effort.

To operate a properly resourced service will require annual funding from the CAP of €1,425,000 (€7,125,000 over a five-year CAP period).

### Business Plan and Financials

In short the business plan is a scaling up of the current Land Mobility Service. Activities will include:

- A range of information and awareness events. These are very important not just for farmers and landowners but also agri media and advisors. They encourage peer engagement. They will include farmers and landowners who have benefited from the service. Some will be joint Teagasc and industry events.
- Facilitators based regionally who will follow up on inquiries, providing information and options for both landowners and farmers.
- Linking in with Young Trained farmers and Educators to ensure awareness of farming career pathways.
- Identifying potential collaborators (matching) through the data base, discreet advertising and arranging introductions. The data base contains contact and summary farm or farming information of people who have asked to be included on same and wish to be

considered for collaboration opportunities, data protection policies are in place and adhered to, the Land Mobility Service is fully GDPR compliant.

- Facilitating a sustainable and suitable arrangement for the farm and collaborators together with farm business plans.

Close relations would be retained with Teagasc, agri advisors and professionals, food processors and farm organisations all of which have been an excellent source of referrals and to whom the service will be of assistance and a support.

The resource needed to deliver engagement are staff on the ground. The experience of The Land Mobility Service since inception has been to prove the concept and that delivery follows from the supply of a resource.

The CAP funding would be used to put staff in place and the outcome will be the delivery of engagements.

The planned staff mix would be as follows:

Regionally based Facilitators	12
Programme Manager (Lead Facilitator)	1
Facilitator Admin Support	2
CAP Strategic Plan Administrator	1
Finance Manager	1
	17

The heartbeat of the service are the facilitators, the annual cost of each facilitator would be roughly as follows:

Salary	€ 40,000
Employers PRSI, Pension Cost, etc.	€ 10,000
Performance Support (IT, Phone, Stationary, Training)	€ 8,000
Travel	€ 12,000
<b>Total</b>	<b>€ 70,000</b>

We have found linking facilitators to industry partners has worked well, so industry revenue projection is based on 12 partners. This in essence ensures that there is a relationship between agri-business partners and the service. The agri-businesses, traditionally Coops, are a regular source of farmer referrals to engage with the service.



## Summary Annual Financial Budget

<b>Operating Costs</b>		€
Facilitators	12 staff by €70,000 (refer table)	840,000
Management, Finance and Admin	5 staff	300,000
Operational Overheads	25% of payroll cost	285,000
<b>Total Annual Staff Operational Costs</b>		<b>1,425,000</b>
Other Costs		
Promotion, Events and Research		260,000
EU Reporting Requirements		100,000
<b>Total Cost Budget</b>		<b>1,785,000</b>

<b>Revenues</b>		€
<b>CAP Strategic Plan Funds</b>	<b>The payment mechanism could be € per operational staff or € per engagement</b>	<b>1,425,000</b>
Other Revenues		
Farmer Fees	€200 per engagement, 100 engagements per Facilitator per year	240,000
Industry Partners	€ 10,000 by 12 per year	120,000
<b>Total Revenue Budget</b>		<b>1,785,000</b>

CAP funding is required for staff operational costs, farmer and industry funding (if permitted) would be used for promotion, events, research and reporting.

Research is envisaged on different forms of collaboration, the matching process, considerations and learnings required for people working together, farm productivity pre and post collaboration, farming career pathways. Research partners would be Universities and Teagasc.

Figures are provisional and based on a scale up of the current Land Mobility Service. The primary resource is payroll, operational overhead is calculated based on normal guidance and service experience to date.

The RDP standard cost approach equates to €80 per hour. The requested annual CAP funding is €1,425,000 for 18,000 active Facilitator hours per annum (€79.16 per hour) (1,500 hours per facilitator allowing 450 hours for holidays, training, admin etc).

