



SINN FÉIN SUBMISSION TO PUBLIC CONSULTATION ON THE CAP STRATEGIC PLAN

- Submitted by [REDACTED] TD, 8ú Nollaig 2021.

Introduction

The Common Agriculture Policy has provided a crucial support to the Irish Agri-Food sector in general and to Irish Farmers in particular.

However, at the core of CAP there has been a gross inequality that has never been sufficiently recognised or addressed by Irish governments. The fact that a small number of farm enterprises have been in a position to draw down hundreds of thousands in CAP payments, while a significant proportion of family farmers operate at a loss is scandal that has not served Irish farming.

Currently, the highest payment supports do not go to those that need them most. Approximately 75% of EU beneficiaries receive less than €5,000. This accounts for 15% of the total EU direct payment envelope. In contrast, 0.5% of all beneficiaries, those receiving over €100,000, obtain 16.3% of the total direct payment envelope.

While the new CAP attempts to correct some of these imbalances, and Sinn Féin are proud of our record in securing some of these necessary changes at European Parliament level, the beneficial impact of these changes will not be fully realised due to the failures of the Irish government in negotiating the EU Multiannual Financial Framework (MFF), the European budget.

Despite the fact that Ireland will be contributing substantially more into an increased EU budget, we will be receiving significantly less in real terms from the Common Agriculture Policy. In fact, the proportion of the MFF allocated to CAP has been reduced from 37% to 30% in the next round. By any standards, this is a failure.

The Irish government argued strongly at EU level against many of the measures aimed at redistributing CAP payments on the basis that such decisions would be best made at national level. It is disappointing therefore that the Minister has refused calls for the strategic plan to be brought before the Oireachtas for approval prior to submission to the European Commission.

It is also worth noting that the consultation process has been the subject of much frustration; the so-called Town Hall meetings, held online during August, did not present a

opportunity for engagement from farmers and other stakeholders. The fact that the Department published the draft Strategic Plan while public meetings at Marts and other venues were ongoing is in itself telling.

It is for these reasons that Sinn Féin proposes that the Irish CAP Strategic Plan 2023-2027 be subject to Oireachtas approval; firstly by being brought before the Joint Committee on Agriculture, Food and the Marine and subsequently to the Dáil and Seanad. At each stage amendments could be presented and voted upon before final approval of the plan.

Direct payments (Pillar 1)

The next CAP must end the inequalities that have been the hallmark of CAP for too long.

Sinn Féin welcomes the stated intention of government to implement an effective upper limit payment of €66,000 (although we would have preferred this figure to be lower) in order to distribute funds to other farmers. In our view this limit must remain absolute without labour or other disregards, while measures must be in place to prevent corporate engineering that would by-pass this limit.

The debate on Convergence at EU is essentially over. 17 member states have already moved to a flat-rate payment system, it is likely that Ireland will become an outlier in this regard by the end of the next CAP. The Irish decision to invest all political capital in resisting payment redistribution measures resulted in our weak standing in the EU MFF negotiations which further led to the poor CAP allocation that has created many of the challenges now faced.

Sinn Féin believes that in the interests of fairness and in order to improve our position in future negotiations that Ireland should move to full convergence in the lifetime of the next CAP. Full convergence will deliver improved payments for 72,700 farmers, representing 60% of recipients.

Recognising the impact that convergence may have on farmers with small holdings but high-entitlement value; and also the importance of supporting smaller farms, Sinn Féin supports a front loading of 20% of payments on the first 20ha through the CRISS measure. Such a measure also recognises the higher proportionate costs associated with smaller holdings.

Young Farmers

The average age for farmers in Ireland is 55-56, the average age in the beef sector and the livestock industry is much older, less than 5% of Irish farmers are under 40. This is the case across much of the EU where almost one third of farm holders are over the age of 65.

This trend is the result of a system that has resulted in most farms being unprofitable, constant price volatility and the failure to adequately support young farmers to enter the sector. It is therefore vital that measures to support generational renewal be a central part of the new CAP.

There is an urgent need for a new Farm Retirement Scheme that allows older farmers to succession plan while allowing the new holder to benefit from that experience.

With the pre-requisite requirement of a Green Certificate to access young farmer supports the current issues in accessing places must be resolved. More broadly, agricultural education requires more strategic planning across both secondary and tertiary levels, in particular with regard to the organics sector.

Supporting and encouraging women to enter farming should also form a key part of this. With the proportion of women farmers standing at only 12% there is also a crucial need to both encourage women to enter the sector, while supporting those that already have.

