

# ASSOCIATION OF FARM & FORESTRY CONTRACTORS IN IRELAND (FCI)

Portlaoise Enterprise Centre, Clonminam Business Park, Portlaoise, Co Laois R32 D611



[REDACTED]  
Email: [info@farmcontractors.ie](mailto:info@farmcontractors.ie)

[REDACTED]  
Website: [www.farmcontractors.ie](http://www.farmcontractors.ie)

Eco-Scheme Consultation & Planning,  
Department of Agriculture, Food & the Marine, Government Buildings, Portlaoise

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Email: [CAPStrategicPlan@agriculture.gov.ie](mailto:CAPStrategicPlan@agriculture.gov.ie) [REDACTED]

## Ref: CAP Strategic Plan 2023-2027 and associated Environmental Report and Natura Impact Statement - Eco-Scheme Fertilizer Programme & Farm & Forestry Contractors in Ireland

Dear Sir/Madam,

This is the Association of Farm & Forestry Contractors in Ireland's (FCI's) submission response to the Draft CAP Strategic Plan 2023-2027 and associated Environmental Report and Natura Impact Statement and the proposed Eco-Scheme Fertilizer Programme which can involve a significant input from members of the Association of Farm & Forestry Contractors in Ireland (FCI).

Ireland's CAP Strategic Plan (CSP) for the period 2023-2027 is quoted as aiming to, "*underpin the sustainable development of Ireland's farming and food sector by supporting viable farm incomes and enhancing competitiveness, by strengthening the socio-economic fabric of rural areas, and by contributing to the achievement of environmental and climate objectives at national and EU levels.*"

The new CSP will adopt a new performance-based approach replacing a compliance-based approach. Farm & Forestry Contractors in Ireland are supportive of this approach, and they will provide support opportunities to farming families to achieve many of the CSP targets in a cost-effective and traceable way, as set out in Ireland's draft CAP Strategic Plan 2023-2027, as published by the Department of Agriculture, Food and the Marine (DAFM).

The performance of DAFM in operating this 'New Delivery Model', will be judged on outputs and results, and on how the Irish CSP contributes to CAP objectives at EU level. The proposed CSP interventions under both Pillar I (Direct Payments and Sectoral Interventions) and Pillar II (Rural Development) which blend into one overall plan, must include the role of the Farm & Forestry Contractor to achieve these performance targets. This is because most Irish farms and forests depend on Farm & Forestry Contractor services to provide essential mechanisation work from sowing and harvesting crops, to harvesting the national forage silage crop to management of mineral and organic fertilisers on farms, as well as delivering habitat enhancement strategies through tree planting services and hedgerow management services.

The Agri Food Strategy 2030 is the basis for Government agriculture policy. Policy makers need to be aware that without Farm & Forestry Contractors, the Irish agri-food and forestry system would simply not exist.

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Ireland's CSP is mandated with supporting the economic, environmental, and social sustainability of rural areas. There is a strong emphasis on the achievement of a higher level of climate and environment ambition through a new "Green Architecture" that will operate across both pillars. As Ireland plans for the CSP 2023-2027, with the core issues being the transition to sustainability of our agricultural and food systems, the DAFM must recognise that without the support on the ground of Farm & Forestry Contractors, these plans cannot succeed.

At FCI, we understand that Ireland's new CAP Strategic Plan is structured around the achievement of three general objectives, as set out in EU legislation, namely:

**(i) to foster a smart, competitive, resilient, and diversified agricultural sector ensuring long term food security;**

*Working with Farm & Forestry Contractors is the only cost-effective approach to delivering smart and competitive agricultural production in Ireland as the average farm size is 43ha, which cannot justify investments in modern machinery systems to ensure traceability and sustainability targets that will be necessary to meet the 2030 climate targets. Farm & Forestry Contractor services can deliver the access to new technology systems across large numbers of farms compared with the current TAMS systems which is only accessible to larger farmers who have higher incomes and can afford to match the necessary TAMS investments from own funds. This system is discriminating against smaller scale farmers from getting access to new technology which would be more accessible to their farm enterprises through their Farm & Forestry Contractor service.*

**(ii) to support and strengthen environmental protection, including biodiversity, and climate action, and to contribute to achieving the environmental and climate-related objectives of the Union, including its commitments under the Paris Agreement;**

*Farm & Forestry Contractors spread the use of their machines across a large number of Irish farms thereby ensuring that economy of scale combines with lower CO2 emissions from more modern tractors, most of which are using AdBlue systems at additional costs to Farm & Forestry Contractors in order to reduce the levels of CO2 and NOx emissions from their machines. Spreading the use of machines over a large number of farms also reduces the requirement for fossil fuel Carbon energy use in the manufacturing process of the machines as larger machines mean less Carbon use in manufacturing for less machines.*

