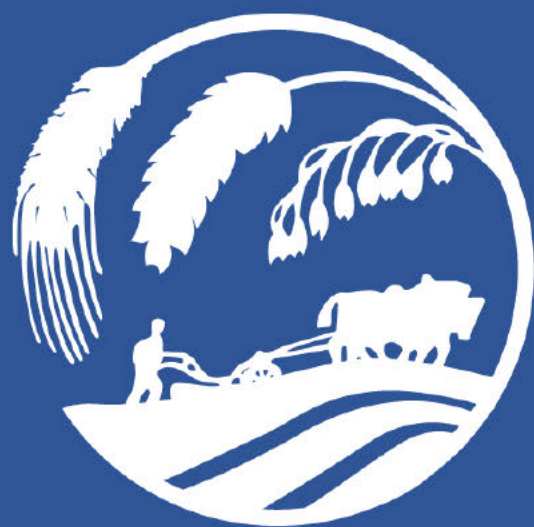


PUBLIC CONSULTATION ON THE
ENVIRONMENTAL ASSESSMENT OF
THE DRAFT CAP STRATEGIC PLAN
2023-2027



Macra na Feirme

Table of Contents

Public Consultation on the Environmental Assessment of the draft CAP Strategic Plan 2023-2027 .. 2	
Active Farmer	5
Five Year Rule	5
Capping	6
Forgotten Farmers	6
Financial Instruments Support	7
Eco Schemes	9
Women in Ag	11
Pillar II	12
Suckler Carbon Efficiency Scheme	12
Beef Finisher Payment	12
On-Farm Capital Investment Scheme	13
Summary of measures that are needed for young farmers under TAMS	13
CPD for farmers	13
AECM	14
Start-up Aid	14
Rationale for intervention	14
Description of what scheme does & delivers	15
Start-up Grant	15
Continuous Professional Development	15
Succession pathways	16
Description of what scheme does & delivers	16
How it would work & how payments would be made	17
Milestones	18
Clawback	18
Numbers of those involved & allocation	18
Financial allocation	18
Land Mobility Service	18

Public Consultation on the Environmental Assessment of the draft CAP Strategic Plan 2023-2027

The new Common Agricultural Policy 2023-2027 sets out a number of objectives including aiming to ensure a fair income for farmers, rebalance of power in the food supply chain, action on climate change, preservation of biodiversity and landscape, protection of food and health quality and to support generational renewal. The delivery of the objectives identified in this CAP, The EU Farm to Fork strategy, The EU Biodiversity Strategy is all dependant on the sustainability first and foremost of farmers. The graph below highlights the trends over the past 15 years in terms of the percentage of farm owners/farm managers under the age of 35 and older. Without constructive targeted interventions for the active support of generational renewal, the numbers of young people farming and the number of new entrants will continue to decline.

The major objective from this CAP period must be to increase the number of young farmers actively farming and in farm ownership. Based on 2016 figures, Ireland has only 5% of farmers aged less than 35 years of age, with 30% of farmers held by those over the age of 65. The number of young farmers involved in farming by 2027 will be the litmus test for the success of this CAP. The department must set targets for the numbers of young farmers in Ireland, because as the saying goes 'we can't manage what we don't measure'.

Agriculture is a complete outlier when you compare it with the overall national workforce which is made up of a minimum of 30% of young people under the age of 35 according to the ESRI (Economic and Social Research Institute) and CSO (Central Statistics Office) data. What young farmers need similarly to sectors such as organics is a defined target to aim for.

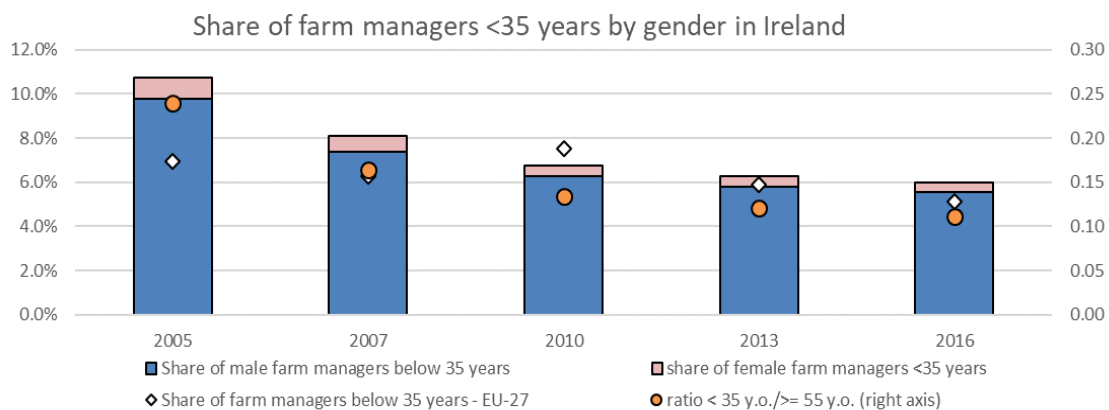
What Macra na Feirme wants to see is the total number of young farmers in Ireland be the highest across the EU member states by 2027. With some countries above 12-13% Ireland and The Minister must aim for a figure close to 20%. Throughout the consultations, Macra na Feirme has consistently raised this question, to date we have not seen a target outlined. Young people need a clear direction and this target must be identified by the Minister and The Department of Agriculture before the CSP is sent to Europe.

