ICSA Submission on Environmental Assessment of CAP Strategic Plan

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<u>Further Details:</u>

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Introduction

This submission has examined the Strategic Environmental Assessment of the Draft CAP Strategic Plan. However, this submission will not address that report on a line-by-line basis. Instead, this document provides a reflection on the ICSA views on the draft CAP Strategic Plan as it is currently formulated. This submission also refers to the elements of the ICSA proposals to the CAP Strategic Plan which have not been included the DAFM draft. This is done through an environmental prism which we think is the appropriate response to this consultation.

Suckler Carbon Efficiency Programme

ICSA's submission on the CAP Strategic Plan provided a roadmap to deliver €300/cow, which was based on a coupled payment in Pillar 1 and a continuation of the BEEP and BDGP schemes, as two separate schemes in Pillar 2.

The proposal for just one suckler scheme (suckler Carbon Efficiency Programme) is very disappointing and ICSA strongly believes that it will lead to a fall in suckler farming numbers.

Currently there are just some 19,000 participants in the BDGP programme out of a total 63,000 suckler farmers (55,000 excluding those who are also dairy farmers). There are about 27,000 BEEP applicants, but closer to 24,500 who have completed the weighing element. Therefore, the likely participation in the Suckler Carbon Efficiency Programme will be closer to 19,000, and that is assuming that new entrants (ie not in BDGP) enter the scheme. A significant number (maybe 8,000?) of the BEEP participants will not be disposed to participating in the new scheme.

ICSA has also asked the Department to amend the focus of the new scheme away from exclusive focus on maternal traits. We argue that the ultimate target of 75% 4 and 5*animals on the maternal index is not achievable and this will further militate against suckler farmer participation. We also envisage that without amendment, the current proposal for the suckler scheme will lead to a substantial number of participants not reaching the targets and therefore being subjected to penalties.

All of this may have the outcome that suckler numbers decrease. However, from an environment impact perspective, this is extremely negative. Whereas it may initially be seen as helping with emissions reduction targets, the outcome is actually to facilitate increased dairy farming. This is because much of this land currently in sucklers (excluding the most marginal land) will be re-allocted to dairying or facilitating dairying. This will happen through land leasing to dairy farmers, contract rearing of heifers, feeding of dairy bull calves, use of land for silage or temporary grazing etc.

The outcome will be less suckler cows, but actually even more dairy cows. This will be negative in terms of emissions, chemical fertiliser use, water quality and ammonia. So from an environmental perspective, the failure to support sucklers adequately scores badly.

Sheep Scheme

ICSA's proposal was for a sheep payment of €35/ewe but the draft plan provides for €12. As with the suckler strategy, the outcome is to encourage more sheep farmers (lowland) to switch to some form of farming which involves more dairying. Again, we see this as negative from an environmental perspective, and also from a social perspective. We are also concerned that the lack of support will lead to an exodus from sheep in hill and other marginal land areas, and in this scenario, the outcome may be abandonment of land. Even if direct supports continue to be claimed, based on the minimum stocking rate, the social and economic impact on hill farming areas is likely to be severe.

Beef Carbon Efficiency Scheme

ICSA proposed a Beef Carbon Efficiency Scheme, which regrettably is not included in the draft CAP strategic plan.

The Beef Carbon Efficiency Programme is a scheme to incentivise the slaughtering of cattle at an earlier age on a voluntary basis. The rationale to get support for this at EU level is that this is one of the key climate change mitigation strategies because cattle slaughtered earlier reduce emissions. The payment would be worth up to €100/ head for feeding animals between 12-24 months.

Earlier slaughtering is regarded as a key measure in reducing GHG emissions at a national level (Teagasc MACC curve, Agclimatise Strategy).

It is even more difficult to understand why the proposal has been dismissed in the context of the agricultural sectoral targets towards the national emissions reduction target of 51%. It is widely accepted that the agriculture target of 23-30% reduction will not be met using current technologies.

ICSA suggests that failure to allocate funds to encourage earlier slaughtering is a key shortcoming in terms of environmental impact of the draft CAP strategic plan.