**(iii) to strengthen the socio-economic fabric of rural areas;**

*It is estimated that there are more than 1,500 Farm & Forestry Contractor businesses in Ireland and some of these are included in the 5,000 farmers noted in the Teagasc Farm Survey that carry out farm contracting work from their farms. The 1,500 Farm & Forestry Contractors, of which more than 1,100 are in the FCI Database, employ an average of 4,500 full-time skilled machinery operators and an additional 6,500 seasonal employees. They contribute to the socio-economic fabric of rural Ireland in providing skilled employment opportunities and in providing a rural income of close to €250 million to rural Irish families. They support local supplies of fuel, lubricants, machinery parts and services. Farm & Forestry Contractors have been integral partners in the testing and development of the machines for the Irish Farm Machinery Manufacturing sector, which now exports farm machinery valued at more than €300 million across the world.*

The achievement of the above general objectives is in turn to be pursued through nine specific objectives, intrinsically between the two CAP Pillars as follows:

### **Ireland's CAP Strategic Plan 2023-2027- Public Consultation on Proposed Interventions**

**a) support viable farm income and resilience of the agricultural sector across the Union to enhance long-term food security and agricultural diversity as well as ensuring the economic sustainability of agricultural production in the Union;**

*Farm & Forestry Contractors provide Irish farmers with cost effective mechanisation services to minimise machinery investment costs on farms of modest size to ensure the preservation of the level of farm income viability necessary for resilience and long-term food security from Ireland. Generations of Farm & Forestry Contractors have developed long-standing relationships with their farmer clients. FCI would contend that this uniquely valuable Farmer: Contractor relationship brings equal if not more value to the production on Irish farms, than some of the misguided advice provided by those operating at arm's length from the farm gate. This is because the very survival of the business of the Farm & Forestry Contractor depends on the performance on the farm. This investment in the profitability of Irish farms, through constant Farm & Forestry Contractor tangible investment in more efficient machines and work practices, is more far more intrinsically linked to the continued growth in decades of Irish farm output.*

**b) enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalisation;**

*Farm & Forestry Contractors provide Irish farmers with the most competitive solution to their farm mechanisation needs by allowing smaller scale farmers access to new technology and digitisation by spreading the necessary investment in new technology across a larger number of farms*

**c) improve the farmers' position in the value chain;**

*Farmers position in the value chain is enhanced and improved by investments in crop and plant technology at a scale that can be cost effective; this can be best achieved by access to Farm & Forestry Contractor services at local level.*

**d) contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as promote sustainable energy;**

*Farm & Forestry Contractors use modern tractors and machines, replacing their machines with new lower emission technology machines on a more regular basis that farmers can afford to do. These more modern tractors and machines use AdBlue technology to lower all levels of harmful emissions. Farm & Forestry Contractors are committed early adopters of new technology systems and will be the first to embrace new alternative sources of power, electric or hydrogen, when it is available at a financially sustainable level.*

**e) foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency;**

*Farm & Forestry Contractors have led the way in providing new machine systems that minimise emissions from cultivation systems and also from organic fertilizer application systems that are both expensive and complex machines for individual farmers.*

**f) contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes;**

*Farm & Forestry Contractors are the managers of habitat systems through the use of their machines for planting and harvesting trees and through the management of hedgerows supporting the exacting needs of all farmers including those dairy farmers availing of the Derogation Scheme.*

**g) attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas;**

*Farm & Forestry Contractors provide seasonal employment in rural areas for many young farmers, allowing them to acquire new skills and to enhance their respective opportunities with confidence to develop their farm enterprises into the future.*

**h) promote employment, growth, gender equality, including the participation of women in farming, social inclusion, and local development in rural areas, including circular bio-economy and sustainable forestry;**

*While the Association of Farm & Forestry Contractors in Ireland has not carried out detailed or specific employment surveys, there is ample anecdotal evidence to show that there are increasing number of women participating in the sector, in management and operational roles towards career development.*

**i) improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances.**

*Farm & Forestry Contractors provide the best resource to ensure that the changing societal demands on food and health are achieved because they are most professional providers of services to farming that involve advice on the administration of plant protection products and the management of organic wastes in a traceable and sustainable way, while understanding the needs of the farm enterprise.*

### **Member State subsidiarity and responsibility**

We understand that EU Member States have greater subsidiarity and responsibility to design and implement the CSP to suit their own specific needs. We understand that the CAP Strategic Plan must also address requirements as set out in the legislation. These are that:

- at least 3% of the value of the Pillar I budget must be allocated to young farmers;
- at least 25% of the Pillar I budget must be allocated to Eco-Schemes under Pillar I (a limited reduction on this figure is possible if Member States spend large amounts on environment and climate-related measures in Pillar II);
- at least 35% of EU funding for Pillar II must be allocated to environmental and climate measures,
- at least 5% of the EU funding for Pillar II must be allocated to LEADER, and
- a maximum of 4% can be allocated to technical assistance.