As such, Sinn Féin proposes:

- 4% ring fencing of pillar I payments for young farmers
- Creating financial incentives to support the creation of Farm Partnerships, which at present are only realistic options for larger farms that are able to sustain two incomes; this should include specific provisions to further incentivise farm partnerships including women farmers
- A substantial on farm investment scheme to support farmers achieve our climate action targets, with enhanced rates of payment for young and women farmers (without an upward age limit)
- An on-farm scheme supporting generational renewal
- Movement towards a flat rate payment per hectare, and with it ending the discriminatory system of entitlements, meaning any young farmer with an eligible hectare would be entitled to a payment regardless of the production on the farm two decades ago;
- that this CAP Strategic Plan finally address the lost payments of those young farmers known as the so-called 'forgotten farmers'

Rural Development

Creating vibrant rural communities goes beyond the CAP but a well-designed EAFRD can support its deliver. Rural communities must remain places where those who wish to can live, work and raise a family. This means access to public services, such as post offices, Garda stations, education (all levels), high speed broadband and other infrastructure.

The EAFRD must support:

- Rural tourism initiatives
- Access to high speed broadband
- development of the circular and bio economy
- an increase in agroforestry
- the production of renewable energy sources
- LEADER must return to a community led programme

Given the important role LEADER plays in the development of rural communities in the Governments 'Our Rural Future' plan, stand-still funding of €250 million for the period 2021-2027 falls far short of what is required. It categorically represents a cut to crucial LEADER funding in real-terms. When one removes the Transitional period 2021-2022, funding for LEADER, based on indicative figures, will be €180 million. This represents a continual reduction in funding to LEADER across the State, especially when compared to the 2007-

2013 CAP period. Again, this is primarily a result of the government's failure in respect of the EU MFF budget negotiations.

If the contribution from the State is not re-considered then rural communities will be impacted when it comes to funding and supports for community-led development, as well as enterprise and tourism.

We must also consider the impact of Covid-19 and Brexit on rural communities, especially on enterprises and farm families who will be denied critical funding opportunities while trying to mitigate the effects of Covid-19 and Brexit.

The current proposed funding for LEADER undermines the future viability of rural based Local Development Companies, which are crucial for the rural economy and community. Sinn Féin acknowledge calls from the ILDN in this respect of this and calls for the level of funding to be re-evaluated.

Sectoral Supports (Pillar 2)

Our suckler farmers are the most among the most environmentally sustainable beef producers in the world. They are also the backbone of Irish Agriculture, it is their image that has enhanced Ireland's reputation as a clean, green, grass-fed, family-farm producer of high-quality food.

But, our suckler farmers are also the least profitable. This sector needs supports. The same is true of our sheep sector

In 2019, suckler farmers receiving average CAP payments of €14,562, spent over €5,500 of that payment annually to cover the farm's operating loss. On sheep farms, farmers spent over €4,700 of their average €19,495 payment to cover the farm's operating loss.

Sinn Féin therefore proposes an increase in the Sheep Welfare Scheme payment to €20 per ewe.

We also propose the implementation of our Suckler Cow Scheme which would provide a payment of €300 for each of the first 15 cow/calf pair, €150 on the next 15, and €80 for a further 70. It is imperative that this scheme is accessible and without unnecessary burdens or bureaucracy. Therefore, there should be no obligation on suckler farmers who do not produce their animals for slaughter to register with An Bord Bia.

While many in the dairy sector have been profitable in recent years it is important to note that a large cohort have large debt burdens. Price volatility supports will be required particularly considering the expectation on the sector to achieve further improvements in efficiency.

The environment, biodiversity and climate change

Irish farmers are willing to assist in the delivery of our climate action objectives and environmental restoration.

Sinn Féin recognise that they will need fair financial support to do this. It is deeply regrettable that, at a time when we will expect farmers to do more, there will be less supports as a result of the poor EU MFF budget agreed by the Irish government.

Pillar I Eco Schemes must incentive maximise participation.

Schemes must be tailored to meet the needs of Irish farmers, and as well as already proposed scheme, should include measures such as:

- milk recording
- improved beef efficiency through weighting
- agroforestry, and
- soil conservation
- hedgerow enhancement

The European Commission describes the CAP as ‘instrumental in managing the transition towards a sustainable food system and in strengthening the efforts of European farmers to contribute to the EU’s climate objectives and to protect the environment’ while Eco-schemes are outlined as ‘a new instrument in the CAP to support this transition’.

