



Common Agricultural Policy 2020: Young Farmer Roadmap for Generational Renewal

Macra na Feirme Policy Paper



Macra na Feirme

Macra na Feirme

CAP 2020: Young Farmer Roadmap
for Generational Renewal

March 2017

#MacraCAP2020

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1. Foreword

I am delighted to introduce the Macra na Feirme policy paper on the Common Agricultural Policy 2020. Our document sets out the key principals, policy proposals and priorities of Irish young farmers. This document will feed into the discussions which have commenced in Brussels on the shaping of CAP post 2020. Our document is progressive, visionary and proposes significant change to refocus CAP payments on supporting active farmers. Our policy also addresses generational renewal by aiding the establishment and requirement for ongoing support of young farmers. We also acknowledge and make provisions to provide for the needs of older farmers to exit the industry. We focus on generational renewal and improving both the resilience and competitiveness of young farmers while responding to the environmental and climate change challenges we face as young farmers.



Macra na Feirme continues to lobby and advocate on behalf of young farmers. Our work, effects change at local, national and European levels to better the livelihoods and economic sustainability of young farmers. A young farmer proofed CAP post 2020 is a must. Every measure must have a young farmer focus. We are very grateful to IFAC Accountants for their continued support of our work through our Young Farmer Development Groups at a local and national level and our participation at a European level as members of CEJA (European Council for Young Farmers). This European involvement has enabled us to influence, shape and ensure that the current CAP programme contained mandatory young farmer measures and supports. Macra na Feirme will continue to advocate for further young farmers supports in the next CAP post 2020.

This document would not have come to fruition without the dedicated work and support of a number of individuals and groups. Firstly I would like to thank all the young farmers who attended our five consultation meetings and completed the online CAP2020 survey questionnaire. The feedback and ideas received from the consultation meetings and questionnaire are the basis for the proposals in our policy. A sincere thank you to the Irish Farmers Journal and the Macra na Feirme Young Farmer Skillnet for their support of our young farmer CAP 2020 consultation. I would like to acknowledge and thank the Macra na Feirme Agricultural Affairs committee for their help with the consultation meetings and contribution to developing, shaping and finalising this policy. Macra na Feirme staff members have had significant involvement ensuring a successful consultation process to aid the development of this policy. Thanks to Denis Duggan CEO, Derrie Dillon Agri Affairs Manager, Joe Coffey PRO and Kate Markey Events Coordinator for their help and support during the process. Finally special acknowledgement to Paul Smith Agri-Policy Officer for his dedication and effort in researching and drafting key elements of this document which allowed the Agricultural Affairs committee make informed decisions in shaping this policy.

We will monitor developments at an EU level and armed with this document, Macra na Feirme will continue to lobby on the implementation of our policy at a local, national and European level. Our work is for the betterment of Irish young farmers and to ensure CAP post 2020 delivers for them.

Regards,

A handwritten signature in black ink, appearing to read 'Seán Finan'.

Seán Finan,
Macra na Feirme,
National President 2015 - 2017

2. Background

Macra na Feirme engaged and consulted with approximately 1000 young farmers to gather their views to aid the development of the Macra na Feirme CAP 2020 policy. They attended one of five round-table consultation workshops or completed the Macra na Feirme CAP2020 survey, to share their views on the CAP post 2020. Feedback from each of the consultation workshops along with, the CAP2020 survey results was compiled and presented to the Macra na Feirme Agricultural Affairs committee. The committee met to discuss feedback from the various engagements and to construct this paper which sets out our main policy principals and proposals. This document informs our submission to the EU Commission as part of the public consultation on CAP 2020.



Pictured at a recent meeting on the Macra na Feirme CAP 2020 policy (L-R: Denis Duggan (CEO), James Barber (Agricultural Affairs Committee Chair), Paul Smith (Agricultural Policy Officer) Seán Finan (National President), Thomas Duffy (Agricultural Affairs Committee Vice-Chair) and Derrie Dillon (Agricultural Affairs Manager).

2.1 Message from Agricultural Affairs Committee

As Agricultural Affairs Chairman, and on behalf of the Agricultural Affairs committee, I want to acknowledge all our young farmer members who took part in the CAP 2020 consultations around the country and gave us very insightful feedback which was used in compiling this document. Thanks also to the Macra na Feirme staff who supported the committee. CAP 2020 is a unique opportunity to shape our futures in farming and in turn the future of rural Ireland. This document sets out the priorities of young Irish farmers. CAP should promote excellence in farming. The Agricultural Affairs committee will continue to develop policy and work on behalf of young farmers on the issues which affect us in farming.

Regards,

James Barber
Agricultural Affairs Committee Chairperson 2016/2017
Macra na Feirme

2.2 Members of the Macra na Feirme Agricultural Affairs Committee 2016/2017

| Name | Home County |
|--------------------------------|------------------|
| James Barber, Chairperson | Laois |
| Thomas Duffy, Vice Chair | Cavan |
| Sean Finan, National President | Roscommon |
| Ricky Oliver | Carlow |
| Anthony Burke | Clare |
| Gerald Harney | Galway |
| James O'Callaghan | Imokily |
| Brendan Gorman | Kildare |
| Claire Bambrick | Kilkenny |
| Colm Stenson | Leitrim |
| John Cremin | Limerick |
| Kieran Mc Dermott | Monaghan |
| Colm O Leary | Muskerry |
| Padraig Meade | North Tipperary |
| Noel Duffy | Offaly |
| Steven Kelly | Offaly |
| Michelle O Callaghan | Seandun |
| Alan Jagoe | Seandun |
| David Mc Donagh | Sligo |
| Kieran O Dowd | Sligo |
| Michael Tobin | South Tippearary |
| Richard Dempsey | Wexford |
| Odile Evans | Wicklow |

2.3 Macra na Feirme National Agricultural Affairs Staff

| Name | Number | Email Address |
|---|-------------|------------------|
| Denis Duggan, CEO | 01 426 8900 | dduggan@macra.ie |
| Derrie Dillon, Agricultural Affairs Manager | 01 426 8904 | ddillon@macra.ie |
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3. Introduction

The Common Agricultural Policy (CAP) has been in place since 1962. With its original objectives to supply Europeans with a safe, sustainable and stable supply of food, at an affordable price to the consumer while also ensuring a fair price is paid to farmers, having changed very little. Much has changed globally since the establishment of the CAP, with continual efforts in every reform to modernise the CAP to meet the needs of EU farmers and taxpayers.

With discussions on the next reform of the CAP underway with the European Commission's public consultation process, the legacy of CAP post 2020 will be determined on its ability to address the current generation renewal crisis. Additionally, to deliver for the general public and the environment the next CAP will need to support active, progressive farmers, incentivising jobs, investment and growth in rural communities in an environmentally friendly and sustainable manner.

The European Commission's priorities in the upcoming CAP reform of greater market resilience, more sustainable agricultural production and progressing generational renewal, are echoed by Macra na Feirme. At present 55.7% of European farm owners are 55 or over and therefore 'approaching or beyond the regular pension age' with a mere 6% of farm owners under the age of 35 (Eurostat, 2016). Young farmers and generational renewal within agriculture are essential for ensuring the long term competitiveness and sustainability of European agriculture. It is crucial the next CAP addresses the current age demographic within European agriculture and implements measures to lower it.