*At FCI we believe that Farm & Forestry Contractors can have active participation in four of the above more particular requirements of the Irish CSP through using the opportunities presented by subsidiarity to allow farmers to have more cost-effective access to technology, climate action features and animal welfare actions that will involve the participation of the Farm & Forestry Contractor.*

## Pillar I

### (1) Definitions

Active Farmer: Under the CSP, Active farmers are defined as those “engaged in at least a minimum level of agricultural activity”. It is proposed that Ireland will no longer apply the negative list (i.e., airports, railways, waterworks, real estate services and sports and recreational grounds). It is also proposed that Ireland will not use the derogations of >32 hectares and in receipt of less than €5,000 in Direct Payments. It is proposed that the minimum level of agricultural activity will be based on the minimum stocking rate requirement, similar to ANC, for grassland farms. Where DAFM cannot verify the active status of a grassland farmer from its databases, a farmer will have to select from a range of options on the BISS from 2023 – for example, making hay/silage, topping, other grazing livestock, plans to purchase livestock in 2023, etc

*FCI believes that the definition of an Active Farmer must also include a Registered Farm & Forestry Contractor because he/she is actively carrying out the farming tasks with their skilled operators and high technology machines on behalf of their farmer clients. In many cases the Farm & Forestry Contractor is engaged in the “maximum level of agricultural activity on behalf of his/her farmer clients”, while the farmer will have a more passive management role.*

### 5.1 Pillar I

#### Eco-Schemes

The new voluntary annual agri-environmental schemes, known as Eco-schemes, aim to strengthen the environmental and climate outcomes achieved by Pillar 1 payments, by building on baseline improvements achieved through conditionality. While allowing for some flexibility, the Regulations require at least 25% of the Pillar I CAP budget to be devoted to Eco-Schemes.

Ireland proposes to introduce an Eco-Scheme “for all 130,000 eligible farmers” with the objective being to maximise farmer participation to achieve wide ranging climate and environmental improvements across all farmed lands. The aim of this intervention is to provide additional direct income support to farmers for undertaking actions beneficial to the climate, environment, and biodiversity. Ireland’s SWOT Analysis and Needs Assessment identified several issues relating to climate change, the unsustainable use of natural resources, and the degradation of habitats and landscapes. The Eco Scheme is intended to address these needs.

*Unfortunately, Ireland’s DAFM SWOT analysis did not involve assessment of the role of the Farm & Forestry Contractor in relation to climate change, the unsustainable use of natural resources, and the degradation of habitats and landscapes, even though the Farm & Forestry Contractor is the one carrying out most of the necessary management and remedial work.*

#### Option 5: The Use of a GPS controlled fertiliser spreader

This is the fifth option, and it is designed to promote the use of precision machinery for application of chemical fertiliser, thereby reducing inputs while also reducing environmental and climate impact. The aim of any such scheme is to reduce fertilizer spreading losses to soil water, ditches and drains across all farms by using specific equipment.

*FCI estimates that 50% of Irish fertilizer is now spread by Farm Contractors, predominantly using GPS equipment of various accuracy and traceability levels. There is a requirement for an Eco-*

*Scheme participant to provide a guarantee of evidence that the spreading work had been done. The minimum fertiliser spreader technology level of control to achieve mapping and traceability of work done, is Section Control system or Dynamic Section control. Dynamic Section Control systems will cost an additional €10,000 on top of the spreading machine cost.*

*User experience by Farm & Forestry Contractors has shown that some farmers lack the skills to get the full benefits of the GPS systems. The usefulness of the systems depended on the level of investment combined with the skill level of the operator. The concept of spending €30,000 on a spreader without GPS monitoring and skills to use the systems, will not be cost or environmentally effective.*

*While some machines may be operated in terms of field operation with minimum skill levels, the extraction of the data from the machine's GPS system requires a higher level of skills typically that found among the Farm & Forestry Contractor operators rather than among most farmer users. That last bit of that expertise is in the contractor's yard where there are skilled operators who have day to day experience based on larger volumes of work and using GPS based systems.*