The current form is under funded and insufficient in scale to deliver the desired service. Industry is very supportive but the current model is overdependent on such funding which is variable and dependent on markets/margins and market sentiment.

## Measuring Delivery

The purpose of this intervention is to inform, support and facilitate farmers and landowners in a process so engagement is the primary measure of success. Delivery of a final sustainable arrangement/generational transfer/collaboration is the firm outcome.

There is a demand and appetite for this type of support.

- Information events on Land Mobility, Succession and Generational Renewal are always well attended (Land Mobility Service, Teagasc, Skillnet, Farm Organisations experience).
- The Land Mobility Service currently with three facilitators is converting almost 60% of inquiries to engagements.
- The Land Mobility Service is currently delivering on average 120 engagements per facilitator per annum.
- Since its inception demand for the Land Mobility Service has grown. The constraint has been capability to deliver, where resources have been put in place demand and engagement has followed.
- Depending on which ever matrix you use, 130,000 farmers or 70,000 full time viable farmers or farmers without a succession plan or the target cohort 30,000 plus identified above, there is a massive target population

The big problem for this type of support service is that what you are dealing with is time consuming, often sensitive, requires expertise, discretion and patience and is often protracted. There is no immediate profit/income return or compliance/legal obligation for the participants. For this reason, it needs a dedicated service and needs to be subsidised otherwise the status quo, to defer or do nothing is the easiest option.

Those farmers and landowners with an identified farming successor and a clear farming pathway will progress generational renewal on their own or will engage with their present professional and agri advisors to progress same. This generational renewal will happen anyway and does not need this intervention.

This intervention is not targeted at this group but instead aimed at the hard to reach and difficult cohort identified earlier (no farming successor, viability hindrances, no clear progression path, problematic farming pathway, etc). The engagements and arrangements we are talking about will not happen without the support of this service, without this intervention. Any concerns of deadweight do not apply, delivery is additionality and providing support and facilitation for those that would not otherwise engage.

There is clear justification for this intervention as it is focused on a key CAP objective (Generational Renewal) and about delivering additionality (more than what would happen anyway).

The target delivery is 100 engagements per facilitator per year. While current service delivery is on average 120 per facilitator per year the range is 70 to 150 depending on location and farmer/landowner profile, for this reason with scaling up we have adopted a target of 100 rather than 120. The additional delivery will be through extra facilitators and will accumulate over time, refer table below.

To deliver these targets the service must create awareness to deliver inquiries and then must have the facilitators (expert and independent) in place to progress inquiries to engagements.

Once there has been engagement the farmer/landowner, fully aware of his/her options and how different scenarios can work, would be presented with opportunities and/or potential collaborators if required. The final outcome will be varied but always positive and informed.

	2022**	2023	2024	2025	2026	2027
Number of functioning Facilitators in place by year end	12	12	12	12	12	12
Inquiries Projected	750	1500	2000	2200	2400	2500
Primary Measure Engagements ***	500	1000	1200	1300	1400	1500
Final Outcome Arrangements	150	250	300	350	400	500

\*\* Dependent on funding start date

\*\*\* Engagements are the primary reporting measure, once up and going the target delivery is 100 engagements per facilitator. Engagement is defined as deriving from an inquiry that has been processed and then engaged with a facilitator. This engagement would include a farm or location visit(s) and exchange with the principals or person. Further to this exchange options and the implication of same would be outlined and explained. A report including farm plan/proposal may be furnished and potential collaborators introduced or expressions of interest advised.

Location visits typically take between 2 and 4 hours plus travel plus pre/post workings.

## Conclusion

The Land Mobility Service as an independent service has proven through the past 5-7 years that such a service is required. The concept is lauded at European level, and many other jurisdictions are modelling similar interventions on the Irish Land Mobility Service. This intervention as part of a suite of measures to support generational renewal and if scaled-up under the lifetime of the next CAP can be a very effective tool aiding generational renewal at significant levels and scale.



**Macra na Feirme**