Eco-Scheme

- The payment is likely to be of the order of €62-75/ha. This must be measured against the costs incurred and income foregone. The problem with the income foregone element is that it is very difficult to correctly cost the loss of land, under for example the non-productive features/ space for nature measure. Land rental costs are typically as much as €500/ha +, and land purchase costs are of the order of €25,000/ha. Whereas farmers who already have 10% non-productive features will be able to readily qualify, farmers on productive, quality land cannot be expected to abandon more ground to meet the requirements of this measure, whether this is 7% or 10%. For example, a 50 ha farm currently having 5% non-productive area will need to convert 2% more to reach the 7%. This is 1ha, which at a rental value of €500/ha equates to a cost of €10/ha. If the farmer tried to reach 10% (ie to cover the 2 actions) the land required would be 2.5ha (5% of 50 ha) with a rental cost of €1250. This equates to €25/ha, therefore meaning that the eco-scheme payment is really worth a net €50/ha, which of course, is coming out of what was the farmer's original direct payment (eg greening).
- ICSA welcomes the addition of extra options for farmers. The initial 5 actions were likely to have resulted in a substantial proportion of farmers not participating.

- ICSA welcomes the clarification that hedge planting can be used as an alternative to tree planting and that 1m of hedge planted equates to 3 trees/ha.
- The low intensity stocking action is set at too low a stocking rate for productive land. 95kg organic N/ha is too low and will confine this action to marginal land where this is already a common stocking rate due to land limitations. ICSA believes that a higher level (130kg) would incentivise farmers on productive land to aim for a medium level rather than intensive stocking rate and this would have a better overall impact at the national level.
- However, ICSA suggests that planting 3 trees/ha or 1m hedge/ha each year over 5 years is highly inefficient and likely to give rise to significantly higher costs than the payment rate justifies in some circumstances. It would be far more attractive to participants to be able to all 5 years worth in year 1. So for example, planting 5m/ha hedging would cover the farmer for all 5 years under the eco-scheme. This would be better from a climate change perspective as it would deliver greater sequestration quicker. (More farmers more likely to take up the action, and all delivered in year 1).
- ICSA is disappointed that the optional action of zero chemical sprays is not included as an eco-scheme option. It would be an attractive option for some farmers. The EU Farm to Fork strategy target is for a 50% reduction in pesticides, so it is likely that it would be favourably viewed at EU level. The benefits are also clear to water quality. It would reduce the usage of MCPA, glyphosate and other herbicides. We urge that this be re-considered or potentially it could be added after the first year.

Organic Farming Scheme

ICSA welcomes increased ambition for organic farming. However, the proposal to allocate €256 million which is on the expectation that we can increase the amount of organic farming four-fold needs further reflection.

The key issues are the need to grow viable, premium markets at the same pace as we expand output and the need to make it practicable for livestock farmers to enter the scheme.

ICSA contends there must be a national strategy to grow organic markets in Europe for Irish beef, lamb, oats, dairy and other products. This must be accompanied by a commitment from beef and lamb processors to allocate their own funds and resources to driving the expansion of markets at a significant premium over the conventional markets. Bord Bia should have a dedicated section for organic markets.

In terms of accessibility to the scheme, it is manifest that many livestock farms will not be able to participate because winter livestock housing is predominantly based on slats. ICSA therefore submits that the eligibility standards must be amended to allow slats with rubber mats to be eligible.

The Straw Incorporation measure is further exacerbating the problem as straw is now almost unaffordable on western livestock farms. In the minority of farms where accommodation could be easily modified the cost of straw is still a barrier but on the majority of livestock farms, the potential re-design and modification of winter housing to create straw lie-back areas would be prohibitively expensive.

Therefore, the possible environment gains of a very ambitious target for organics will not be met without changes to the livestock housing requirements and without a plan for growing markets.

Agri Environment and Climate Scheme (Pillar 2)

ICSA believes that the level of payment in this measure falls short of what is required. The top payment of €7,000 for the main scheme is not enough to attract farmers to commit a substantial effort. Instead, it will attract farmers who try to do as little as possible to qualify. The ICSA CAP submission argued that a maximum, results-based payment of €15,000 should have been included, if the objective is to make this a green CAP.

ICSA has concerns about how the co-operative scheme will work in practice. It is a matter of regret that substantial parts of the country will not be eligible, given the focus on designated areas. ICSA recognises that designated lands should attract high payments but we are concerned that it will be difficult to achieve 20,000 participants in co-operative measures, and especially in the first 1-2 years of the CAP plan.

