

Mr. Charlie McConalogue, T.D.,  
Minister for Agriculture, Food and Marine  
Department of Agriculture, Food and the Marine  
Agriculture House  
Kildare Street  
Dublin 2  
D02 WK12

8<sup>th</sup> December 2021

**Re: Ireland's Draft CAP Strategic Plan 2023-27**

Dear Minister,

Thank you for the opportunity to make a further submission on Ireland's Draft CAP Strategic Plan 2023-27.

ICOS acknowledges your direct engagement and the dialogue by DAFM to-date in the development of Ireland's CAP Strategic Plan, especially through the CAP Consultative Committee and bilateral meetings and engagements.

Agriculture is facing unprecedented challenges resulting from Brexit and disruptions to supply chains arising from the COVID-19 pandemic. Furthermore, the agri-food sector is acutely aware of the important challenges it faces related to the environment, especially the need to reduce greenhouse gas and ammonia emissions, improve water quality and enhance and protect biodiversity.

ICOS is strongly committed to working with all industry stakeholders to find sustainable outcomes for the agri-food sector, mindful of the need to protect family farm incomes and to find new high-value export markets to meet the growing global demand for milk and beef products for the benefit of the rural economy.

The development of Ireland's CAP Strategic Plan is a rare opportunity to transition the sector to meet future needs such as improving the viability of farm incomes, environmental sustainability, animal health and welfare, food safety and quality and health & safety at farm level.

There are many progressive and welcome initiatives in the draft plan such as expanded support for young and female farmers, a tighter definition for active farmers and the expansion of the definition for eligible land to take into account and protect important biodiversity areas on farms.

However, ICOS as the representative body for the co-operative movement in Ireland including dairy processing and milk purchasing co-ops, livestock marts, farm business and service providers remain disappointed with the latest version of Ireland's plan for the next five years.

***ICOS believes the Department has not achieved the correct balance between supporting productivity and efficiency in the agri-food sector, whilst meeting our demanding environmental targets and obligations.***

## **New Green Architecture**

ICOS has raised its concerns about the extension of GAEC 8, under conditionality, to all agricultural land, going beyond the EU requirement which applies the measure only to arable land. We understand that this is a policy decision by Ireland rather than one required by the EU.

In particular, we believe that reaching the minimum 4% requirement for non-productive features could be an issue for many commercial dairy farmers and those renting/leasing a large proportion of their land.

We recognise that enhancing biodiversity across all farm types is an important objective of the new CAP and one we fully support. Our main point is that when this 4% requirement is combined with eco schemes, it becomes a very challenging bar for dairy farmers to reach in particular. Up to now, these farmers have been directed by policy to maximise their productive capacity of their land e.g., landscape features have been designated as ineligible land until now.

In order to provide these farmers with a fairer opportunity to meet this new requirement, access to the online farm mapping systems for determining the percentage coverage of non-productive features must be made available, as early as possible in 2022, so farmers have time to prepare. Additionally, there must be wide flexibility in the list of non-productive features considered to be eligible.

## **Eco Schemes**

ICOS acknowledges the recent changes to the proposed list of eco schemes under pillar one, and particularly the expansion of scheme #3 on limiting the use of chemical fertiliser to account for the majority of farmers.

In May 2021, ICOS submitted a detailed proposal to DAFM outlining 13 possible eco scheme measures<sup>1</sup>. We wanted to ensure that the eco schemes were simple in their design and operation, accessible to all farmers including dairy farmers and effective in delivering clear environmental outcomes.

***The ICOS submission on eco schemes sought to support and drive productivity and efficiency at farm level, while delivering tangible environmental outcomes. ICOS remains firmly convinced that the proposed list by DAFM, despite recent changes, is far too limited, with few options available for commercial dairy farmers.***

The collective impact of moving to 85% internal convergence and the implementation of a further 10% redistribute payment will already have a significantly negative impact on the level of support reaching commercial dairy farmers across the country and now they are also potentially being locked out of eco schemes which equate to 25% of their remaining basic payment due to the lack of viable options available to them.

