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An Roinn Talmhaíochta,
Bia agus Mara
Department of Agriculture,
Food and the Marine

CAP Post-2020 Consultative Meeting

Thursday 3rd October 2019

Killeshin Hotel, Portlaoise



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Bia agus Mara
Department of Agriculture,
Food and the Marine

CAP Reform - process and proposals

Ted Massey, EU Division
3rd October 2019

Introduction



- CAP Reform Process
- Summary of key changes proposed in the current CAP Reform
 - Changes to Direct Payments
 - Changes regarding the environment
 - **Discussions still ongoing**

The CAP Reform Process – how does it work?



- Commission presents proposals
- Parliament agrees its Position
- Agriculture Ministers agree their Position
- Both combine with Commission to reach a shared agreement



State of Play for the current CAP Reform



- Commission proposals presented June 2018
- Parliament's agriculture committee has voted on their amendments but not enough time remaining for a full plenary vote
- Agriculture Ministers still discussing their position
- Presidency seeking maximum progress
- Transitional measures



Budget



Multiannual Financial Framework 2021-2027 – the total budget for the EU for a seven year period

- Budget for CAP Post 2020 not yet agreed
- Must be unanimous support among Member States for the full EU budget
- Proposed budget will then be agreed or rejected by European Parliament
- Challenging times ahead!



CAP Post 2020 proposals



Nine objectives set out what the policy is intended to achieve for farmers, citizens, climate etc.



Main Changes proposed for CAP



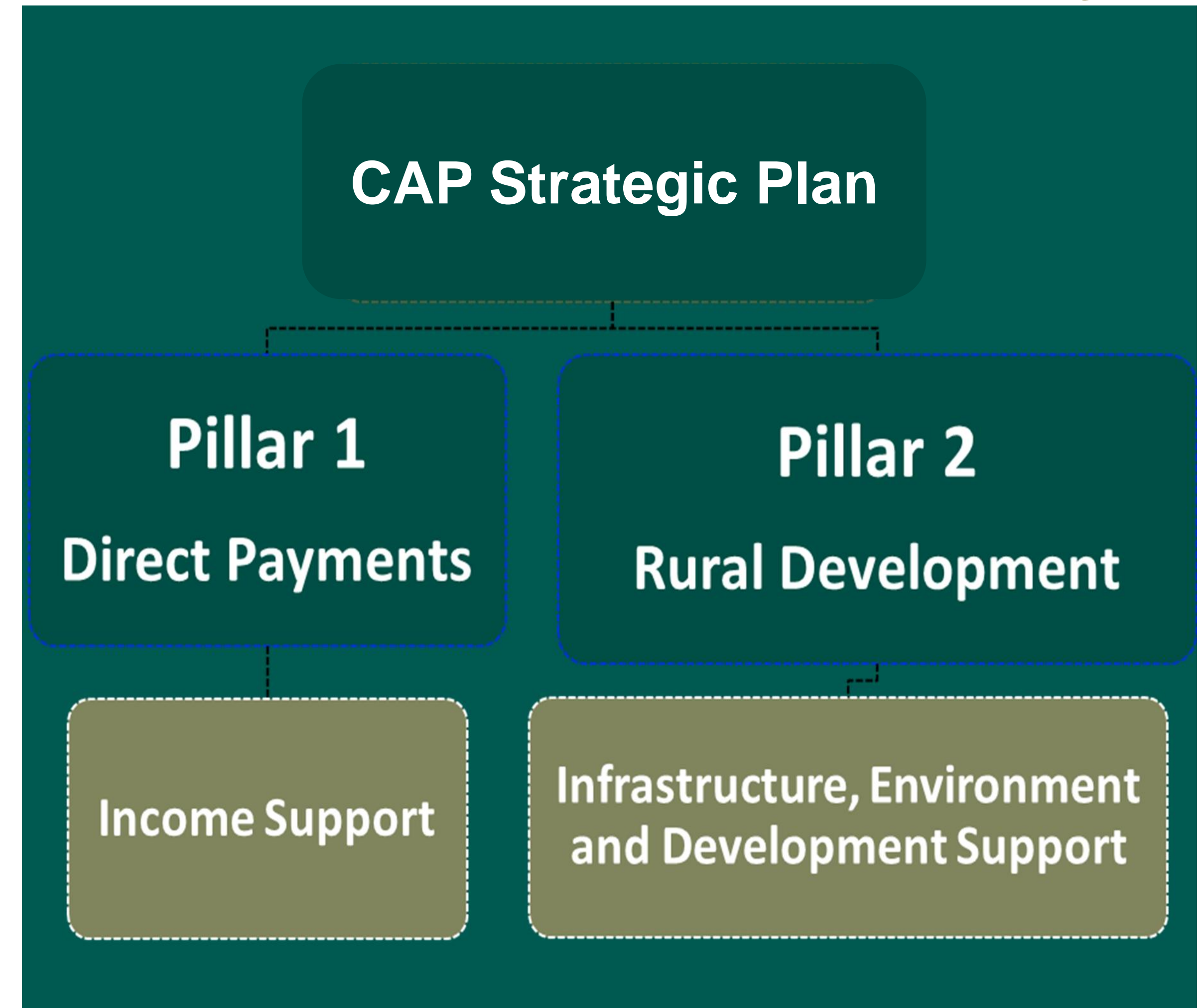
- New Delivery Model
- Environment
- Direct Payments
- Risk Management
- Young Farmers



New Delivery Model



- One national CAP Strategic Plan to cover all interventions; Direct Payments and Rural Development Payments
- Performance based approach based on annual indicators and targets



CAP Strategic Plan



- Coherent analysis and set of interventions
- Involvement of environmental authorities
- Monitoring Committee to monitor implementation
- Deviation may result in Commission seeking action plan



CAP Post 2020 proposals

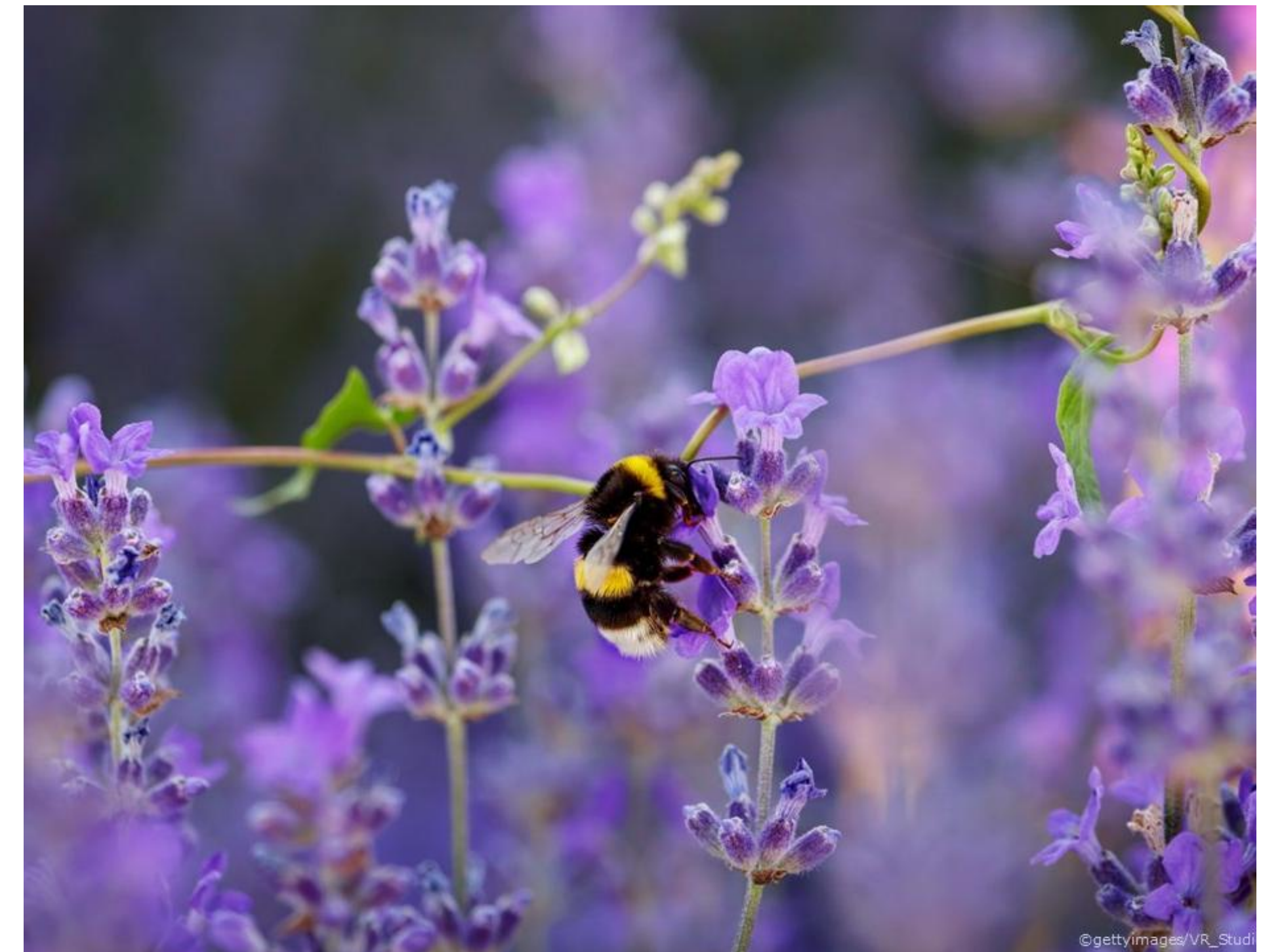


Higher Environmental Ambition

Increased
conditionality
(cross compliance)