*There needs to be a secure trail of the work done without an opportunity for interference. FCI believes that the concept that fertilizer can be spread by better operators with better equipment must be the target of the new Eco-Scheme. The greater skill needed is available from capable contractors and their teams of operators.*

*FCI believes that that this could best be done by using the services of Registered Contractors from the FCI Contractor Accreditation Scheme. FCI suggested that a register can be made available to DAFM, upon request, which confirms that the registered contractor has the following:*

- *Employment Registration with Revenue*
- *VAT Registration*
- *Contractor Insurance*
- *Safety Statement*
- *Training Certificates*

*FCI believes that the Eco-Scheme payments under **Option 5: The Use of a GPS controlled fertiliser spreader**, be made on a per acre basis in the form of a subsidy for the use of the Registered Farm & Forestry Contractor who spread the fertilizer with GPS recording equipment. FCI believes that Registered Farm & Forestry Contractors should investment support to purchase the Section Control system or Dynamic Section control so that these contractor machines can deliver higher output and greater economy of scale per machine.*

*A second option is to have a system similar to that present for the Glás scheme where the farmer can get funding based on the production of an invoice marked PAID from a Registered Farm & Forestry Contractor. FCI would consider it fair that where the Farm & Forestry Contractor makes the investment in the extra technology and staff training required to deliver a level of service quality that will be dictated by more arduous DAFM Eco-Scheme standards, that the Contractor should be entitled to fair reward as the provider of the spreading service to the farmer client and the provider of a spreading record and map information service to DAFM. This must take the*

*format of Eco-Scheme support based on the use of spreading services provided by Registered Contractors listed on the FCI Contractor Accreditation Scheme.*

*The ring-fenced funding for the Eco-schemes is of 25% of the Direct Payments and the annual indicative financial allocation for this intervention is estimated at approximately €297 million per annum, amounting to a total indicative financial allocation of approximately €1.485 billion for the period 2023-2027. A small proportion of this ring-fenced funding must be allocated to the support of a Registered Contractor Accreditation Scheme part of which will include a compulsory bi-annual machine technology training programme for machine operators within the Registered Contractor teams.*

*FCI believes that there is a huge opportunity lost in not supporting a Hedgerow Management Scheme as part of the CSP Eco-Scheme. Again, this could be modelled on the Glás scheme where the farmer can get funding based on the production of an invoice marked PAID from a Registered Farm & Forestry Contractor, who had successfully completed a Contractor Hedgerow Management Course approved by DAFM, with a bi-annual refresher day requirement.*

## **5.2 Pillar II Interventions**

FCI has highlighted the areas for potential change to include Farm & Forestry Contractors so that they can enhance their contribution to environmental sustainability, farm competitiveness, the access to new technology and improved against the background of an ageing agricultural sector population.

### **(1) Agri-Environment Climate Measure (AECM)**

The stated aim of the Pillar II interventions is to deliver significant long-term environmental improvement through participation by a significant number of farmers, with each making a strong improvement on their farm. The broad range of interventions proposed, and the nature of the actions will be determined by the needs of the land and environs.

A new flagship agri-environment and climate scheme (AECM) and a range of other locally led environmental schemes aim to contribute significantly to the achievement of improved biodiversity and water quality outcomes, with farmers rewarded for delivering enhanced environmental performance, in particular through participation in cooperation projects designed to achieve improvements at landscape and river catchment levels. The AECM will also contribute to the achievement of national climate targets through a particular focus on tree planting and rewetting. The AECM scheme aims to essentially replace the current GLAS scheme, build on EIPs and achieve increased environmental ambition.

*Farm & Forestry Contractors are aware of the challenges emerging as a result of climate change, the unsustainable use of natural resources and the degradation of habitats. The broad range of interventions proposed, and the nature of the actions will be determined by the needs of the land and environs as well as the availability of efficient Farm & Forestry Contractor services to deliver the work actions. This is why the Farm & Forestry Contractors must be part of the actions under the proposed AECM to address biodiversity, water, soil, and climate challenges. While the DAFM claim that underpinning principle for the scheme will be ‘the right action, in the right place’, at FCI we also believe that it should include by ‘the right person, namely the Farm &*

*Forestry Contractor,' in order to ensure effective targeting of measures in a consistent and integrated manner on farms.*

*FCI believes that there is a huge opportunity lost in not supporting a Hedgerow Management Scheme as part of the CSP Agri-Environment Climate Measure (AECM). Again, this could be modelled on the Glás scheme where the farmer can get funding based on the production of an invoice marked PAID from a Registered Farm & Forestry Contractor, who had successfully completed a Contractor Hedgerow Management Course approved by DAFM, with a bi-annual refresher day requirement.*

## **(2) Agri-environment Climate Training**

The aim of this intervention is to provide training to farmers who partake in the National Agri-Environment Climate Measure. In line with Ireland's SWOT Analysis, the agri-environment climate measure training will increase farmers' understanding of climate change and the impact farming activities have on natural resources and biodiversity at farm level, demonstrate how the agri-environment actions will address those issues, and educate farmers on how to implement the actions, equipping them with the knowledge and skills necessary to optimise delivery and ongoing management of the commitments.