Young farmers are the lifeblood and future of rural communities providing direct and indirect employment, raw materials for exports and further processing and environmental and countryside management. The future of agriculture and rural areas relies on young farmers; however it is imperative the necessary resources and supports are made available to allow the development of their farm businesses to fulfil this expectation.

Macra na Feirme is the first Irish farming organisation to engage with the wider public to gather the views of farmers, young and old, around how the CAP post 2020 should be shaped. This document represents the views of Irish young farmers and therefore provides the Commission with a credible source for a variety of innovative and vibrant proposals, along with highlighting some very valid concerns, of young Irish farmers. This document outlines the key principals from an Irish young farmer perspective of what CAP 2020 should look like. The areas covered include:

- CAP Budget
- Brexit
- Definition of a Young Farmer
- Active Farmer Definition
- Distribution of Direct Payments
- Intergenerational Renewal
- Environmental Challenges
- Rural Development Programme

3.1 SWOT Analysis

As part of the Macra na Feirme CAP 2020 consultation process, young farmers were asked to consider what they judge to be the strengths and weaknesses of the current CAP and the opportunities and threats/challenges for the future CAP. The SWOT analysis captures the views of over 1000 young farmers who took part in our consultation and survey, therefore indicating the views of young Irish farmers on the present and future CAP.

| Strengths of existing CAP | Weaknesses of existing CAP |
|--|--|
| <ul style="list-style-type: none"> • Secure source of income for farmers • Job creation and preserving local communities • Mandatory young farmer 25% top up • Convergence model and national reserve • Freedom to farm any enterprise • Protection of the environment • Pillar system has allowed for wider array of issues to be addressed • Knowledge transfer scheme in RDP • Investment targeted toward farm infrastructure • Improvements in animal welfare • Provides a safe, high standard and reliable food supply | <ul style="list-style-type: none"> • Reliance on historical model to define the level of direct support • Unequal level of opportunities available to all sectors • Entitlements/payments connected to the land • 5 year rule surrounding the young farmer definition- creation of two tiers of young farmers farmers • Ability of entitlements incorporated into rent to be leased with land |
| Opportunities for CAP post 2020 | Threats and Challenges for CAP post 2020 |
| <ul style="list-style-type: none"> • Simplification and modernisation of the CAP • Generational renewal • Provide retiring farmers with a source of income and to increase land mobility • Flexibility around the young farmer 5 year rule criteria • Further define and strengthen the active farmer definition • Increase land mobility throughout Europe • Address land owners renting land and receiving direct payment • Introduction of results based environmental payments • Increased research and development • Cheaper credit for farmers through financial instruments | <ul style="list-style-type: none"> • Pressure on budget as result of the migrant crisis, terrorism and climate change • Potential reductions in the CAP budget due to Brexit • Global political change and changes in foreign policy • Linking payments in a coupled manner that promotes sustainable production and efficiency on farm • Disconnect of European citizens from agriculture • Decreased global competitiveness as a result of the banning of certain pesticides and chemicals • Land as a limited resource leading to enterprise competition • Below cost selling of agricultural produce • Availability of an adequate labour force for farm work • Age demographic of farmers |

4. CAP Budget

Macra na Feirme calls for the CAP budget to be protected and we believe that there should be an ambition to increase it if possible in light of the challenges which we face as young farmers at farm level. Increasing the budget will deliver and contribute to the EU Commission's jobs and economic growth agenda.

The budget for the next CAP programme will need to insulate itself from a variety of threats. The proportion of the EU budget dedicated to the CAP programme is significant at approximately 37% of the overall budget. Ongoing global events and challenges such as the migrant crisis, geo-political events, terrorism and climate change will put pressure on the CAP budget.

The expected reduction in EU funding as a result of Brexit means the level of finance to fund the overall budget is likely to decrease. This will result in the need for expenditure to become more targeted and strategically spent. Macra na Feirme believes in a robust and very strong defence of the CAP budget.

Macra na Feirme proposes the strengthening of the active farmer definition and also removing the five year rule which will result in the redistribution of direct payments. Ensuring financial support is directed to active farmers, will allow for a similar level of support to be maintained, but in a more focused fashion.

Removing the 5 year rule as part of the young farmer definition is very important to support generational renewal efforts. Increasing generational renewal in agriculture and effecting structural change in the age profile of farmers, requires our proposals to be implemented. To ensure all young farmer proposals are adequately financed, Macra na Feirme calls for the commitment of a minimum of 10% of the total CAP budget to be dedicated toward young farmer measures.

According to the European Commission (2013), 14% of Europe's farmers are under the age of 40, and therefore qualify as a young farmer. Expanding the young farmer top up to allow its availability to all young farmers, will act to increase the proportion of CAP spending to one of the smallest age demographics and therefore the impact on the overall budget should be small. A stronger active farmer definition will result in a fairer distribution of payments to not only young farmers and new entrants, but to all farmers.

Summary:

Despite global events, political circumstances and Brexit it is crucial that every effort is made to protect the budget with the ambition to increase it. CAP 2020 needs to ensure spending becomes more targeted and strategic to deal with the increasing challenges to farming and the environment.

A stronger active farmer definition, partnered with the removal of the five year rule as part of the young farmer definition, will result in a fairer redistribution of payments and a boost to generational renewal.

5. Brexit

Due to Irish agriculture's high dependence on UK trade, inevitably any impacts Brexit has on Anglo-Irish trade will have knock on impacts for Irish farmers. Other Member States such as the Netherlands, Spain, France and Germany, supply 5.9%, 5.1%, 3.3% and 2.6% of the UK's total food supply respectively (Benton, 2017).

Matthews (2015) envisions the UK's withdrawal will most likely be after 2019 and could take place in 2020 to synchronize with the EU's budget. Macra na Feirme calls on the European Commission to prepare effectively and efficiently for Brexit. During the upcoming Brexit negotiations and with an eye to possible countering measures in CAP 2020, Irish young farmers should not be disadvantaged in any way by a decision not of their making. The referendum outcome from the UK electorate to leave the EU will have major implications for the agri-economy in Ireland and young farmers are particularly exposed during this uncertain period.

Macra na Feirme proposes CAP2020 has included in it measures to protect EU farmers from the potential volatility to EU markets as a result of Brexit. Brexit measures included in the CAP will need to be rapidly accessible with an added degree of flexibility due to the unique and unknown nature of Brexit. The European Globalisation Fund (EGF) is normally deployed where a multinational or large firm closes down and jobs are lost and supports those employees affected (European Commission, 2017). Farmers must have access to the European Globalisation Fund to support farmers adapting to the requirements of new markets, coping with volatility, or to avail of upskilling and retraining opportunities for those that are forced to leave the industry.

Currently the UK is 76% self sufficient in terms of food (DEFRA, 2016) with the largest suppliers of UK food being in the EU (Benton, 2017). Priority within the European Commission must be given to swiftly entering a trade deal with the UK so as to minimise any uncertainty post negotiations.

During these discussions, the UK may either look to increase its level of self sufficiency with less product traded to the EU, or look toward cheaper food producing countries such as Brazil or New Zealand to fill the remaining 24% of food needed to feed the population. For large food exporters to the UK, such as the Netherlands, Spain, France, Germany and Ireland, either option will have negative repercussions.

