IRISH GRAIN GROWERS

CAP Strategic Plan Submission

A Tillage Hectare produces 0.5 Tonnes of CO_2 eqv. per year.

8th December 2021

Key points

1) Max 85% Convergence.
2) Minimum CRISS
3) GAEC 7 to stay as crop diversification
4) GAEC 8 to ensure same values as previous CAP with added areas
5) Break crop at 16% of claimed area for extended diversification Eco scheme. Needs to include more crops also.
6) Reduced Nitrogen Eco Scheme for tillage farmers.
7) Tillage specific scheme under Pillar II AECM.
8) Carbon Ownership must be defined.
9) €66,000 limit needs clarity re owned/ leased in situations

Irish Tillage has an output of €1.3 billion from just 7% of the land base with 11 thousand jobs linked to the sector. Our GHG emissions are extremely low (0.5t/Ha CO_2 eqv) and any increase in the tillage area will help meet the Ag sector's Absolute Emissions targets yet we find ourselves under the potential constraints of a new CAP Reform. The CAP deals to date have failed the Irish Tillage Farmer and the proof of that is the severe loss of tillage land over those years. Some of the current proposals, such as Convergence and CRISS have the potential to do the opposite of what this CAP is aiming to achieve, such as Targeting the active farmer, aiding biodiversity and reducing climate change.

Further comments:

1) Convergence. This will be the biggest threat to the future of the full time active tillage farmer. The vast majority of farmers are relying on their BPS for the bulk of their income. At present, with the current structures, farmers would potentially be financially better off leasing their land. This will happen further with convergence. Farmers will leave full time farming pushing more farmers into "armchair farming" or part-time farming whilst creating fewer, much larger farms. The tillage sector will be worst hit by this. Tillage farmers will be taking a further convergence hit under eco schemes as they will have contributed more and getting paid the same amount per hectare with more conditions and regulations to jump through. We insist on a maximum 85% convergence, but there also needs to be a way under Pillar 2 to target monies at the tillage sector to counteract the negative impact of convergence on tillage farms. A tillage specific scheme.

2) GAEC for Tillage Sector. This is a big worry for the sector as there is little or no value placed on work already done over the last 8 years via Greening. Tillage farmers had to do " eco schemes "as part of greening for the last 8 years yet now that will be under a GAEC conditionality and have to be done to even get a BISS. The Tillage sector is being further punished for making the improvements. It will push more land, particularly mixed farmers with a smaller area of tillage land into grassland, adding to overall GHG emissions. There needs to be flexibility from DAFM particularly under GEAC 7. A mandatory rotation would be extremely difficult to achieve in an Irish setting as we have limited markets for many crops and experience difficult weather at harvest and planting times. The measure should be left the same as currently under greening, as crop diversification, it would be manageable, and we welcome the Dept of Ag seeking to achieve same with EU officials. We do propose that the areas under the 3 crop rule should be increased from 10, 20, 30 Ha's to 20, 30, 40 Ha's going forward. We believe it will encourage more mixed farmers back into tillage. It must be acknowledged that Ireland is very different than continental Europe regarding tillage land area base. We are 7% of the farmed area here in Ireland compared to countries in mainland Europe where the figure is far greater. We have limited markets for many crops and difficult weather at harvest and planting times. A mandatory rotation would drive smaller and mixed farmers out of the sector and greatly reduce our capacity to tackle problematic pests like blackgrass.

3) Eco Scheme. We welcome the added measures to the list of eco schemes. On the enhanced crop diversification measure to include break crops, 16% of the area is a more workable solution as most break crops require a 1 in 5 rotation. We would also like to see other break crops such as beet, maize, combi crops and rotational grass included in the list of break crops. We note that there was no reduced Nitrogen measure available to suit tillage farmers. 73kg/Ha is unworkable on almost all tillage farms. If a crops specific measure were introduced, it could prove an attractive measure especially if protein crops were inclusive. We also welcome the inclusion of GPS sprayers under the GPS Spreader option however we do note that this may not attract the small to medium sized tillage farmer due to prohibitive costs of same. We suggest a review on technology requirements. It is also vitally important

that the eco scheme payment stays with the active farmer and avoid leakage to the landowner in leasing situations.