Eco-scheme
within Pillar 1

Target at least
30% of Pillar 2 on
specific envi
objectives





Direct Payments Envelope



Existing and Proposed Direct Payment Schemes



Existing:

Basic Payment Scheme (BPS) and Greening

Capping

Young Farmer Scheme

Voluntary Coupled Support (Protein Crops)

Redistributive Payment

Small Farmer Scheme

Proposed:

Basic Income Support for Sustainability (BISS)
Eco-scheme
Sectoral allocations

Capping

Complimentary Income Support for Young Farmers

Voluntary Coupled Support (Protein Crops)

Complimentary Redistributive Income Support for Sustainability (CRISS)

Round Sum Payment for Small Farmer

Current Direct Payment Schemes



BPS/Greening	Young Farmer
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Proposed Direct Payment Schemes

BISS Increased conditionality	Eco Scheme	Young Farmer
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Key Direct Payment Changes



2. Capping – the reduction of individual payments above a certain limit.

Current situation

- 100% reduction applied to all individual payment values in excess of €150,000 under the Basic Payment Scheme
- Other payments not subject to capping

Proposal:

- Mandatory Capping of **all** Direct Payments - **Maximum €100,000**
- Commission propose degressive capping for payments in excess of €60,000
 - 25% cut €60,000 - €75,000
 - 50% cut €75,000 - €90,000
 - 75% cut €90,000 - €100,000
- Effectively max annual direct payment **€81,250**
- Salaries, regular and unpaid labour
- Proceeds of capping primarily used to fund Complementary Redistributive Income Support for Sustainability

Key Direct Payment Changes



3. Convergence of Payment Entitlement values

- Bringing values closer to the national average Payment Entitlement unit value
- Currently all on at least 60% of national average value
- Proposals - moving to at least 75% of national average value
- Reference years and entitlement values?



Key Direct Payment Changes

4. Complementary Redistributive Income Support for Sustainability



- Transfer payments from larger to small or medium sized farmers
- To improve sustainability
- Challenge of a number of different redistributive schemes



Key Direct Payment Changes



5. Coupled support

- Majority of Irish payments fully decoupled to allow farmers choices
- Currently less than 0.5% of Ireland's envelope spent on coupled Aid for Protein Crops Scheme
- Coupled aid V Targeted sectoral supports
- Proposal to reduce amount Member States can give to coupled payments to 10% of Direct Payment envelope
- Possibility of a further 2% provided it's to support protein crops



Risk Management



- Mandatory introduction of risk management tools
- Could include support for mutual assurance scheme/insurance premiums
- EU Crisis Reserve



Generational Renewal



Strategy to attract new farmers

Amount equal to at least 2% of Direct Payment envelope must go to generational renewal measures



Consultation



- Citizen's consultation early 2018
- CAP consultative conference July 2018
- CAP Consultative Committee established May 2019
- Survey of views at Ploughing
- Ongoing meetings with key stakeholders and farm organisations
- Public consultation on SWOT Analysis



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CAP environmental proposals

Bernard Harris,
Nitrates, Biodiversity and Engineering Division
3rd October 2019

Agriculture in Ireland



- ~ 4.5 million hectares (of a total of 6.9 million hectares) is dedicated to agricultural land
- 92.1% grassland, 6.3% cereals, 0.2% potatoes and 1.4% other
- Livestock production is the primary type of farming conducted
- 137,100 family held farms
- The average farm size: ~ 32.5 hectares
- 41,200 farmers are age 65 and over, 7,400 are under 35

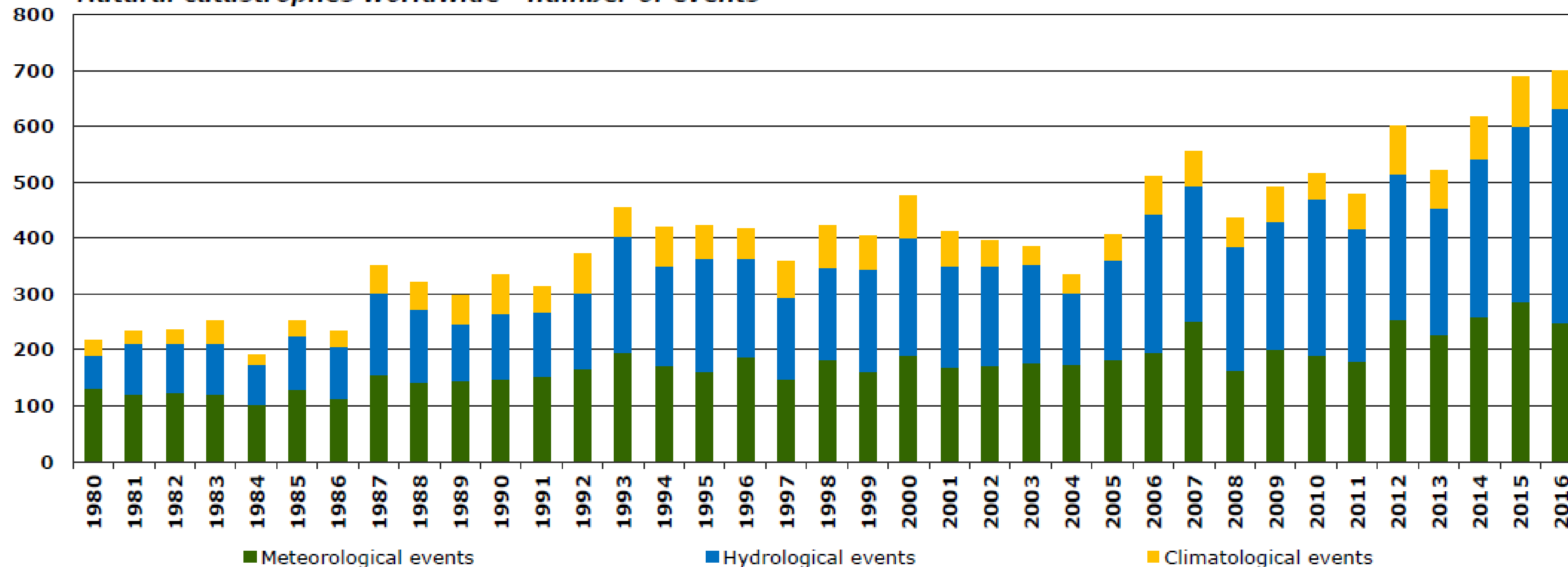




WORLDWIDE EXTREME WEATHER EVENTS



Natural catastrophes worldwide - number of events



Meteorological events: Tropical storm, extra-tropical storm, convective storm, local storm
Hydrological events: Flood, mass movement
Climatological events: Extreme temperature, drought, forest fire

Source: © 2017 Münchener Rückversicherungs-Gesellschaft,
Geo Risks Research, NatCatService (January 2017)