During the lengthy trade discussions, Macra na Feirme proposes the recalculation of tariff rate quotas on certain agri imports from third countries, due to the EU losing one of its largest importing nations. Such recalculations, if approved, could allow for a short term reduction in imports into the EU that would have traditionally been consumed by the UK and hopefully drive up demand for EU product within the single market.

As Irish young farmers we want to maintain our trade links with the UK, which allows the free movement of Irish and UK agricultural produce. This will only be possible with a free trade agreement with no tariffs or quotas between the UK and EU Member States.

Summary:

Ireland, along with other major European export nations, will encounter major repercussions as a result of Brexit. Irish young farmers should not be disadvantaged as a result of Brexit.

CAP 2020 must include in it measures to protect EU farmers from the fallout from Brexit. Such measures will need to act as a buffer, protecting farmers from the potential volatility that is due to follow the UK departure from the EU. Brexit measures implemented as part of the CAP must be rapidly accessible and provide an aspect of flexibility as a result of the unique and unknown consequences Brexit will impose.

As Irish young farmers we want to maintain our trade links with the UK, which allows the free movement of Irish and UK agricultural produce. This will only be possible with a free trade agreement with no tariffs or quotas between the UK and EU Member States.

Macra na Feirme proposes recalculating the tariff rate quotas on imports of certain agri imports from third countries.

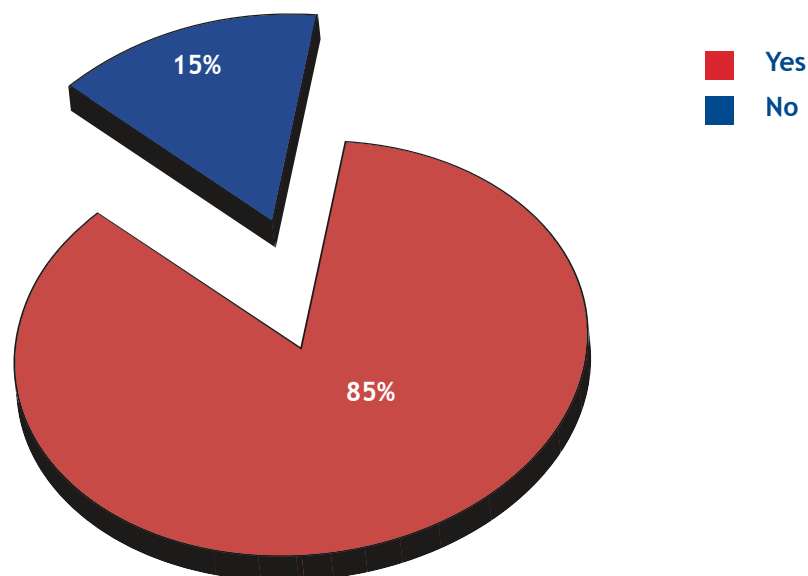
6. Definition of a Young farmer

Article 50 of EU regulation No 1307/2013 provides the young farmer definition. Compulsory criteria to all Member States with regard to the definition of the young farmer includes an age limit of 40 years, a max payment length of 5 years and the qualifying persons to be setting up on a agriculture holding for the first time or have set up a holding in the preceding 5 years of their first submission for a basic payment. Additionally Member States have the option to define further objective criteria, for example Ireland upholds an agricultural education requirement to qualify as a young farmer.

Macra na Feirme and Irish young farmers strongly support the Irish objective criteria and requirement for young farmers to have an agricultural education to receive a direct payment. Macra na Feirme is proposing that this becomes a mandatory criteria under the young farmer definition. All young farmers across Europe must have minimal levels of agricultural education to obtain the knowledge and skills they require to be competitive, efficient, business-like and scientific farmers.

Analysis implemented in the Irish Agri-Taxation Review (2014) indicates trained farmers have 12% higher levels of output compared to their untrained counterparts, therefore signifying a mandatory educational criteria as part of the young farmer definition, will produce a more innovative and progressive cohort of young European farmers. Ireland's vision for the growth of the Irish agri sector, Foodwise 2025, states "as the agri-food sector becomes more knowledge-intensive, education and skills development are even more critical for success". With an appreciation for the role of education in expanding production highly recognised in Ireland, it is crucial a similar admiration is spread across Europe.

Should young farmers have completed a green cert / agricultural qualification to receive a direct payment?

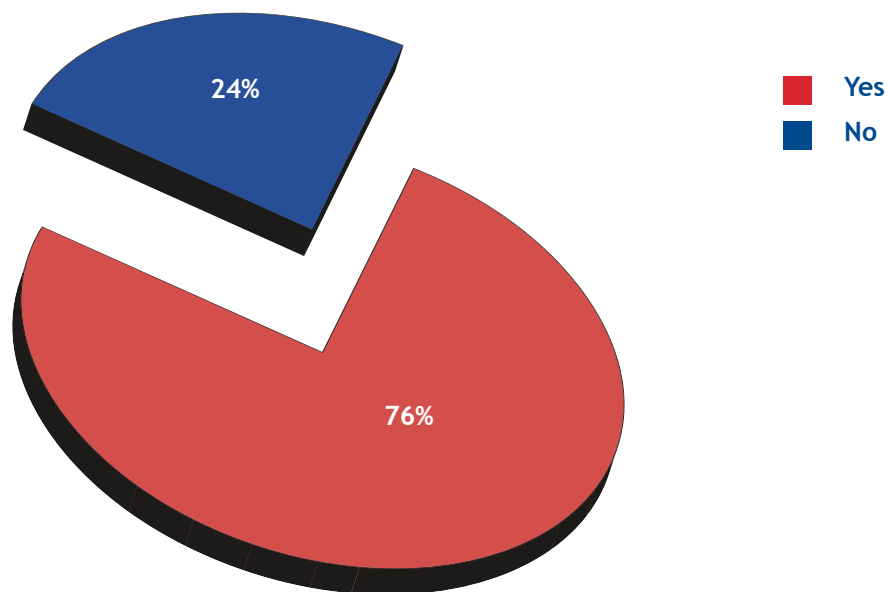


Macra na Feirme CAP Post 2020 Member Survey Findings

The disparity as a result of the current 5 year rule criteria has produced two tiers of young famers. This results in young farmers competing with each other as the young farmer who has commenced farming in the last 5 years receives all the benefits of the current CAP programme where as the "older" young farmer is at a disadvantage as a result of the date they commence their farming careers. This is not fair, equitable or sustainable and must be addressed in the 2020 CAP reform.

Macra na Feirme proposes the five year rule be removed from the current young farmer definition. A young farmer is defined as persons below the age of 40 and all qualifying individuals should receive equal young farmer support up to such an age. All young farmers deserve to receive the same level of support up to the age of 40 across all CAP measures. In a bid to improve access to land, many young farmers enter into collaborative arrangements such as leases, partnership or share farming arrangements. Any young farmer that enters into a collaborative arrangement should not be financially penalised and allowed access to the same support as other young farmers.

Do you think the five year rule for young farmers should be abolished?



Macra na Feirme CAP Post 2020 Member Survey Findings

Summary:

Macra na Feirme proposes:

All young farmers under the age of 40 be treated equally across all CAP measures.

A mandatory agricultural education requirement be applied to all Member States objective criteria of the younger farmer definition. To ensure all European young farmers are equipped with the appropriate knowledge and skills.