Hedges

ICSA supports a higher level of ambition for hedgerow management as an important element. We therefore support the proposal from Hedgerows Ireland to include a plan for hedgerows in the AECM, on an optional basis. (see Annex 1)

Annex 1

Hedgerows Ireland

3. Pillar 2 AECM (Agri Environmental Climate Measures) Tier 3 'Boundary Actions'

- *Results based payments for hedgerows using recognized measures of quality (height, width, species, diversity etc.)*

Suggested template for results based hedgerow quality scheme:

Objective: To **reward** farmers with hedgerows of highest environmental value, while encouraging ALL farmers to **maintain** and **improve** all existing hedgerows.
https://www.gov.ie/en/consultation/d5d37-public-consultation-on-proposed-agri-environment-results-based-pilot-project/
See Results of Survey Q. 19: 76% of respondents favour 'Maintenance and Enhancement of existing environment' as priority for result based scheme.
http://www.woodlandsofireland.com/sites/default/files/hedgerow-survey.pdf
Our proposal is to pay **all** single farm payment applicants for hedgerows on each Land Parcel, based on **length** and **quality.**
We recognise 3 main 'types' of hedgerow:
Internal Hedgerow: Landowner has 100% control, payment rate is 100% of relevant quality payment category (see below).
Farm Boundary Hedgerow: Landowner has 50% control (i.e. neighbouring property or roadside), payment rate is 50% of relevant quality payment category.
Heritage Hedgerow: Townland, parish, DED, county, and barony boundaries, payment rate is 150% of relevant quality payment category (due to cultural and historical importance).
Claims can be indicated on application maps submitted by the farmer or his agent/planner. To qualify for a particular Quality Category, the length of hedgerow must meet the minimum requirements in all 5 quality sub-categories outlined below. The scheme must have a 5-15 year target, allowing farmers to move up to higher quality categories over time. Higher Quality Category claims must be supported by geo-tagged photos, and will be subject to inspection by ecologists to confirm suitability.
Quality Category 3: Lowest payment per metre claimed, ~20% of budget.
Applicant must carry out a baseline hedgerow survey. Complete moratorium on hedgerow removal. Cutting and trimming of interior hedges on a 3-5 year rolling cycle, minimum height 1.5m and specimen trees to be retained. Roadside cutting allowed annually. No artificial nitrogen, slurry, FYM or pesticides within 5m of hedgerow base. Tillage parcels (except Organic) **must** have a 5m 'buffer zone' between hedge and crop area.
Width: Less than 3m average
Height: Less than 2m average
No. of 'mature' trees: Less than 5 per 100m hedgerow (farm average)
Biodiversity Index: Lowest 25% [Methodology to be used? e.g. Hedgerow Appraisal Systemii]
CO2 Sequestration Index: Lowest 25% [Methodology to be determined by consultation with experts]
Quality Category 2: Mean payment per metre claimed, ~47% of budget. Applicant must carry out Category 3 above, **plus** specific regeneration projects subject to planner /ecologist/botanist/ survey and requirements. May include but not restricted to coppicing, laying, infill, native tree planting and new hedgerow establishment.
Objective is to upgrade hedgerows to Category 1 maximum payment for subsequent schemes.
[Greening payments? Optional or compulsory ?]
Width: Minimum average 3m wide
Height: Minimum average 3m high
No. of 'mature' trees: Minimum 5 trees per 100m (farm average)
Biodiversity Index: Middle 50%
CO2 Sequestration Index: Middle 50%
Quality Category 1: Highest payment per metre claimed, ~33% of budget.
Applicant must meet all of Category 2 & 3 requirements, having mature hedgerows with specimen trees.
Width: Minimum average 5m wide
Height: Minimum average 5m high
No. of 'mature' trees: Minimum 10 trees per 100m (farm average)
Biodiversity Index: Top 25%
CO2 Sequestration Index: Top 25%

Section 5.3 P388 'AECM Training' and Section 5.3 P454 'Knowledge Transfer'.

We propose that hedge management including hedgecutting techniques are included in training modules to include all relevant aspects of this subject.