Impact of climate change



In Ireland

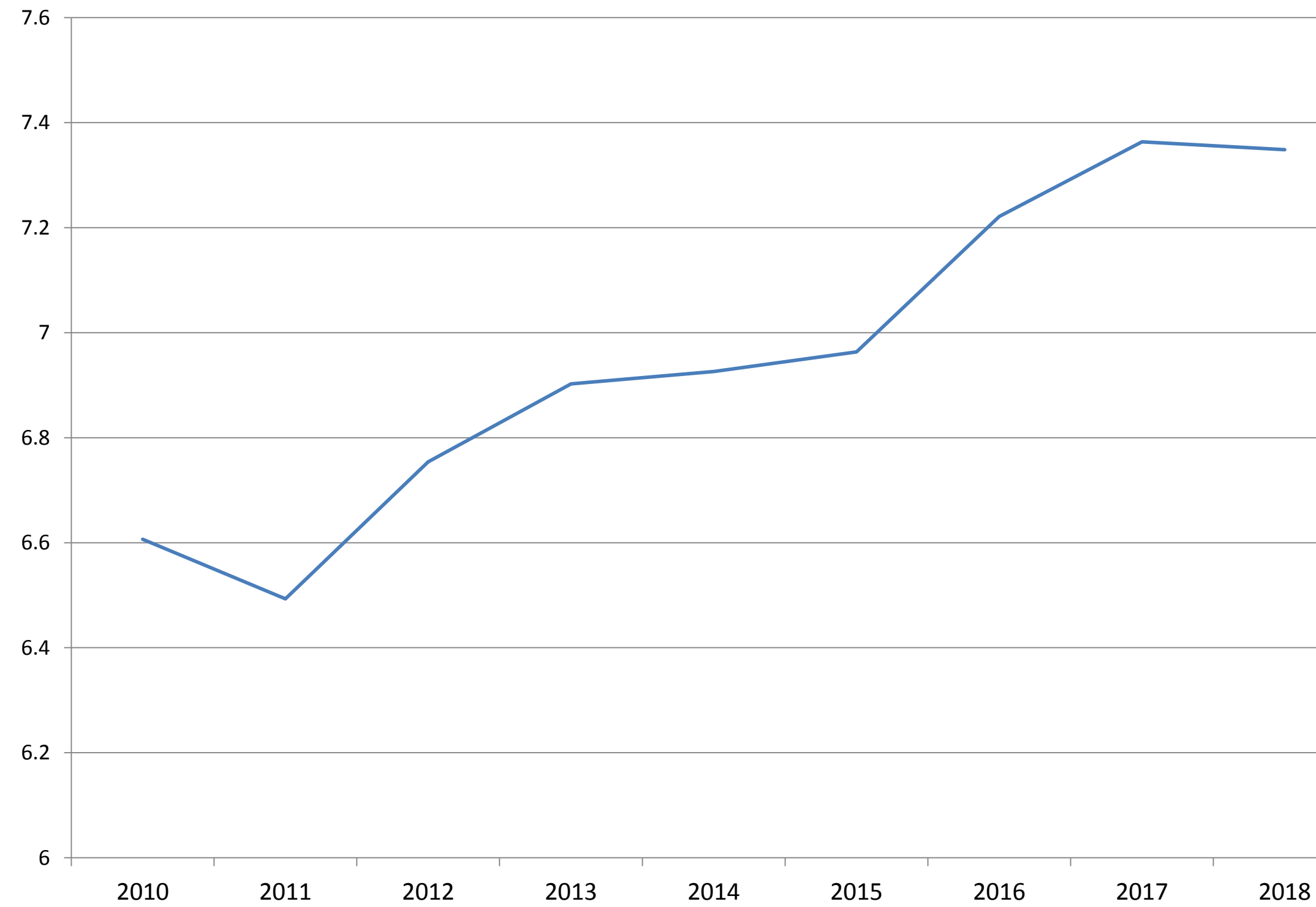
- Average annual national rainfall has increased approx. 5%
- Average annual temperature increased approx. 0.8 °C
- **On Irish Agriculture**
 - Higher risk of disruption of agricultural activities
 - Precipitation may occur in more intense downpours
 - Agriculture's vulnerability to seasonal extremes have been highlighted in the past e.g. extreme flooding and fodder crisis
 - Extreme events are likely to increase in intensity
 - Agricultural management systems may need to adapt to future climatic trends



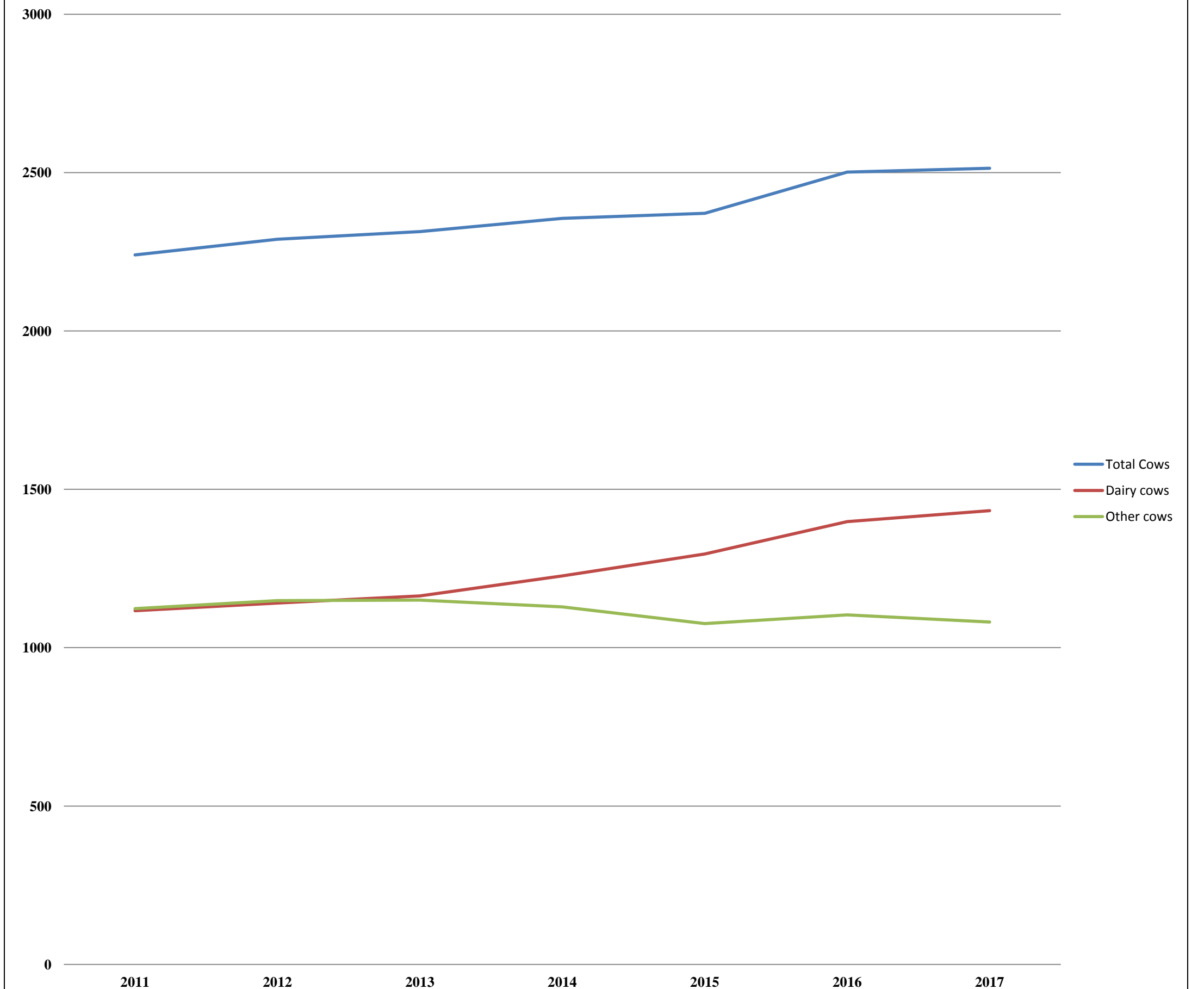
Animal numbers rising



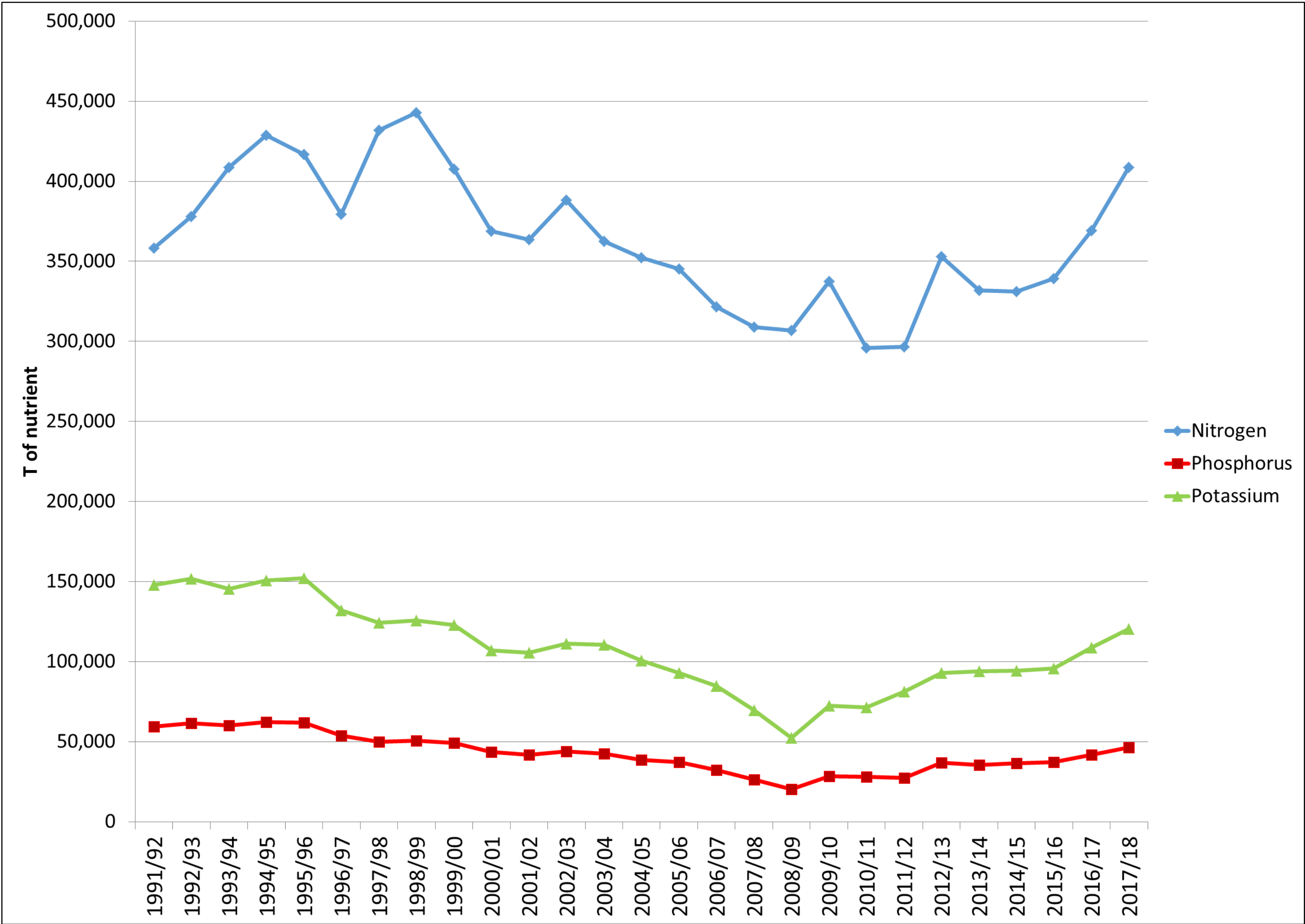
Total herd (m's)