The abolition of the 5 year rule

7. Active Farmer Definition

Macra na Feirme strongly opposes the omnibus proposal, surrounding articles 267-270 on the CAP basic acts, to allow Member States the option whether or not to apply the active farmer definition. It is pivotal the same definition of the active farmer is upheld by all Member States, with no flexibility offered to Member States to apply the definition in their own right. Political pressures in Member States may result in a lack of uptake of objective criteria as part of the active farmer definition. It is paramount a compulsory and homogenous definition is upheld by all Member States to ensure direct payments are distributed to active farmers.

Article 9 of EU regulation No 1307/2013 provides a definition for the active farmer for the purpose of receiving direct payments. The current definition refers to the bodies which are unable to receive a payment such as those involved in the operation of airports, railway services, waterworks, real estate services, permanent sport and recreational grounds.

At present, the definition of an active farmer is negative and while it does highlight who direct payments should not be paid too, it fails to address what is required to be classified as an active farmer. Macra na Feirme is firmly of the opinion that the negative and narrow nature of the present active farmer definition has led to many problems within the CAP. CAP payments, in some cases under the current programme are directed to inactive or “armchair” farmers. A refocused and more specific definition of the active farmer will ensure payments are delivered to active farmers, and dispose of many of the current CAP’s shortcomings. Strengthening the active farmer definition will result in more targeting of payments towards progressive active farmers.

Macra na Feirme sees CAP 2020 as being the ideal time to strengthen the definition of the active farmer. The development of a new definition should contain both positive and the existing negative criteria. Much will need to be done to create a strong and relevant definition. A negative list only outlining to whom payments should not be paid to is not conducive to generational renewal and sustainability. Macra na Feirme suggests the new active farmer definition should be a mixture of a positive definition with reference to a negative list.

Macra na Feirme recommends the inclusion of the following parameters when redefining the active farmer definition:

- Mandatory completion of a 5 year farm business development plan
- Payments granted to farmers delivering public goods*
- Mandatory completion of continuous farm health and safety training courses
- Implementation of a minimum agricultural activity for example stocking rates, cropping rates etc set by individual Member States
- Farmers have a Continuous Professional Development (CPD) training plan to provide them with the ongoing skills and knowledge needed to foster innovation and embrace the latest technologies
- Mandatory completion of a farm succession plan for farmers upon reaching the age of 63 to promote intergenerational renewal.

****Public goods being both, environmental goods which are benefited and appreciated by all persons such as high quality air, soil and water, biodiversity and a stable climate, as well as food security and rural vitality (European Network for Rural Development).***

European Commission President, Jean-Claude Juncker, in his speech at the Agricultural Outlook Conference in December 2016, referred to simplification and modernisation of the CAP as a key objective. The proposed redefining of the active farmer definition by Macra na Feirme envisions such a redefinition to inevitably lead to a simpler CAP by allowing for more redistribution of payments to active farmers.

Summary:

Macra na Feirme strongly opposes the omnibus proposal, surrounding articles 267-270 on the CAP basic acts, to allow Member States the option whether or not to apply the active farmer definition.

It is of utmost importance the same standard active farmer definition is upheld by all Member States. Macra na Feirme demands a powerful active farmer definition, compiled of positive and negative aspects, capable of refocusing the distribution of payments to active farmers.

Macra na Feirme recommends maintaining the current negative list with the following parameters to be considered when redefining the active farmer definition:

- *Mandatory completion of a 5 year farm business development plan*
- *Payments granted to farmers delivering *public goods*
- *Mandatory completion of continuous farm health and safety training courses*
- *Implementation of a minimum agricultural activity for example stocking rates, cropping rates etc set by individual Member States*
- *Farmers have a Continuous Professional Development (CPD) training plan to provide them with the ongoing skills and knowledge needed to foster innovation and embrace the latest technologies*
- *Mandatory completion of a farm succession plan for farmers upon reaching the age of 63 to promote intergenerational renewal*

8. Distribution of Direct Payments

Macra na Feirme views the direct payment model as the most straightforward means of rewarding, vibrant, efficient, sustainable active farmers. However, there is a fundamental need to retarget and redistribute direct payments. Young farmers are frustrated by the current system as it is restrictive and difficult to access direct payments but with a better distribution, young farmers feel that it is still the best method to support active farmers.

The importance of direct payments is well understood amongst the Irish agricultural community. Direct payments contribute to farm income, act as a means of compliance to ensure high standards are upheld with regards to animal welfare, primary food production while also rewarding farmers for preserving public goods. Furthermore, the accumulative benefit of farm support to farm output and indeed the economy's output, is seen as having a multiplier effect of 5 i.e. €1.39 billion provided in support to farmers results in €5.7billion output economy wide (Renwick, 2013).

Reliance on the current historical payments to define the level of direct support to farmers is a weakness of the current CAP. The agriculture sector within the EU, and indeed globally, has changed immensely since the original shift in farm support to direct payments as part of the 1992 reform. Macra na Feirme does not favour the outdated nature of relying on historical reference year payments and views it as barrier to the young farmer entering into agriculture. Our new direct payment distribution proposal, which is outlined below, allows for the reliance on the historical model to be reduced further in this reform.

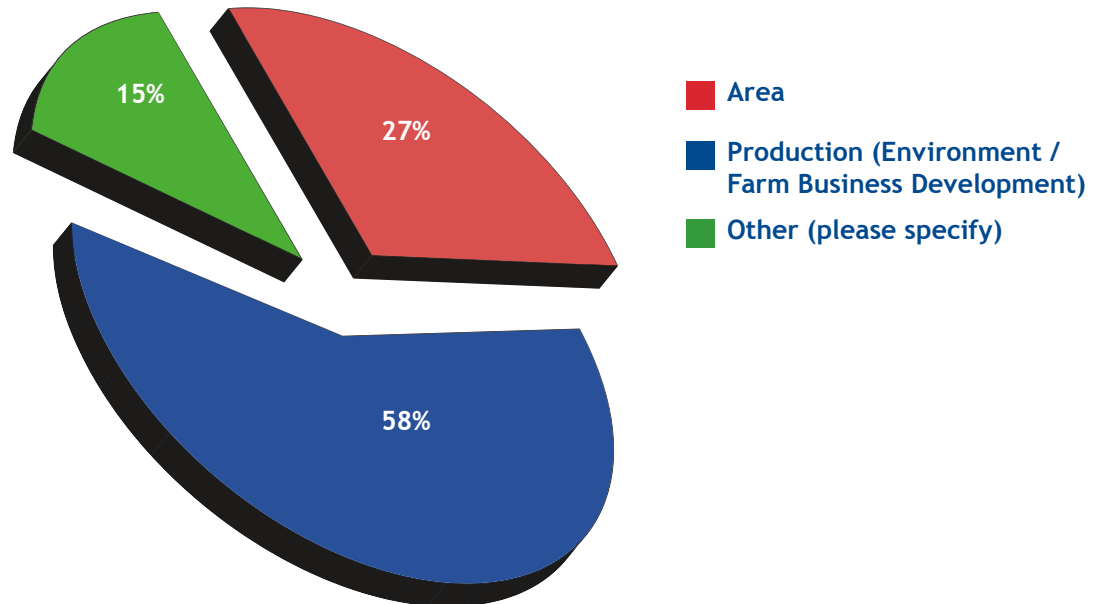
The historical model does not adequately respond to the needs of young farmers and puts them at a distinct disadvantaged when compared to their older counterparts. With the addition of internal Member State convergence as part of the 2013 reform, and assuming funding is available for a National Reserve, young farmers only ever have the option of increasing their payment to the national average under the current system.