Young farmers are the new environmentalists working within the industry and therefore must be supported as they progress through their careers within the industry. Through education and continuous professional and personal development young farmers appreciate the sustainability issues and challenges facing them within the industry and understand the role they play and will have to play

in the future. This has been demonstrated by young farmers in their demand for TAMS over the past number of years exceeding €200m but also reinforced by a study conducted by CEJA in 2017 around young farmers attitudes to the environment.

Young farmers are key to addressing the challenges we as an industry will face in the future. However, to achieve this, the obstacles of access to land and access to credit must be addressed.

Macra na Feirme once again consulted with its members over the past number of weeks to gather their views on the most recent changes to the draft CAP Strategic Plan. The overall feedback was an underwhelming reaction to the suite of interventions proposed in addressing the key barriers for young people and young farmers. There is also an inevitable implication that some smaller farmers will be losing out in terms of convergence and CRISS, however, under the current proposals, there is no opportunity for these young smaller farmers to regain lost support through the interventions.



Source: Eurostat

In Ireland, the average agricultural entrepreneurial income is about 39% of the average income in the whole economy (2005 to 2019). The gap widened during the economic crisis of 2008-2009. Since 2010 it has recovered but remains lower than in the EU-27. Against the backdrop of a significant increase in the total value added of the food chain between 2012 and 2016, the share of Irish farmers in the value chain fell from close to 20% in 2008 to just around 18% in 2016. This is below the long-term EU average of roughly 25%. It is also important to remember that a clear objective under this CAP Programme is to improve the farmer's position in the food supply chain. Given Irish farmers declining position in the food supply chain, there is a clear need to rebalance the power through the use of CAP funds. Currently, limited interventions are being proposed to address this need except for support for Producer Organisations.

The transition towards a more sustainable agricultural sector and rural areas require Ireland to address one of the most important social challenges for European agriculture: generational renewal. The proportion of total farm managers accounted for by young farmers fell from 10.7% in 2005 (of which 9.8% men, 0.9% women) to 6.1% in 2016 (5.6% men, 0.5% women). Although above the EU average, the decrease of the young farmer population is very significant (over 40%) and the trend remains negative, despite the implementation of a multifaceted set of EU and nationally financed measures. Improving generational succession and entrance of young farmers depends on more favourable conditions for access to land and finance – the main challenges for young farmers.

The economic trend in terms of standard output per farm is, positive since 2007 where the young farmers have higher standard output than the older age categories. The age tranche of the farmers younger than 25 years also shows a positive development in terms of increasing average hectares per farm and number of farms with animals. Moreover, 44% of young farmers have full agricultural training and a further 20% have basic training. This rate is twice the EU-28 average (2016).

As is outlined in the Environmental Report a monitoring indicator outlined under generational renewal is the number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown. Macra na Feirme insist that there is full transparency around these figures as they truly are the litmus test to how successful this CSP will be in meeting the objective of Generational Renewal.

The elevation of generational renewal to one of the nine key objectives to be delivered under this CAP period is a clear signal from the Commission to address the fundamental barriers that exist and have existed for some time now concerning young people pursuing farming as a career in Ireland. In this submission, we in Macra na Feirme once again wish to outline the key outstanding issues that remain unaddressed in the proposals most recently published by the Department of Agriculture relating to Irelands CAP Strategic Plan.

Across all objectives and interventions 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.