ICOS believes that a number of moderate changes to the proposed list will vastly improve the list of eco scheme measures and propose the following changes:

1. ICOS strongly believes that milk recording should be added to the list of options for eco schemes due to its multiple benefits. Improved animal health and welfare including reducing antibiotic use is an issue which has not been addressed elsewhere in Ireland's CAP strategic plan, despite its importance as one of nine CAP objectives. New legislative changes will enter

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<sup>1</sup> CAP Eco Schemes Proposal by ICOS, May 2021 [Link](#)

into force in 2022, meaning that dairy farmers will have to implement selective dry cow therapy at dry off. Milk recording will be a key enabler to manage an effective transition away from the blanket use of intramammary antimicrobials. Ireland Climate Action Plan 2021 and Ag Climatise identifies the adoption of high levels of milk recording as key to delivering a lower carbon footprint across the dairy herd. ***It is very disheartening to see the lack of ambition by DAFM, as combined with industry support and initiatives, real progress towards the adoption of milk recording could be accelerated by the provision of a milk recording eco scheme. This will help facilitate lower greenhouse gas emissions, reduce antimicrobial usage, improve animal health outcomes and support farm profitability.***

2. The proposal for the use of a GPS controlled fertiliser spreader or sprayer should be expanded to include the use of a GPS controlled tractor and/or a boundary limiter. There is a marginal difference in the accuracy offered by a modern GPS controlled tractors when spreading fertilisers or a GPS controlled spreader. This expansion would open up the scheme to a much higher percentage of farmers due to the significant cost differential, without compromising on the aim of the measure to promote precision technology. Additionally, the use of a GPS controlled tractor has many added benefits over a spreader, including its use for the spreading of slurry with low emissions equipment. ICOS believes that if DAFM proceeds with its current proposal, it must provide for support for GPS enabled fertiliser spreaders outside the investment ceiling under the new on farm capital investment scheme.
3. Unfortunately, it is not possible for all farmers to participate in the newly added eco scheme on soil sampling and liming, further limiting the list of options available for the vast majority of commercial dairy farmers. The scheme should be opened up to provide a reward for farmers which have achieved optimal pH status of soils, allowing the opportunity for all farmers to participate in this measure and adhering to the commitment to make eco schemes accessible to all.
4. The proposal to use multi-species grass swards should be expanded to support the use of clover as well. Clover has proven benefits from a nitrogen fixing perspective, while research on multi-species swards is still ongoing and therefore farmers are more reluctant to take it up. The incorporation of white clover by reseeding or over-sowing will enable a lower dependence of chemical fertiliser across grassland farms, while maintaining and increasing herbage quality and dry matter content. The meaningful inclusion of white clover in grass swards by commercial farms has been low and the provision of an eco scheme will be an important stimulus to support the greater uptake of this important measure.

## **Pillar 2 Measures**

### On-farm Investment Scheme

ICOS recognises the significant support provided to the agri-food sector under TAMS II. The support for capital investment has greatly improved the quality of farm buildings, facilities and infrastructure and has supported improved farmer well-being and farm safety outcomes. We also welcome the continuation of funding under the transition period 2021-22. We also acknowledge the higher investment ceiling of €90,000 to reflect inflation in the building materials and labour and the 60% rate for young farmers and female farmers.

Given the critical importance of water quality and preventing nutrient and ammonia losses, significant support for slurry storage, slurry aeration systems, soiled water storage and covering external stores will be required under the new capital investment scheme. The Nitrates Action Review sets out a number of new requirements for nutrient management and storage and it is essential that a significant

support package is developed to address increased levels of investment at farm level. ***ICOS is strongly advocating that investments in slurry storage & soiled water should be in addition to the current investment ceiling, especially for farms where LESS equipment currently supported in this manner becomes a mandatory requirement meaning that grant aid will no longer be available to them.***

In general, we welcome the provision for the range of investments outlined under measure 12 and the objectives to support young farmers, increase environmental efficiency, improve animal health and farm safety. However, ICOS is greatly alarmed by the decision not to specifically reference dairy facilities and equipment. We fully endorse the recommendations by Milk Quality Ireland in this regard<sup>2</sup>. The current support under TAMS for investments in dairy facilities and equipment has made a significant contribution to improved animal health and welfare standards, food safety and milk quality standards, improved labour efficiency, health & safety and energy efficiency improvements.

***ICOS and Milk Quality Ireland strongly believe that the new CAP Strategic Plan should continue to fund dairy facilities and equipment in a manner that supports targeted improvements, modernisation and upgrades at dairy farm level that will support a sustainable and viable dairy industry.***

We believe the new scheme under consideration can be successfully adapted to meet our environmental challenges. We further believe that the removal of dairy facilities and equipment supports would be very detrimental and damaging to the future success of the dairy sector including the provision of employment and its ability to build new export markets. ICOS strongly urges DAFM to review the Milk Quality Ireland submission on dairy facilities and equipment. We recommend that DAFM uses the assessment system for grant aid to be weighted towards family farms, farm partnerships or singular operators undertaking essential investments to upgrade, modernise and future proof their farm business, whilst meeting the core objectives of environmental sustainability, farm safety and animal health & welfare.