Cow Numbers in June ('000 Head)



Fertiliser use rising



N – 408,495t in 2018 (10.6% increase)
P – 46,387t in 2018 (10.7% increase)
K – 120,267t in 2018 (10.6% increase)

Stabilised urea sales in 2018 were 3,241t which is less than 1% of total N fertiliser sales

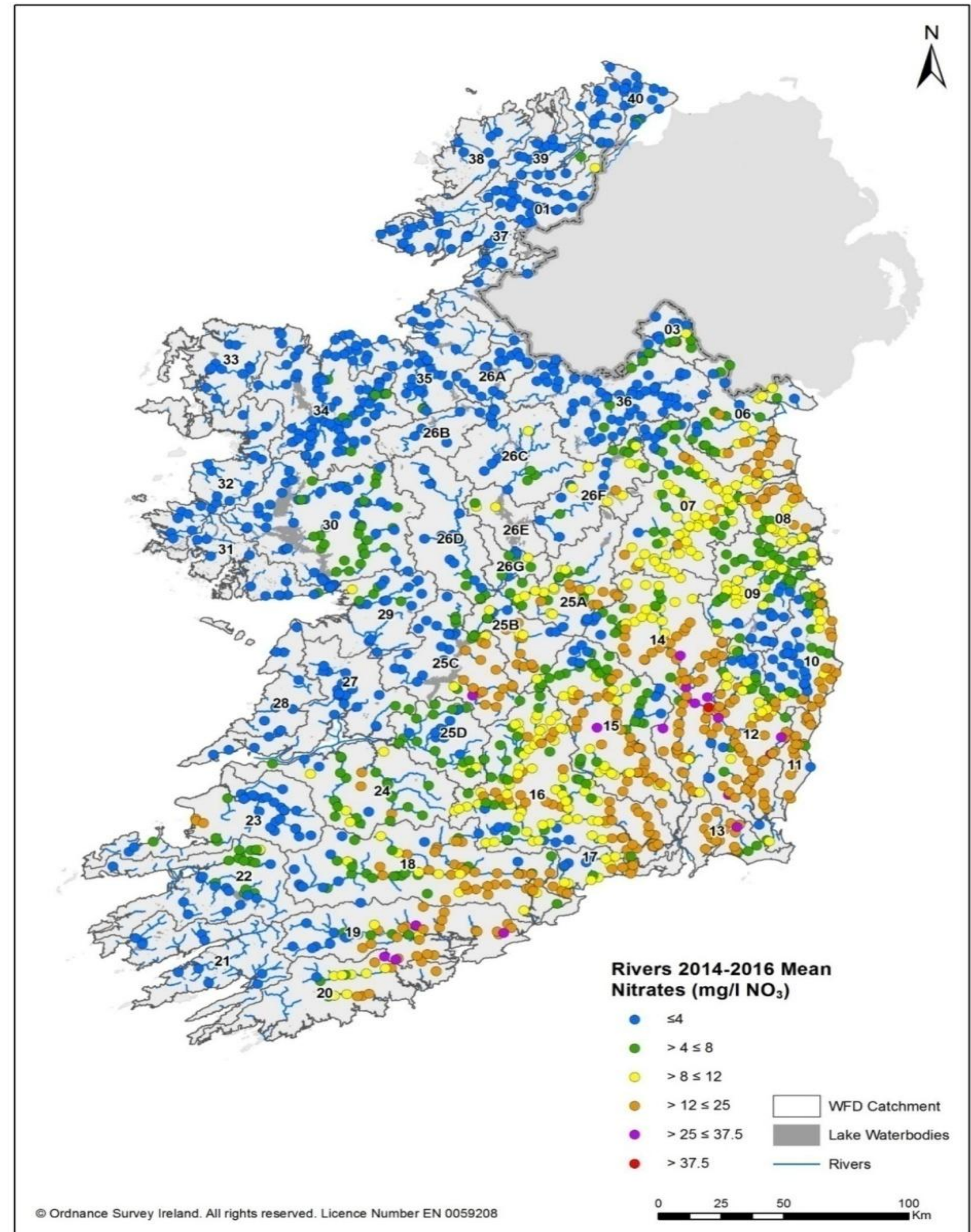
Water Framework Directive (WFD): Irish Context

- In 2001 to 2003 - 82 river sites had highest water quality status
- 2013 to 2015 - 21 river sites had highest water quality status



Restore & Protect Water Quality

Implement measures that achieve ongoing improvements in the environmental status of water bodies from source to the sea.



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Biodiversity



Trends are not positive despite Agri-environment schemes in place
Many agricultural species and habitats remain under threat