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 a crop planted and harvested per year however feedback from members was received that the current proposal of 0.15LU/HA is not sufficient. This minimum level must be doubled to ensure active farmers are receiving support.
- Valuing adding contribution, whether it be social, environmental, food production etc.
- A negative list of those who should not qualify under the definition
 - There is an urgent need for The Department to define the requirements of Active farmers who are not livestock farmers. This has been an ongoing issue and the reality now is farmers will not have an opportunity to feedback on this definition as it was not prepared for this final public consultation.

No Large corporations, airports; waterworks; real estate services; railway services; and permanent sport and recreational grounds should be included on a negative list

Leasing of land is also a continuous issue that is raised by members, Macra na Feirme welcomes the proposals around the clawback on entitlements for lands leased less than 5 years. However, there is an unresolved issue surrounding the separation of Eco-scheme payments from entitlement payments. The Eco-scheme payment must follow the farmer, not the entitlement. We recognise there may not be a legal framework to allow this to happen but every effort must be made so the active farmer receives and retains the Eco-scheme payment. There is an important role for The Department of Agriculture in communicating that the farmer incurring the cost is receiving the payment support under Eco-scheme, not the entitlement owner.

Five Year Rule

A consistent issue for young farmers is the five-year rule criteria which result 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 35. Macra na Feirme support the proposal that Ireland should define the age of a young farmer as no

more than 40 years of age but preferably for CAP supports under the age of 35. There must be accessible 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 female farmers who wish to have children, farming is not considered the most attractive of careers for many reasons.

There is also a current anomaly in the proposals around investment support for the female farmer. Currently, a female young farmer under the age of 35 can receive TAMS support up to 60%. Coupled with the five-year rule a young female farmer starting at 24 receives TAMS support up to 60% for five years up to the age of 29. It then will occur that over the course of the next 11 years that same farmer can receive 40% support under TAMS under the age of 41 where the support returns to 60%.

Capping

Macra na Feirme believes that capping should be revisited and all labour costs, including the farmers' own labour value and family labour, are deducted as permitted by EU legislation.

Leased-in entitlements should also be exempted in the Capping calculation where these payments are returning to the owner of the entitlements, if not accounted for a situation will arise that the entitlement value of the landowner will drop as a result of long-term leasing arrangement with an active farmer. A scenario is then created where under the legal framework of the lease agreements the active farmer potentially becomes liable to the reduction in payment value as their total payment now exceeds €66,000 but the individual landowner's entitlement values are far below this figure.

There is also a need to ensure that partnerships should be permitted to avail of multiple BISS caps to reflect the fact that there are two or more entities are involved in the farming operation, if not facilitated the situation will arise where new entrants and young farmers in partnerships are discriminated against based on forming a registered farm partnership.

Forgotten Farmers

The 'forgotten farmers' are the cohort of farmers who had set up their agricultural holdings before 2008, and were still under 40 in 2015 — holding low-value payment entitlements — but were deemed ineligible as young farmers under the National Reserve.

Minister McConalogue committed back in February to resolve the matter of ‘forgotten farmers’ in the new CAP arrangements, ‘Under the new CAP, I fully intend on honouring the commitment I gave to these farmers. This group of farmers are young and progressive and we must not stand in their way — we must harness and encourage their ambition and I fully intend on doing that’ it was also outlined in the programme for government.

There are thought to be approximately 3,500 farmers in this category who have not been previously accommodated for. These farmers missed out on installation grants, young farmer top-ups and other schemes in the last CAP. The departments plan now seems to be looking outside of the CAP to resolve the issue of forgotten farmers.

Macra na Feirme has consistently raised this issue over the past decade and longer. The most important deliverable for this cohort of farmers is to provide support equitable to that which was missed by these farmers. That must include the increase in provision for low-value basic entitlements and the gap in funding existing as a result of the exclusion from the Installation aid scheme. This cohort of farmers under this CAP need the following:

- Access to direct support on low value/no value entitlements up to the national average
- Access to TAMS support equivalent to young farmers (80%)
- Funding equivalent to the Installation aid missed out on

Financial Instruments Support

There is a lot of uncertainty in the agricultural sector. The vast majority of Irish agricultural products are exported, with 40% destined for the UK market. Access to finance could hamper the sustainable development of the sector. This means there is potential for new financial instruments directly highlighted in the Commission recommendations for Ireland’s CAP strategic plan SDW (2020) 377 final. Also contained in the aforementioned document published by the EU Commission is a direct recommendation to ‘Support the ability of Irish farmers to invest in sustainable practices, by improving access to finance, including through supporting new or improved financial instruments. Continue improving access to land and finance for young farmers and new entrants, including by targeting inheritance constraints and supporting cooperation between farmer generations’. This is also outlined in DAFM’s own Strategic Environmental Assessment Environmental report of the draft Common Agricultural Policy Strategic Plan as so with DAFM and the Commission’s own admissions it is genuinely puzzling as to why more is not being done to tackle this.