To decrease the reliance of direct payments on historical references, Macra na Feirme proposes a new model of direct payment be introduced calculated on a 4 way budgetary split as outlined below:

- 40% of budget for an economic viability area payment to the active farmer based on individual level of the 2019 converged area based payments.
- 30% targeted payment, paid on achievement of climate change and environmental measures. Value of payment to be worked out in the first year of the new programme. Details of measures to be undertaken to be submitted at time of BPS application. Farmers to complete a number of measures from a defined list. Examples of possible environmental measures would be nutrient management plans, carbon navigators, biodiversity plans, climate change mitigation strategies, agro-forestry measures etc.
- 20% targeted payment, paid on achievement of farm business development measures. Value of payment to be worked out annually based on budget vs. level of uptake. Details of measures to be undertaken to be submitted at time of BPS application. Farmers to complete a number of measures from a defined list. Examples of possible farm development measures include succession planning, farm business development planning, undertaking CPD/further education etc. A percentage of the budget for this measure could be used for coupled payments for vulnerable sectors
- 10% Young Farmer Measures - Mandatory young farmer top-up up to the age of 40 and ongoing National Reserve open to all young farmers and new entrants to bring payments up to the national average. The National Reserve would operate similar to the current crisis reserve fund. Unused monies in this measure would on an annual basis be transferred to generational renewal measures in Rural Development Programme.

Note: Cross compliance inspections would confirm achievement of all the above measures.

Should direct payments post 2020 be an area based payment or a production based payment?



Macra na Feirme CAP Post 2020 Member Survey

The proposed model for distribution of direct payment would set out the legislative context for mandatory implementation at Member State level. However, each farmer would have to implement the economic viability land based requirement, with the environmental measures and the farm development measures being voluntary options which a farmer can choose to implement or not. This is similar to the current greening model where a farmer can opt in or out and receive a payment accordingly depending on the farmer's choice.

It is envisioned to receive the environmental measure of the payment, farmers would have to complete the environmental outcome measure. The farm development section of the payment promotes the development of the industry. As a result, under our model the economic viability area based payment would require reference to the 2019 converged area based payment for its calculation. Additionally ensuring the availability of an ongoing continuous National Reserve, available to all farmers under 40, would act to mitigate issues associated with the historical model.

Crucially, by decreasing the percentage of the direct payment which is delivered based on land area there will be the positive impact on breaking the relationship of the direct payment and inflated land prices.

8.1 Young Farmer Top up

The European Commission has continually referred to generational renewal as a primary goal of the new CAP post 2020. Macra na Feirme strongly advocates for a continued mandatory young farmer top up which needs to be delivered to all young farmers up to the age of 40 who meet the young farmer definition.

8. Distribution of Direct Payments (continued)

8.2 National Reserve

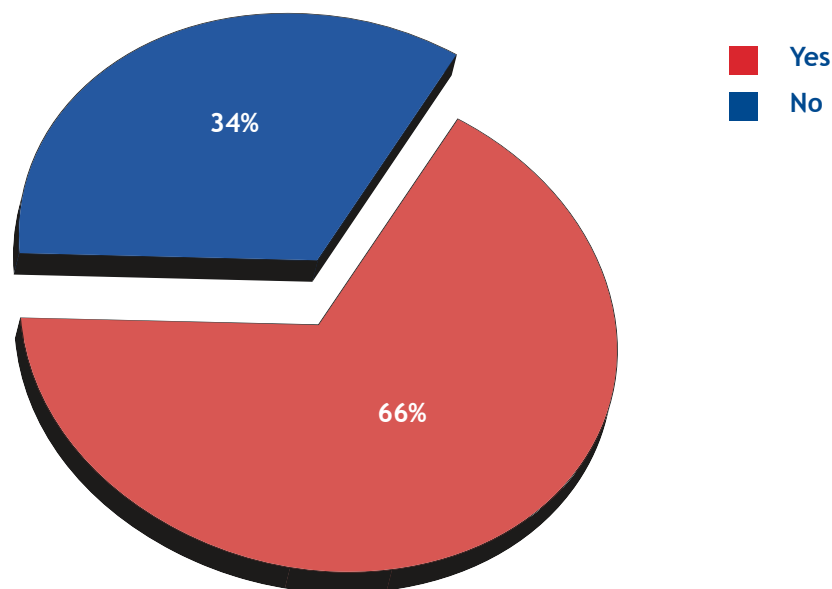
Measures must be included in CAP 2020 to ensure each Member State is mandatorily required to put aside funds to guarantee a continuously funded National Reserve every year to provide all young farmers under the age of 40 and new entrants with national average payments. This will therefore provide the same opportunities for young farmers and new entrants who have land with no payments or payments that are below the national average payment.

A continuously funded National Reserve is vital to allow young farmers begin their careers as farmers when conditions are right for the individual farmer. They must have access to a National Reserve when they make that decision.

8.3 Coupled Vulnerable Sector Supports

Young farmers are open to a percentage of the budget being used for coupled supports for vulnerable sectors, with 66% of the Macra na Feirme young farmer survey respondents in favour of a percentage of the CAP budget going towards coupled payments for vulnerable sectors. Macra na Feirme proposes the introduction of coupled payments for vulnerable sectors as part of the farm development measure. Front loaded coupled supports are required so as not to incentivise production but at the same time provide vital funding to vulnerable production systems which require support.

Would you support a proportion of the CAP Budget being allocated to coupled payments for more vulnerable sectors?



Macra na Feirme CAP Post 2020 Member Survey Findings

8.4 Cap on Direct Payments

Macra na Feirme propose a max upper limit on direct payments of €100,000.

8.5 Entitlements

Finally, the common reference to direct payments as ‘entitlements’, needs to be eliminated. The view of EU funding in the eyes of the general public and those that receive it needs to be switched from being viewed as an “entitlement” or asset and instead considered as tool to better ones agricultural business.

Summary:

Macra na Feirme views the direct payment model as the most straightforward means of rewarding, vibrant, efficient, sustainable active farmers.

Macra na Feirme does not favour the outdated method of relying on historical reference year payments and views it as barrier to the young farmer entering into agriculture.

Macra na Feirme proposes a new model of distributing direct payment be introduced calculated on a 4 way budgetary split as follows:

- *40% of budget for an economic viability area payment to farmer based on individual level of the 2019 convergd area based payments*
- *30% targeted payment, paid on achievement of climate change and environmental measures*
- *20% targeted payment, paid on achievement of farm business development measures*
- *10% Young Farmer Measures - Mandatory young farmer top-up up to the age of 40 and ongoing National Reserve open to all young farmers and new entrants to provide farmers with national average payment*

Macra na Feirme calls for a mandatory young farmer top up for all young farmers up to the age of 40 who meet the young farmer definition criteria.

Measures should must be included in CAP 2020 to ensure each Member State is mandatorily required to put aside funds to guarantee a continuously funded National Reserve to provide young farmers under the age of 40 with national average payment.

Macra na Feirme proposes the introduction of coupled payments for vulnerable sectors that are front loaded so as not to incentivise production but at the same time provide vital funding to vulnerable production systems which require support.