Impacted by

- Habitat loss
- Changes in land use
- Pollution
- Climate Change

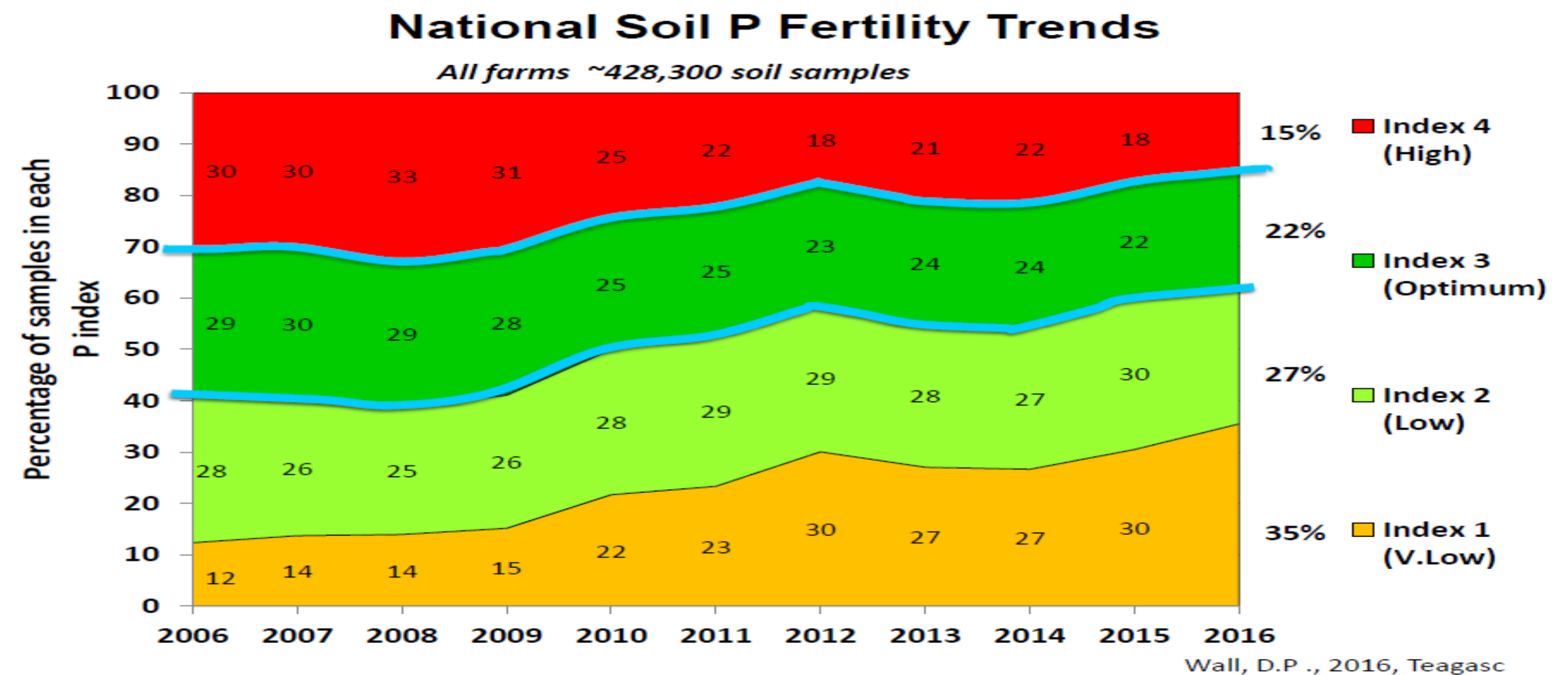
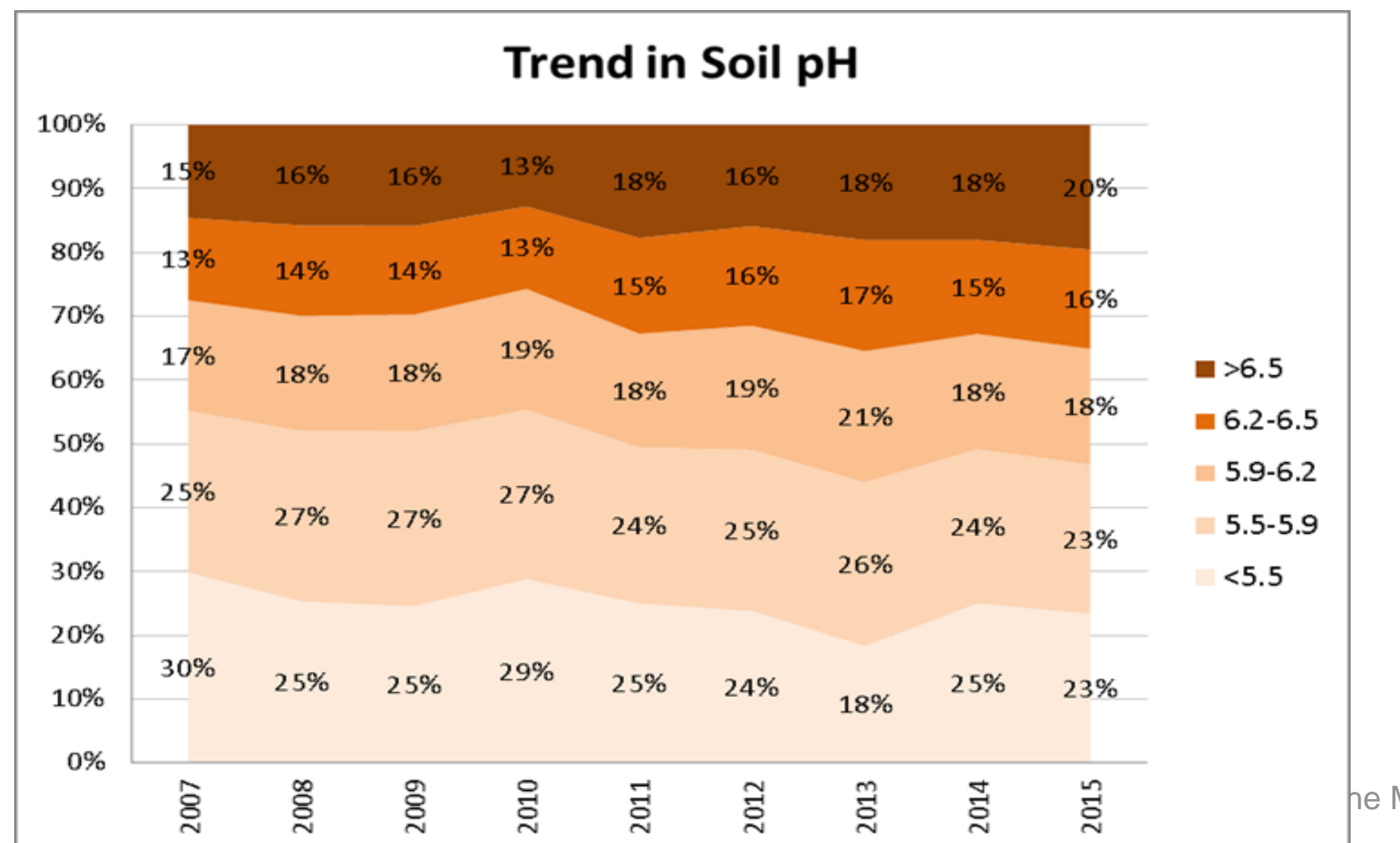
Soil fertility



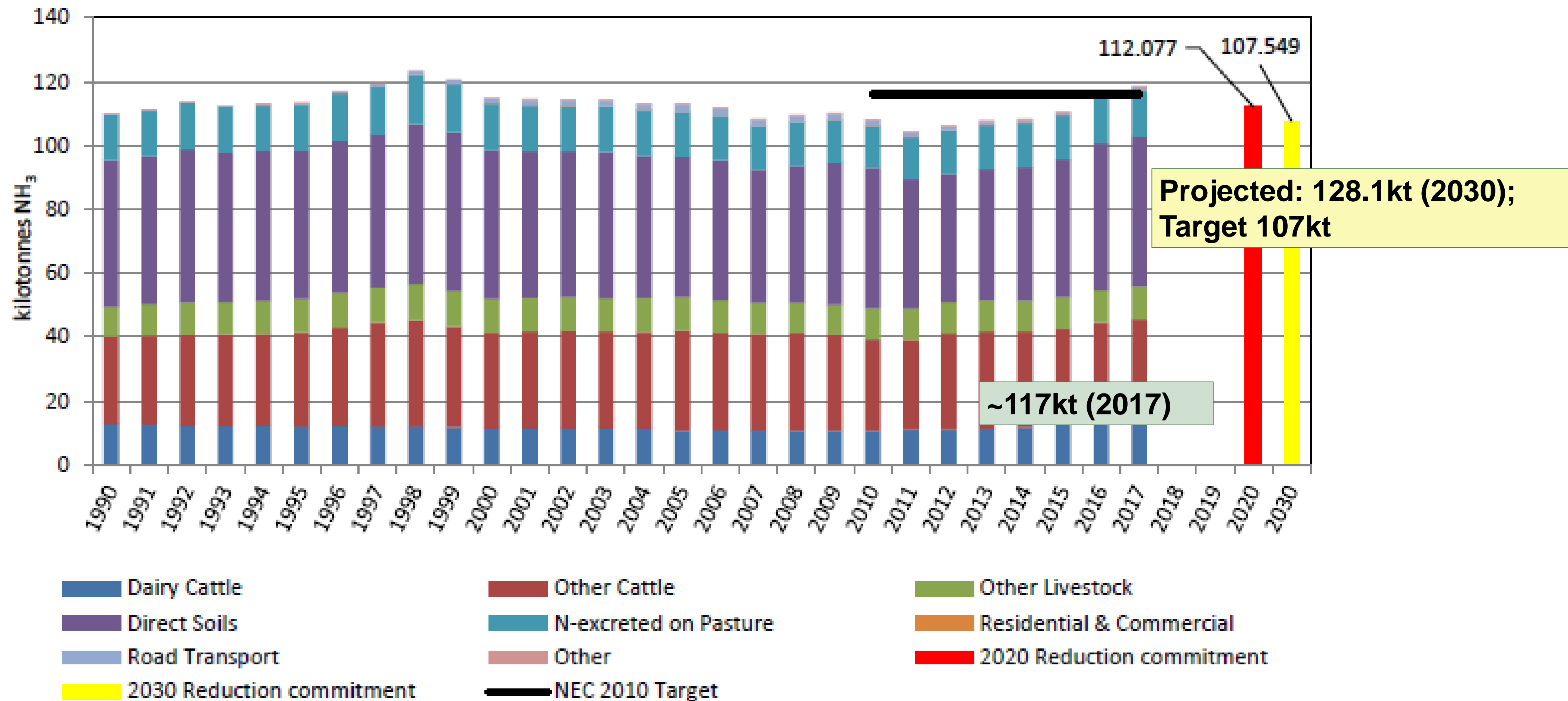
10% of soils have a good overall fertility

62% of soils have very low to low P status

Lime usage has fallen significantly



Ammonia emission trends 1990-2017



Source: EPA (2019)



The challenges

- Animal numbers
- Fertiliser sales and trends
- Soil fertility
- Water Quality
- Greenhouse gas emissions
- Ammonia emissions
- Biodiversity
- **New CAP – environmental targeting will be critical**



Enhanced focus on environment



- Higher environmental ambition
- No backsliding
- Increased conditionality (cross compliance) for all direct payments
- Pillar 1 eco-scheme
- Pillar 2 AEEM
- At Member State level target 30% of Pillar 2 on specific envi objectives