Uncertainty in the agriculture sector in Ireland is high. There is a potential for new financial instruments, with an investment gap estimated to be between €822 million and €1 billion. Around 68% of the gap value relates to medium-sized farms, increased efficiency and sustainability could be key for the overall competitiveness of the sector.

As proclaimed by the Cork 2.0 Declaration, the architecture of the CAP as a whole would provide for targeting interventions to well-defined economic, social and environmental objectives. The current investment gap in agriculture needs to be addressed, also through more use of innovative financial instruments that take into account the specificities of farming as well as more integrated projects that link various EU instruments (EFSI, ESIF).

Concerning access to finance, lack of collateral and credit history are the main constraints. Thus, young farmers face serious difficulties in securing the long-term lending they require for investing, mainly in livestock, machinery, equipment, infrastructure and land.

It is highlighted in correspondences and direction from the Commission that the issue of access to finance for young farmers is a key need that must be addressed in this CAP. The proposals outlined by the Department currently do not address the need for specific young farmer centred financial supports facilitated through the CAP. Under the state aid rules the only option currently available for the Government to facilitate this is through the use of financial instruments which are specifically called out by the Commission. What is required is a specific young farmer financial instrument which over time is self-financing and offers young farmers with low-security levels and limited collateral to access finance.

Access to financial instruments to support farm investments and working capital should be facilitated and better adapted to the investment needs and higher risk profiles of new entrants. Support to the new generation of farmers could be combined with the appropriate incentives to facilitate the exit of the older generation and increase land mobility.

Macra na Feirme members would be in favour of a mixture of grant aid at 80% and access to credit measures to ensure the balance of investment is met. The reality under the current TAMS model is that smaller farmers who have limited cash reserves or limited access to credit and particularly younger farmers find it an insurmountable hurdle to find the balance of funds to make the investment in larger projects on the farm such as nutrient storage. It cannot continue to be the case where this remains, the solution is for an increase to 80% grant aid support for young farmers while also providing a functioning specific financial instrument specifically for young farmers.

Eco Schemes

The European Commission highlights the advantages to the Irish climate as it “also supports a long, grass-growing season, 80% of the agricultural land is covered in grass. This grass-based system is more efficient and environmentally sustainable than intensive indoor animal feeding systems”. (European Commission, 2019).

There are seven key areas under which member states can align Eco-schemes to they are

1. Climate change mitigation,
2. Climate change adaptation,
3. Protection or improvement of water quality,
4. Prevention of soil degradation,
5. Protection of biodiversity,
6. Actions for a sustainable and reduced use of pesticides,
7. Actions to enhance animal welfare or address antimicrobial resistance.

When young farmers were asked which measures would be accessible for them from the new eco schemes answered ranged with a number of young farmers happier with the extended group of options but did express the desire for more options for young productive farmers in the form of milk recording, protected urea, days at grass, Faecal egg sampling, renewable energies, water installation and Low Emission Slurry Spreading (LESS).

The recently proposed additions announced by the Department of Agriculture are welcome in providing further opportunity for farmers to enter the schemes. Macra na Feirme have been advocating for the inclusion of a number of additional measures that align to the CAP Proposals and the EU Farm to Fork strategy, the first of these is the inclusion of a faecal egg dung sampling measure and the inclusion of a Milk Recording measure. Both of which are provided under the seventh area that eco schemes can address around addressing antimicrobial resistance. It is also important to note Ireland's current performance in this area and the need to continue to progress, in 2018 the annual sales of antimicrobial agents for food-producing animals was at 46.0 mg/PCU, showing a slight decline over the last years, which is well below the 2018 EU average of 118.3 mg/PCU.

Macra na Feirme also propose the following to be considered with respect to the Eco-scheme measure

1. Integrated hedgerow management measure
2. Reduced age at first calving
3. Increased days at Pasture
4. Improved soil sampling measure
5. Milk recording scheme

Providing access to pastures and increasing the grazing period for grazing animals and management and cutting of landscape features are specifically outlined as an example of agricultural practices which could be included under member states CAP Strategic Plans according to the European Commission's own document on the list of potential agricultural practices that eco-schemes could support (European Commission, 2021).