4) CRISS. This has the potential to take money from active tillage farmers and give to farmers that in many cases have their farms leased. Furthermore, this money will remain with the 'landowner' tax free. The active farmer gets financially punished. Any money being redistributed through CRISS has to be targeted at the active farmer. Its illogical to think that a leaser would potentially benefit from this model and not be actively farming.

5) There is no mention of domestic feed in the suckler carbon efficiency program, and the dairy beef welfare scheme has no requirements or promotion of domestic feed, despite its aim of reducing emissions. Some imported feed has up to 27 times the carbon footprint of domestic feed. This would be a low hanging fruit to achieve lower emissions from the beef and dairy sector. Any potential new drive with the likes of the current IGAS model needs the consumer fully aware of the use of native grains when they are choosing where and how they spend their money. We want the consumer to know how they can choose Indigenous Irish produce which includes native Irish Grain use. More work is also required by Teagasc on the inclusion of domestic feeds in livestock, pig and poultry rations.

6) There needs to be a Tillage specific program under Pillar 2. We believe Tillage will become financially more vulnerable than currently in the new CAP with the current proposed measures. There will have to be a specific scheme to reward tillage farmers for work done and being more environmentally friendly. We would have liked to see a budget ceiling target of €15,000 per tillage farmer to get achievable results. Our soil is our greatest assess and measures to promote its value and purpose is a must. The list of measures for the tillage farmers look workable but why are the payment rates different for some of the tillage options versus the grassland options for the same measure particularly the grass margins option? The rotational aspect of some of the measures is a plus. We look forward to formatting pillar 11 measures in 2022 with the Dept.

7) Expanded coupled payments The protein payment and SIM have been hugely successful thus far. They are also helping to achieve our climate targets. We welcome the retention and budget expansion of the protein payment scheme going forward but we believe more flexibility is needed for this to be truly successful. The inclusion of combi-crops is also welcomed. The payment needs to be a minimum €350/Hectare going forward. The extension of the SIM is certainly a step in the right direction. It has proven to work very well even though it has only been in operation a year now. We would like to see the ceiling raised on the area an individual can apply for to 60 hectares.

8) We back the support for 60% grants proposed by Women in Agriculture and that women with at least a level 6 in agriculture or who have been head of a farm holding for at least three years qualify for the 60% TAMS grant. Also, that the age limit is raised to the incoming pension age of 67 to qualify for the grant along with women joining a farm partnership with a level 6 qualification in agriculture and meet the eligible criteria can obtain 60% TAMS grant within the partnership.

9) We question the need to increase compulsory margins along water courses from 2 to 3 meters. If this is necessary, we believe the margin should be available to be utilised in tillage schemes/programs going forward. The loss of production income was never compensated in previous CAPs.

10) Knowledge Transfer and Tillage Producer Groups are in essence an essential going forward for the sector. The social interaction is one key aspect but the mountain of information/policy coming from the EU needs a vehicle for farmers to grasp and learn through interaction with each other.

11) We recommend a return of a retirement scheme for generational renewal. The annual Teagasc Sustainability Report highlights the age profile in tillage farming. It shows the more efficient tillage farmers in the younger age profile. We believe investing in generational renewal will be rewarded in more eco/ enviro farming via the likes of IPMs for example, with increased output efficiency on crop production.

12) In principle we support the Entitlements proposal announced by the Department recently but want to see a few more details to give full judgement. We are encouraged by its aim however and believe it’s a positive going forward. We believe, with the fast growth of long term leases, we would like to see a clawback system on long term leases being put forward by the department.

13) LEADER. We would like to see a sustainable leader program for 2023-2027 with a sustainable budget of €398 million. Leader has been of significant benefit to rural communities including the farming community. Any potential loss of funding may have a significant impact on rural development.

14) There needs to be more clarity on the position of €66,000 limit on BISS to account for the leasing in of entitlements that then go straight back to the landowner. With around 50% of all tillage land being in some form of a lease, the sector is most exposed to the total limits. We propose that any leased in entitlements that go back to the landowner are not subject to the €66,000 cap.