Conditionality (cross compliance)



- Increased SMR and GAEC's
- Main proposed changes:
 - GAEC 2: Protection of wetland and peatland
 - GAEC 5: Nutrient management planning
 - GAEC 8: Crop rotation
 - GAEC 10: Protection of permanent grassland in Natura 2000 sites

Eco-scheme



- Mandatory for Member State – voluntary for farmers
- List of agricultural practices beneficial for climate and the environment
- Payment only for interventions going beyond SMR, GAEC and legislative requirements
- Must be consistent with Pillar 2 AEEM
- Annual payment per Ha – annual scheme
- Funded within Pillar 1

Pillar 2 AECM

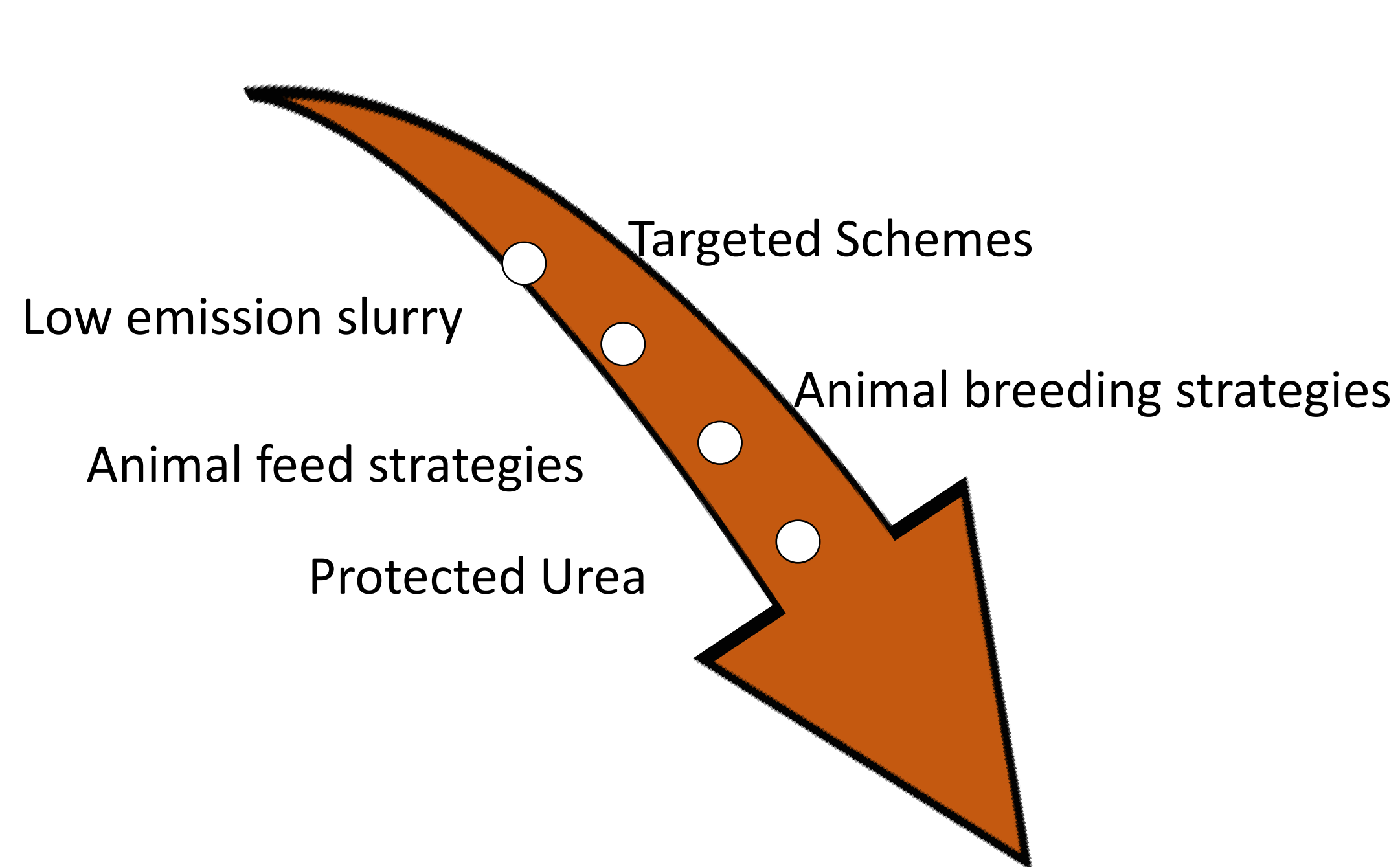


- Mandatory for Member State – voluntary for farmers
- Payment only for interventions going beyond SMR, GAEC and legislative requirements
- Interventions must differ from but be consistent with those supported by eco-scheme
- 5 - 7 year commitment
- Payment based on cost incurred and income foregone
- Participant must have access to knowledge and information required

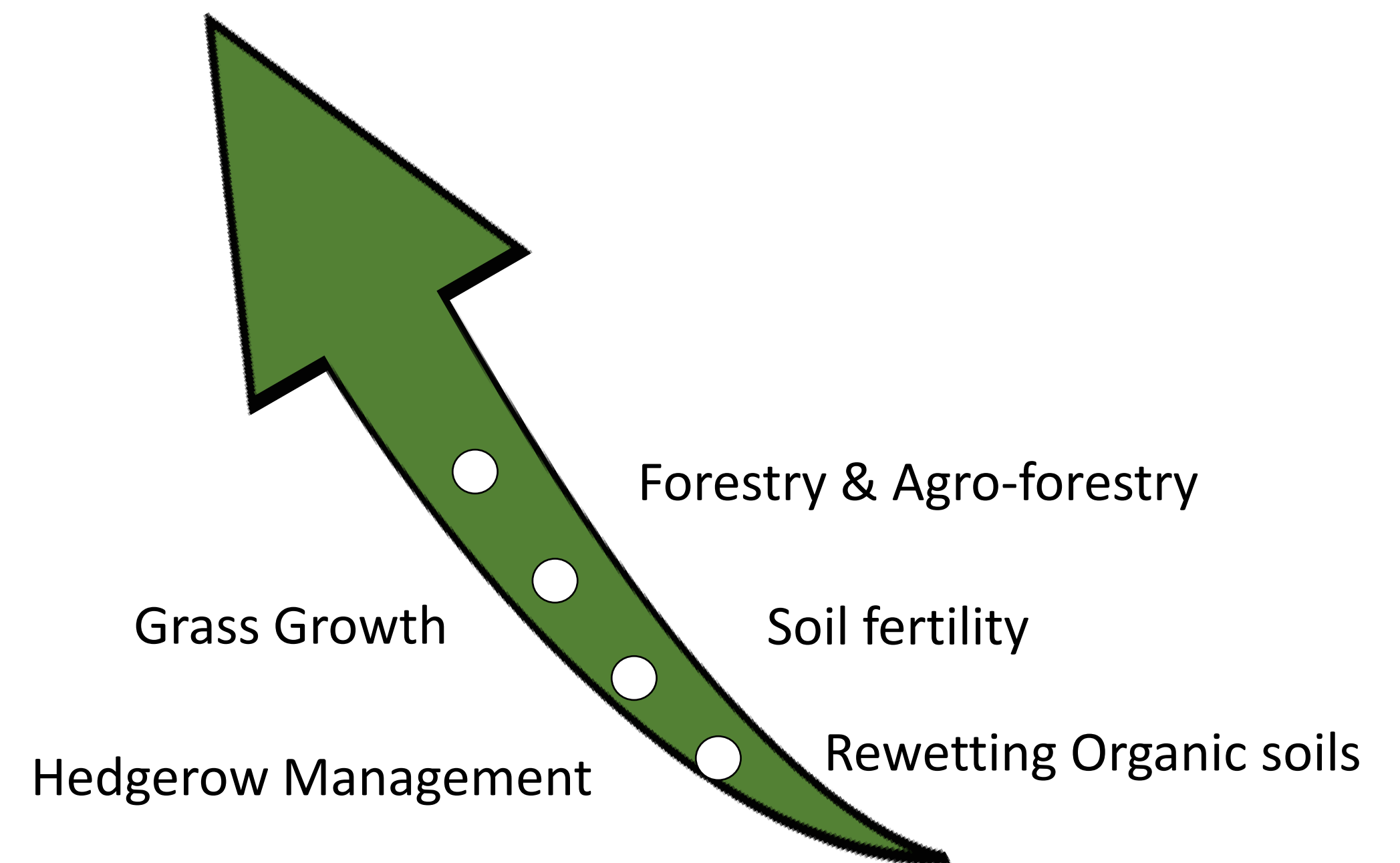
Opportunities for climate & sustainability action