Monitoring of the measures suggested is a simple and straightforward process and aligns to targets laid out in The EU farm to Fork strategy and the EU Biodiversity Strategy

- *Milk recording* – 3-4 recordings prior to September/October - data collected from recordings in relation to somatic cell count informs decision on selective dry cow therapy, aligns to EU Farm to Fork Strategy.
- *Faecal egg sampling* – 2-3 dung samples tested throughout the grazing season for livestock. Results of samples inform farmers what treatments are most appropriate and when monitored by the new procedures and regulation around medicine usage and recording, aligns to EU Farm to Fork Strategy.
- *Reduced age at first calving* – across Dairy and Beef enterprises, a target of 24 months, monitored by the recording of calf birth on the AIMS system.
- *Days at Grass* – Grass measuring being recorded on pasture base amongst other software packages, monitored through these systems which farmers have already in practice, reduces methane output and reduces overall carbon footprint.
- *Soil sampling* - expansion to an annual programme for liming requirement, sampling occurs once every 3 years but liming programme an ongoing action on the farm. The reality is on the farm depending on lime requirements, not all required lime can be applied in one year.
- *Integrated Hedgerow management* – identified for the unique nature of our landscape in Ireland with hedgerows but no action for farmers to improve maintain their value. A simple hedgerow management scheme, train farmers in identifying the value of the hedgerows and develop a scheme that improves the value of the hedgerow annually.

Monitored through the geo-tagging system with simple but effective actions on hedgerow height, width, thickness.

The EU Commission communicated the following which reinforces the points made by Macra na Feirme on Eco-Schemes 'The CAP should become more apt at addressing critical health issues such as those related to antimicrobial resistance (AMR) caused by inappropriate use of antibiotics. In line with an ambitious and encompassing approach with regard to human and animal health - as embodied by the "One Health" concept – it should also promote the use of new technologies, research and innovation to reduce risks to public health'.

Women in Ag

Macra na Feirme welcome the 60% rate when it comes to TAMS access for female farmers, but do question the age restriction of 41-55 years of age. Macra na Feirme would like to see this age restriction raised to the new incoming pension age of 67 years of age if there must be a limit. By raising the age restriction it ensures that female farmers who are active on the farm have support up until pension age.

Pillar II

Suckler Carbon Efficiency Scheme

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. With this in mind, the reference year mentioned in the scheme must be flexible for those farmers under the age of 35 allowing for business growth and development. It cannot be the case where a family suckler farm is curtailed by the precedent gone before a young person had started farming. The scheme must allow participating farmers under 35 the ability to continue to receive support and grow the numbers of livestock on the farm.

The Minister must also honour the commitment made at a number of Mart meetings that all suckler cows would be supported at a figure of at least the minimum rate. If all suckler farmers avail of this commitment Macra na Feirme would like the Minister to clarify the amount of additional funding required to meet this demand. Macra Na Feirme would also like to know the total sum of this additional fund that exists based on this commitment and clarity on what other measures are included.

Beef Finisher Payment

There is precedence for a Beef Finisher Payment, with the introduction of Beef Finisher Payment in 2020 to provide income support to farmers with beef finishing enterprises who were impacted by the economic effects of the Covid-19 pandemic.

The introduction of a Beef Finisher Payment based on age of slaughter – a stepped payment

- o €150 at under 26 months
- o €100 at 26-28 months
- o €75 at 28-30 months

According to [REDACTED] ICBF, each month (thirty days) reduced in the lead-up to slaughter is the equivalent of almost 250kt of GHG reduced.³⁰ Macra na Feirme would like to see the introduction of this payment to be considered a GHG reduction measure, which can then go on to further strengthen the green credentials of the industry.

On-Farm Capital Investment Scheme

Macra na Feirme are in favour of the continuation of TAMS or a similar scheme. There need 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 costs 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 weighbridges, slurry storage etc. While the likes of precision agricultural equipment, quality control equipment and novel health and safety equipment should also be included.

Summary of measures that are needed for young farmers under TAMS

- Increase grant aid to 80%
- Ensure grant aid is provided for Dairy farmers on specific dairy equipment and nutrient storage
- Inclusion of covering storage tanks prior to a proposed law change in 2027 under nitrates
- Inclusion of a wide range of supports for health and safety measures on farm
- Inclusion of specific equine facilities
- Inclusion for new entrants who are taking over enterprises that are currently non-compliant
- Continuous revision of costings

CPD for farmers

The training programme mentioned in the CSP in relation to climate-related measures amongst others 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.