*It is now clearly accepted that Farm & Forestry Contractors provide the bulk of the organic manure spreading services on Irish farms. Once again, Ireland's SWOT Analysis did not take this fact into consideration when examining new opportunities for climate measure training. We need to increase Farm & Forestry Contractors understanding of climate change as much as farmer's understanding. There is obvious reason to include the role of the Farm & Forestry Contractors in an education process.*

*FCI believes that funding for climate training for Farm & Forestry Contractors and their operators must be included in the proposed Agri-Environment Climate Training proposal. Registered Contractors who are nominated by their participating farmer clients who are themselves participating in the National Agri-Environment Climate Measure, must be included in the proposed two training courses provided to farmers participating in the national agri-environment climate measure. The first course must be mandatory for Contractors and is to be undertaken during the first full year of participation in the National Agri-Environment Climate Measure and will build on the training provided to farmers and Contractors in the transitional period.*

*Farm & Forestry Contractors must be eligible to take part in the second course will be voluntary for farmers and will be offered during the third full year of participation in the scheme. The voluntary course is designed to focus on management and aftercare and intends to update participants on issues that have arisen or have been identified in relation to compliance with specifications.*

## **(4) Complementary Income Support for Young Farmers (CIS-YF)**

*While the DAFM SWOT analysis and Needs Assessment did not identify the risks to the sector of loss of entrants and machine operators in the Farm & Forestry Contractor sector, they also failed to identify the opportunity to put in place supports for educated contractor entrants to play their part in enhancing the future competitiveness of the agri-food sector and help guarantee food*



*supplies and rural sustainability into the future. Attracting young Farm & Forestry Contractors and farmers into the sector also helps to address the issue of an ageing agricultural population.*

*There is a need for specific intervention designed to provide support to educated young contractors along with farmers entering the agriculture sector in the years immediately following the young contractor and farmer setting up as head of the enterprise, holding, solely or jointly.*

*This intervention will also provide certainty in terms of the level of income support for eligible applicants for up to 5 years, which is an important factor in financial planning. Support under CIS-YF should be in addition to and build on the support available under the Young Farmers Scheme from 2015 to 2022. In line with the requirements under the CSP regulation for the operation of the CIS-YF, eligible young Farm & Forestry Contractor applicants must first be entitled to be registered with DAFM to avail of payments under the Basic Income Support for Sustainability (BISS).*

### **(12) On-farm Capital Investment Scheme**

The aim of this intervention is to provide support to farmers looking to invest in capital projects on their farms. Ireland's SWOT Analysis and Needs Assessment identify the need to increase environmental efficiency in the agricultural sector through on farm investment and the adoption of new technologies; the need to support young farmers in accessing finance so they are in a better position to invest in and develop their farm enterprise; and the need to improve animal health and welfare, and farm safety on farm.

*FCI believes that generations of Farm & Forestry Contractors have a track record of bringing efficiencies through their judicious investment in new machine technology for their farming clients. While this scheme may be similar to TAMS II FCI believes that it is important that Contractors are included as by being excluded they are being put at a significant competitive disadvantage to their client farmers. There is ample evidence among Farm Contractors of being asked by their farmer clients to operate grant-aided machines purchased under the current TAMS II scheme, due to lack of suitable tractors on the farm, lack of labour and skills to ensure that the grant-aided machines are delivering a viable return on the investment, rather than a tax efficient investment that benefits one larger farm while depriving smaller-scale farmers with the opportunities to access similar technologies through a most sustainable and cost-effective Farm Contractor service. A granted aided investment in a contractor machine benefits more than one farmer, it benefits all of the clients of the contractor with new technology opportunities and enhanced services.*

*Contractors who are listed on the FCI Accredited Contractor Register while fulfilling the criteria of the accreditation process with a tax clearance certificate should also be eligible to access the On-farm Capital Investment Scheme. In this context FCI will support a scheme that will include support at 40% grant rate for with a higher investment rate of 60% offered to young farmers and women to support generational renewal and gender balance.*

### **Low Emission Slurry Spreading Equipment (LESS)**

It is proposed to have a 50% grant rate for LESS spreading attachments and a 40% grant rate for mobile tanker and the umbilical pump, reel, and pipes. Indicative separate investment ceiling is

€40,000 per holding. However, in the case of a joint application by two or more eligible partners under a registered partnership, the maximum increases to €60,000. The investment ceiling under this scheme is NOT subject to the overall investment ceiling of €90,000 per holding.