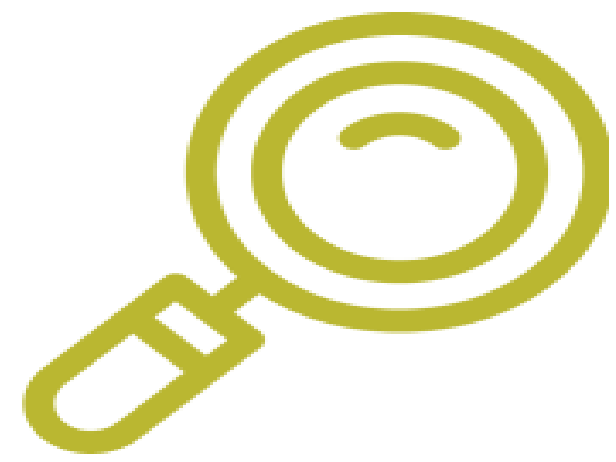
Maximise opportunities and minimise trade-offs



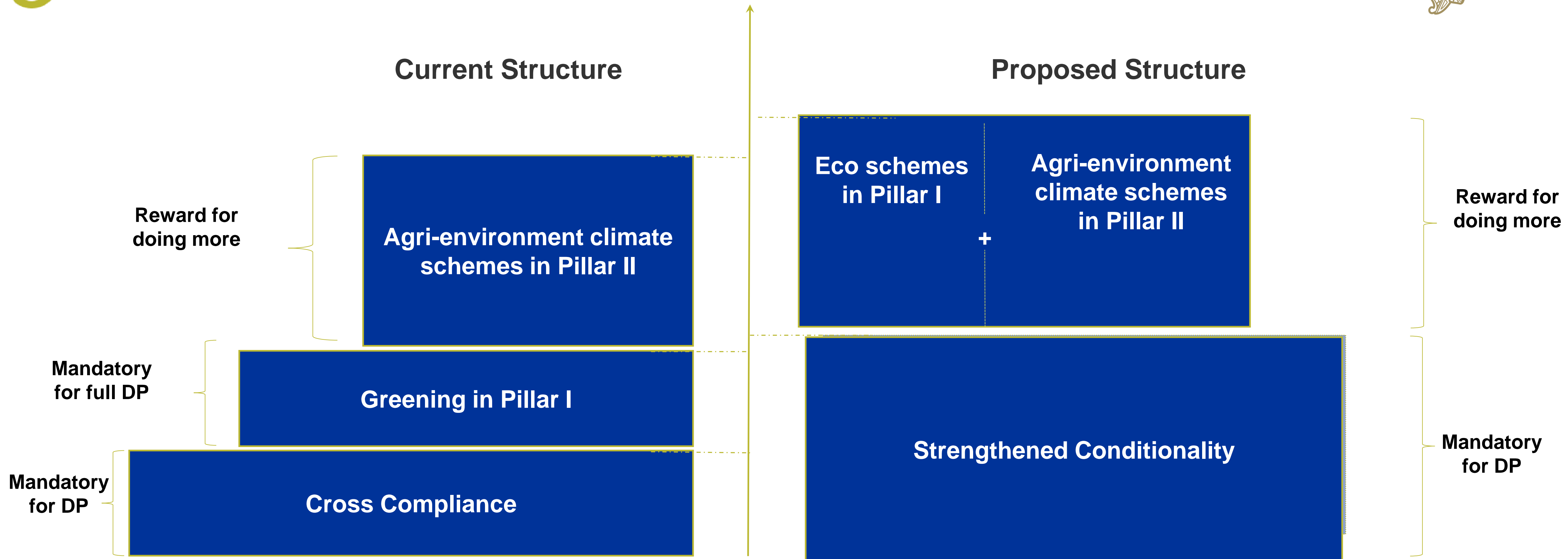
Reducing emissions and environmental pressures



**Protecting and enhancing natural resources -
CO₂ Sequestration**



How will the green architecture change?





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CAP Strategic Plan

Focus on the SWOT analysis

Focus on the SWOT analysis

Ultan Waldron
CAP Strategic Plan
03 October 2019

Overview



- SWOT – what is it ? why is it important ?
- Preparations to date
- SWOT – some examples
- How can I contribute?

SWOT: What is it?



Current

Future



SWOT as a first step: why is it important?



- to provide the foundation for the needs assessment
- to provide justifications for interventions (schemes)
- providing an evidence-based rationale for strategic choices
- the SWOT is a tool, not an end in itself: it's the first link in a chain

Preparation to date...



- Internal - ongoing interaction between policy and implementing divisions
- Inter-Departmental consultations
- Preparation of draft SWOT 'quadrants' for the nine specific objectives
- Public consultation – closing date Fri 11 October

SWOT: Some examples.....



Objective 1

Support viable farm income and resilience across the Union to enhance food security



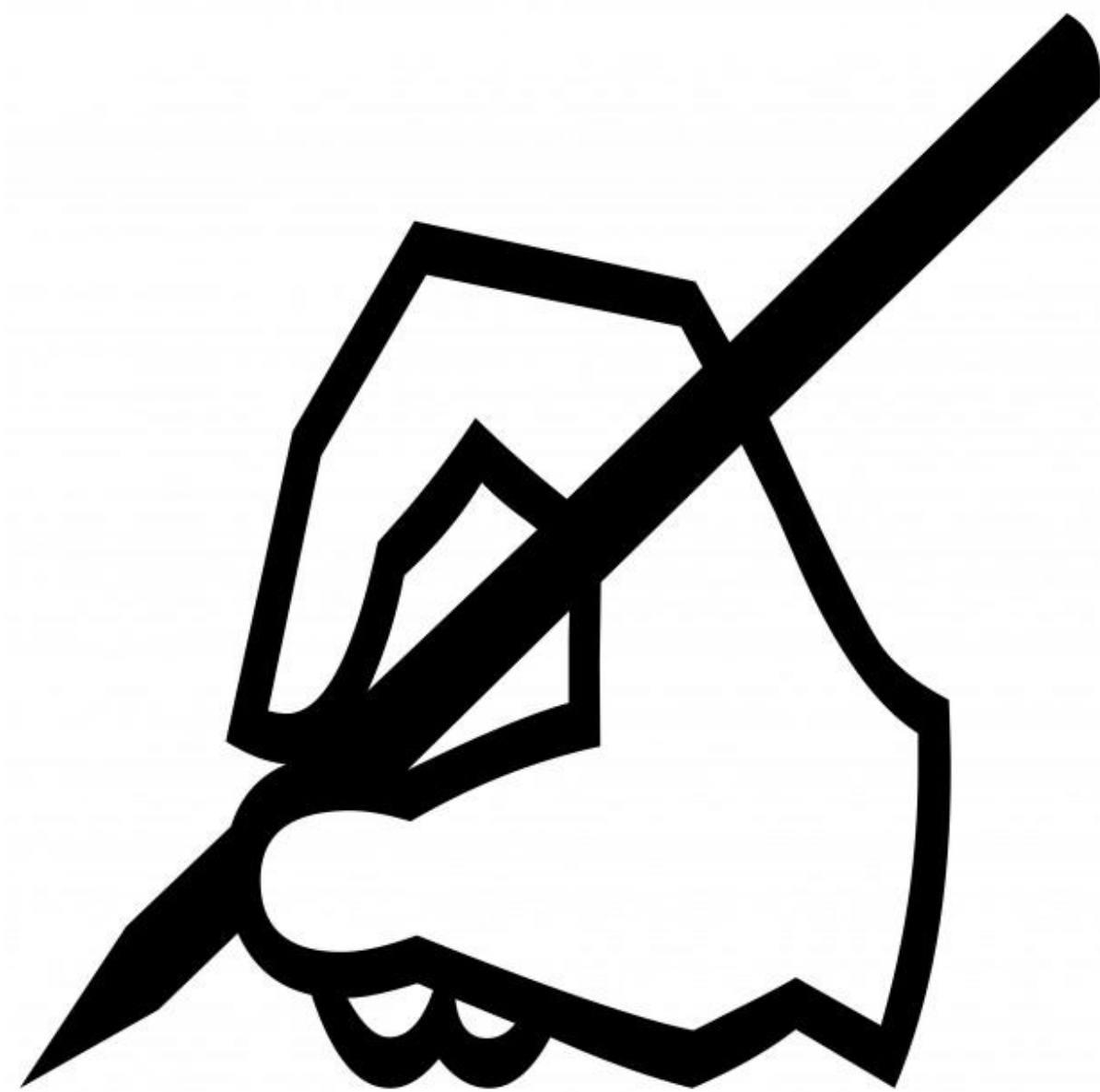
- S1: Agriculture – largest indigenous sector in the economy
- S2: Temperate climate conducive for our grass-based production systems
- O1: Use of new technologies to reduce input costs and increase efficiency (e.g. precision farming)
- O2: Growth of bio-economy
- W1: Low income in agri-sector compared to other sectors of the economy
- W2: Low profitability / viability in some sectors
- W3: Increase in input costs
- T1: Ongoing price volatility in global markets
- T2: BREXIT

Objective 5

Foster sustainable development and efficient management of natural resources such as water, soil and air.