In order for this to hold true, Eco-schemes must be meaningful and workable for farmers and deliver tangible benefits in terms of biodiversity and carbon sequestration.

It is not sufficient for biodiversity and environmental sustainability to be demoted to a biproduct while farmers are forced to participate exclusively in schemes requiring production reduction. Unless income enhancement for farmers becomes central to Irish Agriculture policy it will not be possible to deliver the remaining two requirements of a sustainable food system, as defined by the Food and Agriculture Organisation of the United Nations, namely:

- profitable throughout (economic sustainability); and
- broad-based benefits for society (social sustainability)

Pillar II can play a key role in helping farmers purchase the equipment they need to minimise their environmental impact. Tools linked to precision farming and low emission slurry spreading must be affordable. Significant funding must also be set aside to train farmers in input reduction.

A new approach to afforestation must also be developed, that incentivises the planting of Native Broad Leaf species. Forestry policy must deliver for the environment, for the economy and for local communities – at present it fails on all these counts.

Soil fertility can also be improved through liming programmes. Pillar 2 schemes should support an extensive model of farming and diversification, deliver high animal welfare, less risk of zoonotic diseases and a more natural grass-based diet. Factory controlled feedlots do the opposite of this, and their use must be reduced significantly over the course of the next CAP term.

Pillar 2 funds must provide greater supports for those farming in Areas of Natural Constraint, recognising both the important social and economic role that farming plays in these rural communities, as well as the environmental benefits of the less intensive agriculture that occurs

in these areas. The suggested stand-still funding for the ANC scheme is not sufficient – greater investment in this scheme will be required via exchequer funding.

Organic production can play a significant role in both the move of Irish agriculture towards a premiumisation model and in delivering environmental benefits. Ireland currently has among the lowest levels of agricultural land under organic production in the EU. Pillar 2 supports will be required to accelerate farmer participation and ensure that producers can capitalise on an emerging market. Equally, there is an onus on government to ensure that government agencies fully support the sector by ensuring that both Bord Bia and Teagasc allocate adequate resources to organics.

It is imperative that land utilised for forestry and organics are eligible for the new Agri-Environmental Scheme. Funding for that scheme identified in the draft Strategic Plan is wholly insufficient and breaches previous government commitments that additional funding, outside of CAP, would be invested through Carbon tax receipts.

Sinn Féin also propose that government provide for a audit of every farm which will measure the carbon sequestration, storage and emission from each holding in order to reward those farmers who implement improvements and particularly deliver carbon-neutrality.

Our sectoral emissions must not only have reduction targets but clear actionable measures, this applies to slurry management, nitrogen and ammonia emissions.

Planting policy must incentivise more hedgerows, more native species afforestation and the protection of existing habitats. High Nature Value (HNV) farming can be profitable if supported by good policy.

One way we can improve the sustainability of our supply chain and food quality is by promoting the indigenous tillage sector ahead of protein crop imports. Any impact on input costs can be negated through effective marketing, driving consumer demand for food produced from animals being fed quality Irish meal. Sinn Féin wants to see the different farming sectors supporting each other's success.

Improving farmer's position is the food chain

While CAP is a crucial support for farmers and an integral tool in delivering sustainable food production, protecting rural communities and improving practises; the greatest challenge for Irish family farms remains the poor prices they receive for their products.

Farmers are price takers. The dominance of retailers and processors must be tackled. Supports towards the development of the cooperative model should form part of the solution. Sinn Féin supports:

- The establishment of more producer groups, which would help farmers collectively bargain with processors
- A premiumisation model that results in processors and supermarkets responding to consumer demand, seeking out premium products, and being forced to pay a fair price for securing their supply

- Building consumer demand for local and sustainable produce
- Establishment of an Independent Meat Regulator with substantial powers, to ensure they can enforce the Unfair Trading Practices legislation and add to it, tackling ‘cartel-like’ behaviour in the sector, delivering price transparency, and other issues, as it identifies issues in the Irish market

Sinn Féin believes Ireland’s market orientation should focus on high quality and value exports. We will not win in an international race to the bottom on price or standards. This means prioritising international sustainable quality assurance schemes, and expanded use and marketing of PGIs, such as a dedicated Suckler PGI.

Increasing demand for such quality is reflected in data collected on consumer preferences. Our strategy must be reflected in how we allocate Pillar 2 payments. The key elements of our export strategy should be:

- a dedicated PGI for Irish suckler beef
- promotion of naturally reared and grass-fed beef
- a dramatically more ambitious organics target
- animal welfare excellence
- low carbon and low input production