*The TAMS II scheme has already encouraged the purchase by farmers of specialised Low Emissions Slurry Spreading Equipment (LESS) much of which remains underused on those farms. FCI believes that Registered Farm & Forestry Contractors must preferentially be supported for investment in mobile slurry tanks and umbilical systems attached to low emission spreading equipment. It is now clearly accepted that Farm & Forestry Contractors provide the bulk of the organic manure spreading services on Irish farms. Once again, Ireland's SWOT Analysis did not take this fact into consideration when examining new opportunities for climate measure training. Supporting farmers to invest in specialised Low Emissions Slurry Spreading Equipment (LESS) only results in a requirement to either leave the machine idle or make significant additional non-granted investments in bigger tractors for a single purpose which is neither economically nor environmentally sound practice or advice.*

*Contractor applicants applying for Low Emission Slurry Spreading (LESS) equipment will have to participate in the mandatory Agri-Environment Climate Training programme and be listed on the FCI Register of Accredited Farm & Forestry Contractors and comply with tax clearance provisions.*

*DAFM has grant aided €264.4m in TAMS II by the end of 2020 through 53,305 applicants which excluded many Farm & Forestry Contractors. The portion of the TAMS II funding that was for LESS has undermined to competitiveness of many existing Farm & Forestry Contractors who provide rural employment which has been threatened by the emergence of Black Economy operators using machines sourced via the TAMS II scheme for farm work and now provided to separate operators, who may be family members offering a discount service due to purchase price grant-aid advantage.*

#### **(14) Continuous Professional Development (CPD) for Advisors & Farm & Forestry Contractors**

The aim of this intervention is to provide the necessary support and resources to allow for the up-skilling and the continuous professional development of advisors in the agricultural sector.

*While it is intended that agricultural advisors will play a central role in implementing the range of schemes to be rolled out as part of this CAP Strategic Plan, Farm & Forestry Contractors will be the ones who will perform the functional processes involved in the delivery of the work actions attached to the schemes. Farm & Forestry Contractors have a central role in delivering solutions to the key challenges facing the agri-food sector.*

*FCI would contend that the unique valuable Farmer: Contractor relationships brings equal if not more value than Government funded advisory services, to the production on Irish farms, because the very survival of the Farm Contractor depends on the performance on the farm. This investment in the profitability of Irish farms, through constant Farm Contractor tangible investment in more efficient machines and work practices, is more far more intrinsically linked to the continued growth in decades of Irish farm output than some of the distanced advice provided by those operating at arm's length from the farm gate.*

*At FCI we believe that supporting participation in continuous professional development activities will allow 1,500 Farm & Forestry Contractors and 1,200 farm advisors to enhance their knowledge base on an ongoing basis and ensure that they are familiar with the latest techniques, technologies, and regulatory and scheme requirements in a rapidly changing agricultural industry. As the farm advisor group will include Semi-State advisors from Teagasc as well as independent advisors who are members of the Agricultural Consultants Association, this latter group confirms the eligibility of Farm & Forestry Contractors to continuous professional development activities under the proposed CSP scheme.*

*This will promote the development of knowledgeable, professional, and competent advice from Farm & Forestry Contractors and farm advisors, thereby enhancing the quality of service provided to farmers. This intervention will provide a new continuous professional development programme for Farm & Forestry Contractors even though their role in managing the key themes and challenges identified in the SWOT Analysis and Needs Assessment and was not reflective via stakeholder consultation between DAFM and Farm & Forestry Contractors.*

*Contractors who are listed on the FCI Accredited Contractor Register while fulfilling the criteria of the accreditation process with a tax clearance certificate should also be eligible to access the Continuous Professional Development (CPD) for Advisors & Farm & Forestry Contractors.*

### **(15) Knowledge Transfer Programme**

The aim of this intervention is to provide farmers with a platform to share knowledge and to engage in learning. Knowledge transfer can play a central role in underpinning a more competitive, resilient, modern, and sustainable agricultural sector. This intervention aims to build on the 2014-2020 RDP Knowledge Transfer Programme by providing support for high quality and targeted advice to farmers, delivered by professional agricultural advisors with the appropriate experience and expertise (KT Facilitators). Increasing farmers' understanding of topics such as biodiversity, water, climate change, animal welfare and farm management including financial management and succession planning will ensure that the Irish agricultural sector remains resilient. This intervention is also one of the elements underpinning the further development of the national Agricultural Knowledge and Innovation Systems (AKIS).