Macra na Feirme proposes a max upper limit of €100,000 on direct payments.

The common reference of direct payments as entitlements needs to be eradicated with a switch in mind set to direct payments being viewed as a tool to better ones farm business, rather than as an asset.

9. Intergenerational Renewal

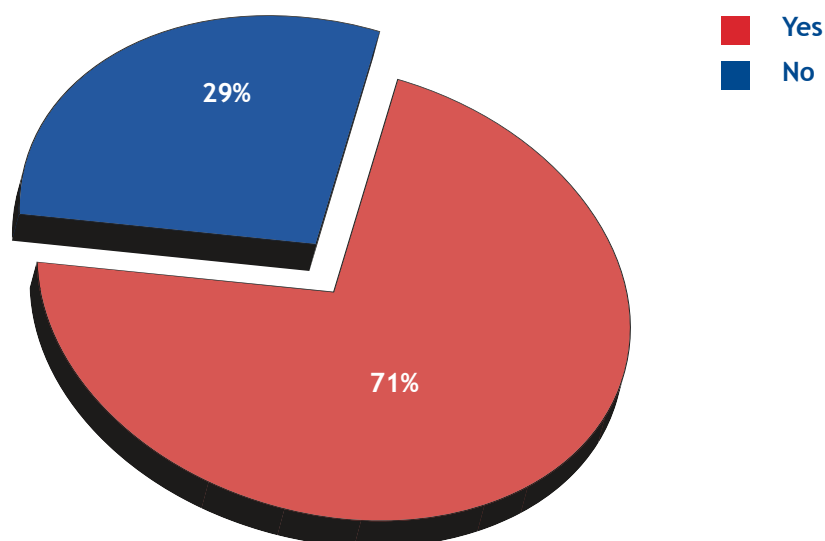
Macra na Feirme, as the representative body for Irish young farmers, warmly welcomes the commitment of the European Commission to promote generational renewal in the new CAP post 2020. For the future of European agriculture, it is essential the numbers of young trained farmers within the EU increases. This will only happen if there are specific mandatory young farmer direct payment measures and mandatory start up aid and young farmer measures in the Rural Development Programme. Succession measures in the Rural Development Programme will also be required.

If generational renewal is to become a successful legacy of CAP2020, targets must be set as to a realistic and acceptable level to reduce the average age of EU farmers. An ambitious target enables the impact and effectiveness of any intergenerational measures to be monitored to determine the increase in young farmers in Europe. This also allows for refocusing of specific programmes should it be required.

Intergeneration renewal must not only focus on young farmers, but also take into consideration the concerns, needs and interests of the older generation of farmers. All measures introduced around generational renewal must aim to facilitate both parties.

In the European Commission report, Needs of young farmers (2015), availability of land to buy, availability of land to rent and access to credit were seen as the top three needs of young farmers in the EU. To address these needs, programmes should be targeted at increasing access to land, and while financial instruments have merit in increasing access to credit, direct supports would be favoured by Macra na Feirme as they provide finance directly to the young farmer. Reference to the extension of the young farmer top up for all farmers under the age 40, has already been mentioned in previous sections, thus it will not be explored in much detail in this section. However, it should be noted that increasing the length of the young farmer top up's availability could act to increase the attractiveness of farming as a career to younger generations and thus improve interest in agriculture as a career and drive up the percentage of under 40 farmers in Europe. Our young farmer survey gives us an interesting insight into whether the conversation within families has taken place on farm succession. Despite a positive result in the survey, a specific Rural Development Programme farm succession proposal for intergenerational renewal is required.

Has there ever been a conversation within your family on farm succession?



Macra na Feirme CAP Post 2020 Member Survey Findings

9.1 Farm Succession Proposal for Intergenerational Renewal

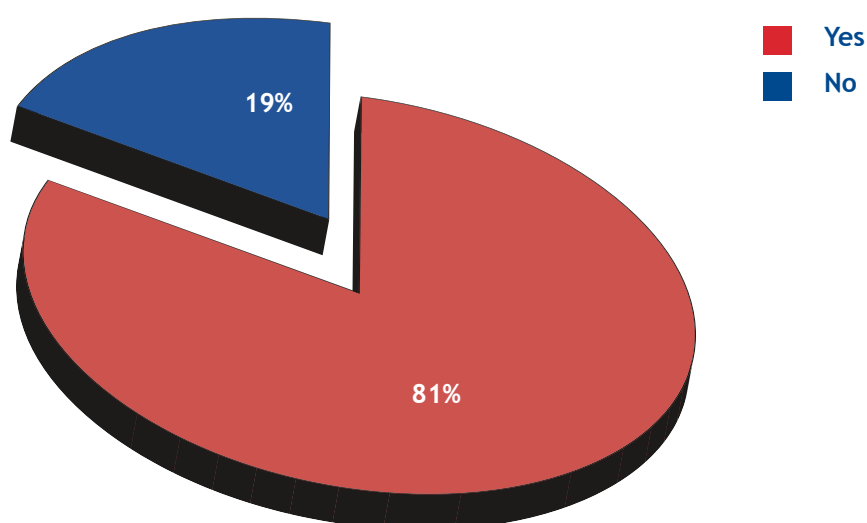
Macra na Feirme suggests a move away from focusing aid on retirement grounds to farmers exiting agriculture with a shift in concentration aimed at farm succession. Succession of farms from the older to younger generation should become a positive process.

Much heated debate has taken place in Ireland around older farmers receiving a statutory pension and basic payment together and therefore being financially better off upon reaching retirement age. Such a scenario is by no means justifiable to European taxpayers. It has led to the double funding to such parties. However, Irish young farmers are very much aware that at retirement age, many farmers and their dependants are very much still reliant on the farm business as a crucial source of income.

The Macra na Feirme commissioned study Land Mobility and Succession in Ireland, independently carried out by Dr. Pat Bogue, Broadmore Research puts into context the views of older farmers. The report found that 18% of older farmers felt the need to earn an income from the farm when they were no longer able to farm it themselves, thus highlighting the need retiring farmers have for a continued income stream from farming. Another interesting finding from the Land Mobility and Succession study found that two out of five farmers without farming successors would like to retire from active farming in the future and a further 45% would like to retire.

In order to accommodate the needs of older farmers and improve access to land for young farmers, Macra na Feirme has developed a farm succession proposal. The proposal includes upon reaching 63, it becomes mandatory for all farmers to complete a farm succession plan. From the age of 65 to 70, farmers will receive a transition payment in order to both facilitate and support their exit from the industry. For farmers that wish to continue to receive a CAP payment beyond the age of 70 such a farmer would need to get involved in a collaborative arrangement. Funding for Macra na Feirme's farm succession proposal must be made available through the Rural Development Programme.

Would you support some of the CAP budget being allocated towards a retirement package for older farmers?