- S4: High % farms with extensive stocking rate
- S5: Legislative framework and strong policy framework in place
- O1: Improve water quality and implement catchment-based approach
- O2: Roll-out of the Agricultural Sustainability Support & Advisory Programme
- O3: Incentivise low input farming such as organic farming
- W1: Increase in livestock numbers
- W2: Increase in chemical fertiliser sales
- W3: Impact of agricultural activity on water quality
- T1: Deterioration in water quality
- T2: Agricultural activities impact on the environment

How can I contribute ?



CAP Strategic Plan www.agriculture.gov.ie

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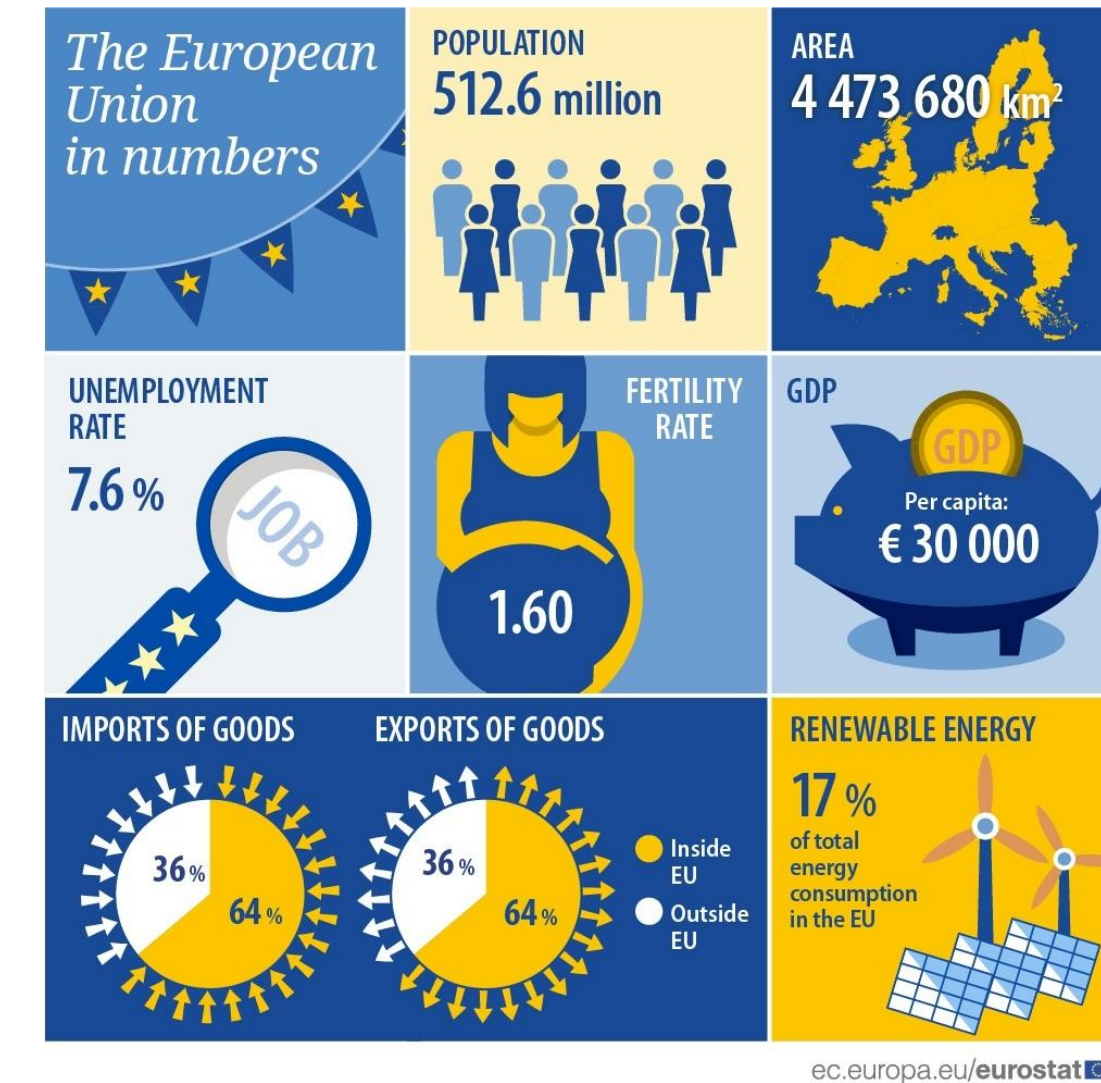
Where can I find data ?



An Roinn Cultúir,
Oidhreacht agus Gaeltachta
Department of Culture,
Heritage and the Gaeltacht



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Bia agus Mara
Department of Agriculture,
Food and the Marine



An
Phríomh-Oifig
Staidrimh

Central
Statistics
Office



epa

Environmental Protection Agency
An Ghníomhaireacht um Chaomhnú Comhshaoil

For more information...



<https://www.agriculture.gov.ie/customerservice/publicconsultations/>

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Thank you

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Ultan Waldron

CAP Strategic Plan

02 October 2019



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Objective 1 Support viable farm income and resilience across the Union to enhance food security

Strength	Weakness
<p>S1: Agriculture – largest indigenous sector in the economy</p> <p>S2: Temperate climate conducive for our grass-based production systems</p> <p>S3: Low level of debt on Irish farms</p> <p>S4: Viability of some sectors</p> <p>S5: Effective development and delivery of schemes supporting family farm income</p>	<p>W1: Low income in agri-sector compared to other sectors of the economy</p> <p>W2: Low profitability / viability in some sectors</p> <p>W3: Increase in input costs</p> <p>W4: Highly dependent on CAP payments</p> <p>W5: Low level of diversification to mitigate risk</p> <p>W6: Lack of risk management tools/knowledge</p> <p>W7: Reactive nature of ad hoc schemes to address weather and other crises in the sector.</p>
OPPORTUNITIES	THREATS
<p>O1: Use of new technologies to reduce input costs and increase efficiency (e.g. precision farming)</p> <p>O2: Growth of bio-economy</p> <p>O3: Increasing demand for safe, nutritious, authentic, organic food produced to high standards of environmental protection and animal welfare</p> <p>O4: Increasing global consumer demand for protein sources</p> <p>O5: Increase value added at farm level</p> <p>O6: Development of risk management tools</p> <p>O7: Increase knowledge base of farmers on risk management tools</p>	<p>T1: Ongoing price volatility in global markets</p> <p>T2: BREXIT</p> <p>T3: Reduced CAP budget</p> <p>T4: Increasing costs of compliance to meet new obligations such as – climate, environmental, animal welfare, etc.</p> <p>T5: Effects of Climate change on primary production</p> <p>T6: Demographics and the need for generational renewal to increase up take of new technology</p> <p>T7: Increase National/ EU regulation</p>



Objective 5: Foster sustainable development and efficient management of natural resources such as water, soil and air.

Strengths:

- S1: Highest mean organic carbon of arable land in Europe
- S2: Low levels of soil erosion by water
- S3: Low level of concentration of nitrates in freshwater in Ireland
- S4: High % farms with extensive stocking rate
- S5: Legislative framework and strong policy framework in place
- S6: Strong engagement of industry and advisors to improve water quality
- S7: High % of land under agri-environment-climate commitments
- S8: Low % of sealed soils (built environment)
- S9: Significant national cover of hedgerows, individual trees & non-forest woodland
- S10: Peatlands cover over 20% of Ireland’s area

Opportunities

- O1: Improve water quality and implement catchment-based approach
- O2: Roll-out of the Agricultural Sustainability Support & Advisory Programme
- O3: Incentivise low input farming such as organic farming
- O4: Reduce fertiliser application
- O5: Reducing nitrogen and ammonia emissions
- O6: Improve on-farm slurry management
- O7: Better management of Peatlands
- O8: Improved soil management and fertility
- O9: Further efficiency gains through the roll-out of agri-digitalisation, smart farming and precision farming technology
- O10: Foster a greater understanding of environmental issues at farm level
- O11: Increased afforestation and agroforestry

Weaknesses

- W1: Increase in livestock numbers
- W2: Increase in chemical fertiliser sales
- W3: Impact of agricultural activity on water quality
- W4: Increasing area under Nitrates derogation
- W5: Sub-optimal soil fertility
- W6: Ongoing drainage of organic soils (grasslands and wetlands)
- W7: Ongoing drainage of peatlands
- W8: No legislation in place regarding the protection of soil
- W9: Low level of forest cover



Threats

- T1: Deterioration in water quality
- T2: Agricultural activities impact on the environment
- T3: Ammonia emissions in breach of targets set
- T4: Inappropriate land-use/soil management
- T5: Low profitability and low average farm size of beef and sheep sectors could reduce the adoption of environmentally friendly practices
- T6: Slowdown in generational renewal could affect uptake of climate appropriate practices
- T7: Changing climatic conditions