AECM

Under the proposed co-operation measure there has to date been no sharing by the Department of the geographical areas under this measure. There is also a risk that farmers will not access Eco-scheme payments as the payment rates are higher for similar actions under both the co-operation measure and the general measure. That again highlights the need for further measures under the Eco-schemes. The developments in carbon sequestration research must also be reflected in the AECM as the CAP progresses. It must also be noted that the limitation for farmers farming at higher stocking rates needs addressing. Currently, the only means of access for some of these livestock farmers is through the sowing of Bird cover. There needs to be an additional access route for these farmers whether that be through mixed species or through the use of Tree planting as an initial measure.

There also needs to be serious consideration given to priority access to young farmers in accessing the AECM. The CEJA report highlighted at the beginning of this submission reflects the ambition young farmers have to meet climate targets. Macra na Feirme calls on this to be added to the final text in the CSP.

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 has not had the desired result in an increase in 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. The Commission itself has identified the role of installation aid and lump-sum payments to allow new entrants to offset initial start-up cost, 'Setting up in agriculture implies high risk with large capital requirements and uncertain income. The CAP should help mitigate this risk in the first years after launching a farming business by providing an EU-wide

system of support to the first installation with the necessary support in a simpler and better-targeted way: this could be achieved with a simplified top-up payment for new entrants (tailored by the Member States according to the specific needs) and/or the reinforcement or extension of current lump-sum payments. When Irish young farmers benchmark themselves in relation to start up a support versus some of our EU member state counterparts we are laggards in terms of start-up support in the form of grant aid. Other member states have demonstrated the important role such support can play in providing support to new entrants at a time when capital demand is high.

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.

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%).

Succession pathways

One of the main elements remaining unresolved in the current CSP proposals is the provision of an on-farm succession scheme. Any scheme must be delivered for both the older farmer exiting farming and the younger farmer who is starting in their career.

Efforts to foster generational renewal in agriculture will have to support investments in basic infrastructure and services, as well as in economic diversification (e.g. on farms or within the bio-economy), to facilitate access to finance as well as to specific knowledge/advice for agricultural business start-up, to target inheritance constraints and support cooperation between farmer generations, including farm succession.

This CSP must provide an on-farm succession scheme. Director-General of Agriculture at the European Commission, Wolfgang Bartscher 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.

When young farmers were asked what measures they feel can address the issues related to access to land many answered without prompt that a form of succession scheme would aid the transfer of land and address the issue of difficulty accessing land.

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 improving 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 transferer 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 31st 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 31st 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.

Land Mobility Service

The Macra na Feirme Land Mobility Service was established following the findings of the study on 'Land Mobility and Succession in Ireland' carried out in 2012 by Broadmore Research. This identified that 46% of those surveyed did not have a farming successor identified. Following this, an independent



service was established by Macra na Feirme who provides independent advice and facilitation of arrangements such as partnership, long term leasing and share farming.

The Land Mobility Service has facilitated 700 arrangements since its inception covering 55,000 acres, 140 farms in 2020. However to grow the service beyond its regional success it must be recognised in the CAP Strategic Plans and consistent funding put in place to allow expansion of the service. Macra na Feirme and CEJA – The European Council of Young Farmers, have successfully lobbied for the inclusion of provisions within the new CAP to enable member states to fund land mobility services across Europe. The process of advice provision, and facilitation of partnerships and shared farming agreements can be long and labour intensive. Such a service needs CAP and Department of Agriculture support to ensure that the viability of such a valuable tool is retained and expanded.

Just recently at Macra na Feirme’s annual conference Minister McConalogue announced a 100% increase to the funding for the Land Mobility Service. Macra na Feirme welcome the additional increase in funding for the Land Mobility Service. This funding recognises the continued role that a land mobility service can actively play in generational renewal. We look forward to the proposed engagement with the Department and Teagasc on the future of the Land Mobility Service, and to continuing our engagement with the Department about the role that the Land Mobility Service can play in the context of supporting the achievement of objectives of Generational Renewal within the future Common Agricultural Policy.

Generational Renewal is a significant challenge, a supported Land Mobility Service would represent an important tool in the suite of measures required to leverage greater generational renewal.

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 Land Mobility Service currently engages with circa 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.

A big challenge with delivering generational renewal is that what you are dealing with is time consuming, often sensitive, requires expertise, discretion and patience and is often protracted. It is for this reason that a Land Mobility generational renewal facilitation service is such an important tool. There is no immediate profit/income return or compliance/legal obligation for the participants. For this reason, it needs a supported service 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 additional 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 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