Macra na Feirme CAP Post 2020 Member Survey Findings

9.2 Start Up Aid

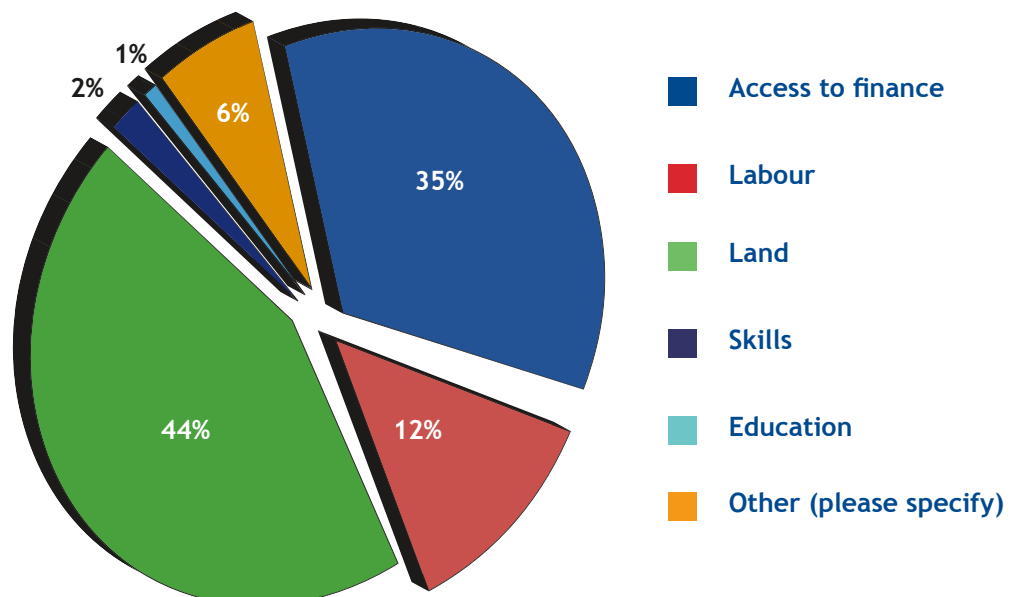
To assist young farmers during the initial stages of acquisition or establishment of a farm business, start up aid similar to what was previously seen in an Irish context needs to become a mandatory measure across all Member States as part of the Rural Development Programme. A start up aid measure should be targeted toward offsetting establishment costs and capital inputs required on farm when starting up in a farming career. It must be viewed as an 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, a 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.

To qualify for start up aid, similar criteria to the young farmer/new entrant definition needs to be introduced such as:

- Recipients must be under the age of 40
- Recipients commencing agriculture within a defined time frame
- Mandatory completion of a farm development business plan
- Have completed agriculture education, similar to the requirement in the young farmer definition
- Recipients fulfil the active farmer criteria

The proposed start up aid would be available for vouched expenditure and necessary capital inputs and investments at establishment. Funding for the start up aid will need to come from the Rural Development Programme.

What are the biggest obstacle to expansion / establishment?



Macra na Feirme CAP Post 2020 Member Survey Findings

9.3 Land Mobility Programme

Macra na Feirme believes there is a need across Europe for legislative action to part of the Rural Development programme to facilitate the establishment of national programmes aimed at facilitating land mobility/succession planning services. Funding provided to establish similar services to the Land Mobility Service in Ireland, aimed at facilitating generational renewal, should become a key priority at EU level (See Appendix - Land Mobility Service). Administration and regulation of national land mobility services must be carried out by managing authorities i.e. Department of Agriculture in Ireland.

Summary:

For the future of European agriculture, it is essential the numbers of young trained farmers within the EU increases. Macra na Feirme believes if generation renewal is to become a successful legacy of CAP 2020, targets must be set as to a realistic and acceptable level to reduce the average age of EU farmers.

Macra na Feirme proposes a new focus on farm succession rather than retirement. To create a positive view around farm succession, that supports older generations, Macra na Feirme proposes the following farm succession plan:

- *Upon reaching 63, it becomes mandatory for a farmer to complete a farm succession plan.*
- *At the age of 65, farmers avail of a transition payment up to the age of 70*
- *If a farmer wishes to continue to receive CAP supports beyond the age of 70, such a farmer would need to get involved in a collaborative arrangement.*

Funding for the farm succession proposal would come from the Rural Development Programme.

Macra na Feirme proposes a mandatory start up aid measure be implemented. The proposed start up aid would be available for vouched expenditure and necessary capital inputs and investments at establishment. Funding for the start up aid will need to come from the Rural Development Programme.

To qualify for start up aid, similar criteria to the young farmer definition needs to be introduced such as:

- *Recipients must be under the age of 40*
- *Recipients commencing agriculture within a defined time frame*
- *Mandatory completion of a farm development business plan*
- *Have completed agriculture education, similar to the requirement in the young farmer definition*
- *Recipients fulfil the active farmer criteria*

Macra na Feirme proposes legislative action as part of the Rural Development Programme to facilitate the establishment of national programmes aimed at facilitating land mobility/succession planning services. Administration and regulation of national land mobility services must be carried out by managing authorities i.e. Department of Agriculture in Ireland.

10. Environmental Challenge

Along with the production of food, farmers and farming can provide valuable ecosystem services to society such as safe clean water, regulation of nutrient cycles, control of disease, crop pollination, and enhancement of biodiversity as well as cultural, spiritual and recreational benefits (EPA, 2016). Such a graceful and complementary description of agriculture's contribution shows the high regard established and credible environmental institutes, such as the Irish Environmental Protection Agency (EPA), have toward agriculture and farmers.

Macra na Feirme supports the European Council's conclusions as part of the EU's 2030 Climate Change and Energy Policy Framework (Oct 2014) which states that *"the multiple objectives of the agriculture and land use sector, with their lower mitigation potential, should be acknowledged, as well as the need to ensure coherence between the EU's food security and climate change objectives. The European Council invites the Commission to examine the best means of encouraging the sustainable intensification of food production, while optimising the sector's contribution to greenhouse gas mitigation and sequestration, including through afforestation. Policy on how to include Land Use, Land Use Change and Forestry into the 2030 greenhouse gas mitigation framework will be established as soon as technical conditions allow and in any case before 2020."*

This is a significant statement which shows the unique relationship between agriculture, the environment and food security.

Farmers are the custodians of the countryside. Young farmers having grown up in an environmentally aware era and are more than willing to maintain our rural environments to the highest standards with full recognition that the rural countryside is a public good, for the enjoyment of all European citizens. Macra na Feirme fully recognises the significance of the COP21 global agreement on climate change and sees young farmers having a pivotal role in mitigating climate change and protecting the environment whilst fulfilling the EU food security needs.

As part of the Macra na Feirme CAP 2020 survey, 56% of survey respondents indicated they would be willing to assign one hectare of land towards agri forestry, further highlighting young farmers commitments to the environment.

The current greening measures included in the CAP, whilst potentially beneficial in other Member States, have no real beneficial environmental impacts in Ireland. Scientific literature reviews carried by Butron and Schwarz (2013) have outlined the advantageous nature of results based payments. Benefits include:

- When paid according to outcomes, there is an incentive to use land for production that will produce the best environmental results
- Results based payments reach more specific goals
- Results achieved by directly linking payments to outcomes
- Governments justify the cost of schemes through results
- Finally, results-oriented schemes create common goals between farmers and conservationists, leading to cooperation between two conflicting groups

Due to superior nature of results based payments, specifically their ability to reduce friction between environmentalists and farmers, Macra na Feirme has proposed the heavy weighting of results based environmental payments in the direct payments. Additionally, the merit of locally lead agri environmental schemes, such as the EIP-AGRI Burren for Life project, needs to be considered, with an increase in movement toward these types of projects in Member States.