*Farm & Forestry Contractors are a key part of the national Agricultural Knowledge and Innovation Systems (AKIS). They have an important role in the delivery of targeted knowledge and skills to farmers and they are also recipients of targeted knowledge for the sector. The CSP must include a Knowledge Transfer Programme for Registered Farm & Forestry Contractors, so that they can in turn support the delivery of targeted knowledge across a range of CSP schemes.*

*In practical and measurable terms, the 1,000 Farm & Forestry Contractors now listed on the FCI database, each work across three Irish farms per day. This amounts to 3,000 farmer and Farm Contractor interactions each day or 18,000 farmer and Farm Contractor interactions each week of the working season. Given a working year that comprises of an average of 30 weeks of direct farm mechanisation work, this equates to over 500,000 farmer and Farm & Forestry Contractors interactions each year, across 139,600 Irish farm holdings. Farm Contractors are the dominant providers of slurry spreading machinery systems and their equipment applies the bulk of the 40 million tonnes (Mt) of animal manures produced annually on Irish farms (Teagasc research).*

*FCI will work with DAFM in structured in a way to ensure that the content of Knowledge Transfer Groups is clearly targeted at key challenges and issues identified in the Farm & Forestry Contractor sector while also maintaining a degree of flexibility for Knowledge Transfer Groups to tailor the content to their own experience, circumstances, and requirements. FCI will support each Knowledge Transfer Group to deliver four meetings from a list of 'Priority KT Topics' and four meetings on topics decided by the Group itself.*

*Contractors who are listed on the FCI Accredited Contractor Register while fulfilling the criteria of the accreditation process with a tax clearance certificate should also be eligible to access the Knowledge Transfer Programme.*

### **(16) LEADER Programme**

The aim of this intervention is to support a community led local development (CLLD) approach to rural development by funding initiatives that emerge at a local level that aim to address local challenges and needs. Ireland's SWOT analysis and Needs Assessment identified several challenges in rural Ireland for which the LEADER intervention could provide assistance. These include the need

- to support private enterprises and communities to improve quality of life and economic activity in rural areas;
- and the need to create and sustain employment in rural Ireland with a focus on social inclusion and climate change mitigation.

*At FCI we believe that Farm & Forestry Contractor businesses are private enterprises in rural communities that work to improve the economic activity in rural areas, while keeping rural incomes in the rural community. We believe that Farm & Forestry Contractor businesses should have access to LEADER support funding for investment in specific machine system that bring enhanced economic performance, satisfy a new need and to allow for adoption of new non-carbon energy sources in the delivery of mechanisation services in a sustainable way to meet the demands of Climate Change Mitigation. Farm & Forestry Contractors typically invest in machine systems based on a 7/8 financing cycle, so their next stage of machinery replacement will bring them to 2030 when we will have to embrace new energy sources that will require significant additional investment.*

*At FCI we believe that Farm & Forestry Contractor businesses should have access to LEADER funding for additional job creation. It is estimated that there are more than 1,500 Farm & Forestry Contractor businesses in Ireland and some of these are included in the 5,000 farmers noted in the Teagasc Farm Survey that carry out farm contracting work from their farms. The 1,500 Farm & Forestry Contractors, of which more than 1,100 are in the FCI Database, employ an average of 4,500 full-time skilled machinery operators and an additional 6,500 seasonal employees.*

*These businesses contribute to the socio-economic fabric of rural Ireland in providing skilled employment opportunities and in providing a rural income of close to €250 million to rural Irish families. They support local supplies of fuel, lubricants, machinery parts and services. Farm & Forestry Contractors have been integral partners in the testing and development of the machines for the Irish Farm Machinery Manufacturing sector, which now exports farm machinery valued at more than €300 million across the world.*

*Contractors who are listed on the FCI Accredited Contractor Register while fulfilling the criteria of the accreditation process with a tax clearance certificate should also be eligible to access the LEADER Programme.*

### **Summary conclusion**

Farm & Forestry Contractors in Ireland play an important role in providing cost-effective and efficient mechanisation services to Irish farmers and foresters. Their services allow Ireland to remain a world leader in the production, management and marketing of low carbon, high-quality, sustainable, and traceable food, and wood products, in a clean water environment.