Finally, we would like to support the submission made by *the Women in Agriculture Stakeholder Group*, which seeks a review of a number of the limitations placed on this support for female farmers, including the proposed 55-year upper age limit and the requirement that the head of a holding have a level 6 qualification in agriculture. We believe that these limitations are overly restrictive and would exclude the vast majority of female farmers. In order for this measure to provide the intended support for gender balance and begin a meaningful cultural change within the sector, we believe that this upper age limit should be raised to the incoming pension age of 67 and that recognition is provided for the experience gained by women who have been running their own holding- allowing those who have been head of a holding for at least 3 years, also qualify for the 60% support rate.

#### Dairy-Beef Welfare Scheme

Given the increasing political pressure and societal expectations on calf welfare and uncertainty surrounding the long-term future of live exports, there is a pressing need to support the integration of the dairy and beef sectors in Ireland. ICOS had therefore very much welcomed the initial proposal for the inclusion of a specific Dairy-Beef Welfare Scheme within Ireland's CAP Strategic Plan, provided a meaningful budget accompanied the measure. However, developments since have seen the proposed measure, which had included the use of sexed semen, genotyping, data recording and the Dairy-Beef Index - all highly important to support future breeding decisions at dairy farm level have been whittled down significantly to solely a measure on calf weighing, due to the lack of funding made available for the scheme.

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<sup>2</sup> Milk Quality Ireland CAP Strategic Plan 2023-27 Submission, dated 08 December 2021

***ICOS strongly believes it is vital that the dairy-beef welfare scheme is restored to include all of the initially proposed measures and support their uptake with a sufficient and meaningful budget.***

Political developments at European level have again highlighted the urgent need to prioritise these actions in Ireland, to reduce the sector's dependence on live exports - not doing so within the CAP would be a missed opportunity.

#### Producer Organisations

ICOS welcomes the expansion of the scheme on Producer Organisations to further sectors beyond beef and sheep, including fruit and vegetables, potatoes, tillage and the amenity sectors. We believe that such early-stage financial support will help overcome the current blockages that exist for producers wishing to collaborate. We additionally welcome the provision of funding support for administrative functions, including human resources and the purchase of relevant technology, which will better enable the organisation collectively accessing the market, adding value and sharing best practices. Finally, we reiterate our assertion that this scheme should also not preclude existing producer organisations seeking to start a new activity from accessing support, as provided for under the agreed EU regulation.

#### LEADER

We are concerned about the proposed cut to the LEADER budget by 28% compared to the existing programme period- which also signifies a cut of 60% compared to the 2009-2013 programming period, where LEADER was at its most effective. These cuts will have a significant impact on community focused development in our rural areas. Given the current potential opportunities and necessity for rural investment in the circular, digital and bio-economies, it is very disappointing that so little funding is proposed to be directed towards this measure. We would ask this budget to be reviewed and increased to a level which meets the ambition that the Irish Government asserts it has for supporting our rural areas to prosper and benefit from the green transition.

#### **Conclusion**

In conclusion, ICOS welcomes the opportunity to make further submission to Ireland's CAP Strategic Plan and reiterates the following core recommendations:

- ICOS believes the Department has not achieved the correct balance between supporting productivity and efficiency in the agri-food sector, whilst meeting our demanding environmental targets and obligations. The combined impact of 85% internal convergence, the 10% redistributive payment and limited eco scheme opportunities will serve to undermine productive commercial farm families, dependent on farming for their livelihoods and the key providers of employment in rural communities.
- The ICOS submission on eco schemes sought to support and drive productivity and efficiency at farm level, while delivering tangible environmental outcomes. ICOS remains firmly convinced that the proposed list by DAFM, despite recent changes, is far too limited, with few options available for commercial dairy farmers. For example, the adoption of milk recording will be greatly accelerated by the provision of an eco scheme. This will help facilitate lower greenhouse gas emissions, reduce antimicrobial usage, improve animal health outcomes and support farm profitability.
- ICOS strongly advocates that capital investments in slurry storage and soiled water should be in addition to the current investment ceiling, especially as LESS equipment currently supported in this manner becomes a mandatory requirement meaning that grant aid will no longer be available to many farmers.


- ICOS and Milk Quality Ireland strongly believe that the new CAP Strategic Plan should continue to fund dairy facilities and equipment in a manner that supports targeted improvements, modernisation and upgrades at dairy farm level that will support a sustainable and viable dairy industry.
- Finally, ICOS strongly believes it is vital that the dairy-beef welfare scheme is restored to include all of the initially proposed measures and support their uptake with a sufficient and meaningful budget.

ICOS looks forward to continued engagement with you through the CAP Consultative Committee and bilaterally as the CAP Strategic Plan progresses in 2022.

Yours sincerely,

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President