Our FCI members are environmentally ambitious and are seeking support to introduce new traceability programmes that use technology systems to automate the collection of work data created by their activities on over 80% of Ireland's farms, in operations such as fertilizer spreading, organic manure management, environmental management and crop harvesting.

Our FCI members believe that technological innovation and precision agriculture have the potential to improve the productivity, quality, traceability, and sustainability of current Irish agri-food systems (e.g., satellites, sensors, drones, robots). Our members are already using machines fitted with such technology, including big data and machine learning systems that can bring about fundamental shifts to dramatically alter how we produce food products on Irish farms and, how we manage organic waste.

The capital-intensive investments now being made by our FCI members in new equipment systems show that digitalisation is creating unprecedented amounts of data. It provides opportunities for the development of shared data-driven decision making on farms that can only be commercially viable and sustainable through collaboration and with Farm & Forestry Contractors. With supported investment in new technology, training, and data exchange systems for FCI Registered Contractors, these technologies can advance circular agriculture through a cost-effective and fairer agriculture transition.

As the providers of a dominant amount of the mechanisation services on Irish farms (annual spend on Farm & Forestry Contractor services by Irish farmers is more than €700 million - *Teagasc*) our FCI members seek to provide solutions by working together in new technical and management partnerships with our farmer clients and their advisors, to ensure long term economic, social, and environmental targets are achieved.

Support for Farm & Forestry Contractors to invest at a more rapid pace, in newer machinery systems that can guarantee greater accuracy of application of animal and chemical fertilizers as well as more traceability of the animal food production process, and enhanced forest management, needs to be prioritised.

Farm & Forestry Contractors want to take a lead part by providing solutions. This Farm & Forestry Contractor input needs to be acknowledged. Without Farm & Forestry Contractors, the agri-food system would simply not exist.

Yours sincerely,

[Redacted Signature]

[Redacted Name] National Chair FCI

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## Appendix 1:

### **About the FCI Contractor Register to be created and maintained by the Association of Farm Contractors in Ireland (FCI) in conjunction with the Department of Agriculture, Food and the Marine (DAFM)**

To be eligible:

- Farm & Forestry Contractors are required to be VAT registered
- Farm & Forestry Contractors are required to provide Contractor Insurance
- Farm & Forestry Contractors are required to provide a Business Safety Statement
- Farm & Forestry Contractors are required to provide evidence of employee training in the key areas of Manual Handling, Abrasive Wheel Systems and First Aid.

## Appendix 2:

### **About the Association of Farm Contractors in Ireland (FCI) and its members**

FCI Land-Based Farm & Forestry Contractors are professionals/companies that provide services for arable crops, livestock, forestry, local authority green spaces and rural utility services. They provide mechanization services employing skilled operators and using the latest state-of-the-art and modern equipment in a sustainable way, for financial reward.

Farm & Forestry Contractors contribute to the economic, environmental, and social fabric of Ireland, in rural areas by providing skilled employment and providing access for farmers to technology at a scale that would not be commercially sustainable for many Irish farmers or forest owners.

Farm & Forestry Contractors in Ireland have a key role to play in providing cost-effective and efficient mechanisation services to allow Ireland to remain a world leader in the production, management and marketing of low carbon, high-quality sustainable and traceable food. Through judicious investments in modern low-emission and high output farm machinery, Farm & Forestry Contractors are playing their part in adopting best practice approaches to maximising farm production efficiency whilst minimising the effects on the climate and reducing the environmental footprint of agriculture. The importance of the Farm & Forestry Contractor sector is seen by the growth in annual turnover to close to €700 million, (*Source: Teagasc Farm Management Survey - Average Spend on Contractor Services per Farm €4,585 over 137,000 farms*).

Farm & Forestry Contractors in Ireland employ more than 10,000 people operating machines on farms. Farm & Forestry Contractors use more than 350 million litres of diesel annually (61% of total agricultural energy consumption) in carrying out this farm work and operate more than 20,000 modern and fuel-efficient tractors. Contractor machines harvest 90% of the Irish silage crops each year along with managing the sustainable spreading more than 20 billion litres of slurry, as well as establishing and harvesting many different crops.

Teagasc Profit Monitor on Irish dairy farms shows that Contractor Charges account for 1.87c/litre, compared with Machinery Costs 1.43c/litre plus half depreciation 0.9c/litre and lease costs 0.98c/litre. So, the total machinery costs on Dairy farms is 3.31c/litre compared with the total Contractor Charges at 1.89c/litre (Teagasc EProfit Monitor 2018).

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