With mounting pressure globally to reduce green house gas emissions and the EU committing to reduce emissions by 10% based on 2005 levels (EPA, 2016), there is a need to be innovative in the ways we produce our energy. Macra na Feirme proposes measures be introduced to promote more on farm renewable energy production. In some cases, such as with anaerobic digesters, such schemes should be target on a collaborative basis between farms. By providing grants specifically for investment in environmental measures or through preferential credit options, the Rural Development Programme has the potential to fund such projects.

Summary:

Young farmers having grown up in an environmentally aware era are more than willing to maintain our rural environments to the highest standards with full recognition the rural countryside is a public good, for the enjoyment of all European citizens.

Macra na Feirme favours a move towards a combination of results based and management based payments as part of environmental measures as applicable. Results based payments have the benefits of:

- *Reaching more specific goals*
- *Directly linking payments to outcomes*
- *Justifying the cost of schemes to governments*
- *Creating a common goal between farmers and conservationists*

Macra na Feirme also proposes a moved toward local led agri environmental schemes across Member States and introduction of measures to promote on farm renewable energy production.

Macra na Feirme supports the European Council's conclusions as part of the EU's 2030 Climate Change and Energy Policy Framework (Oct 2014) which recognises the unique relationship between agriculture, the environment and food security.

11. Rural Development Programme

The wide and varied nature of the Rural Development Programme allows for multiple projects to be carried out, benefiting the development of rural areas across Member States. The introduction of Rural Development Programme young farmer supports in the last CAP reform saw benefits directed toward young farmers. Macra na Feirme feels the pro-young farmer legacy of the previous CAP needs to be carried forward into CAP2020 with the development of rural areas at the core of the Rural Development Programme.

With the proposed abolition of the 5 year rule, potentially there will be more freedom for young farmers to avail of measures targeted towards them. The benefit of a more flexible approach to young farmer programmes accessible to all young farmers under 40 under the Rural Development Programme, will allow for young agri-entrepreneurs to get the full benefit of such programmes as a result of being able to apply measures at a time which is most appropriate in a business sense.

All Rural Development Programme measures need to be young farmer proofed and give additional grant aid to young educated farmers who are under the age of 40.

Macra na Feirme would also like to acknowledge and endorse the Cork Declaration 2.0 (European Commission, 2016) and the role it has in rural development.

Below are a variety of measures that Macra na Feirme believes will complement investment, jobs and growth in rural communities and the establishment of young farmers:

11.1 Succession Measures and Start-Up Aid

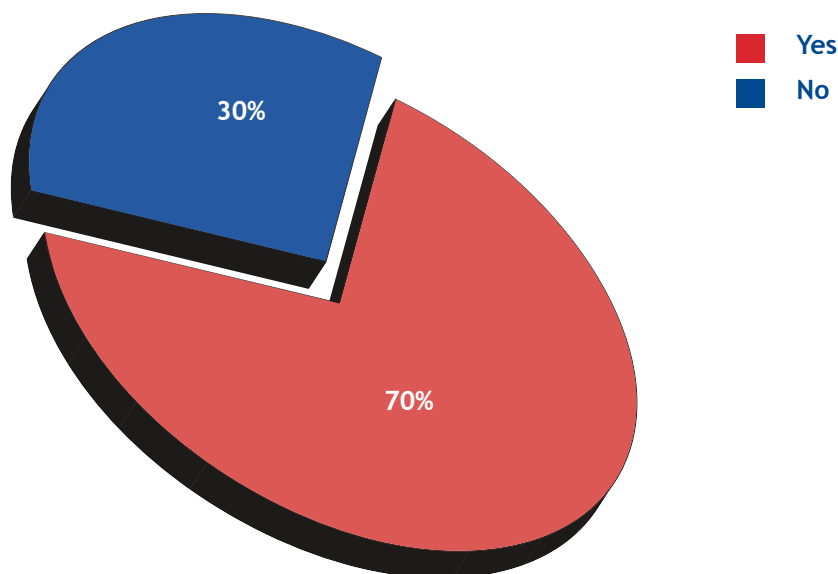
As previously referenced, to improve farm succession the Macra na Feirme farm succession proposal needs to be implemented. To fund the transitional phase, finance will need to be made available through the Rural Development Programme. Also there is a need for a mandatory start up aid measure for young farmer entering the industry.

11.2 Financial Instruments to address Market volatility and Risk Management

Financial instruments, combating market volatility and managing risk are underutilised tools in Ireland. There unrealised benefit can particularly be seen by young farmers with 66% of respondents in the Macra na Feirme CAP 2020 survey, admitting to having little knowledge of financial instruments and a further 25% admitting to have no knowledge at all. This in part could be due to the lack of uptake of risk management tools in the Irish Rural Development Programme.

To promote the uptake, understanding and reduction of risk in farming across the EU, Macra na Feirme is very much in favour of the recommendation in the Market Task Force's report, Improving Market Outcomes, for the Commission to explore the mandatory inclusion of on farm risk management tools as part of Member State's Rural Development Programmes. While recognising the considerable difference between Member States in farm risk and volatility profiles, ensuring the establishment of a mandatory risk management and financial instruments programme under each country's Rural Development Programme will allow for a more region specific approach to implementation of risk management and financial instrument measures.

Would you support the use of a modest % of the CAP budget to provide cheaper unsecured working capital / loans to farmers?



Macra na Feirme CAP Post 2020 Member Survey Findings

11.3 Knowledge Transfer

Macra na Feirme also firmly believes there is a need for schemes under the Rural Development Programme to further target Knowledge Transfer (KT) and the Continued Professional Development (CPD) of farmers particularly in the areas of risk management and use of financial instruments. The co-financed nature of the Rural Development Programme allows Member States the ability to focus programmes to the requirements and needs of their country.

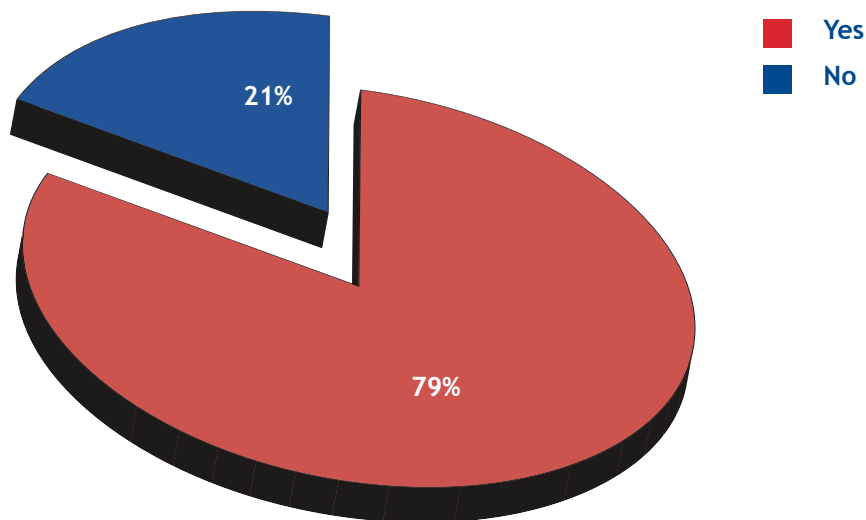
Macra na Feirme proposes the introduction of a voucher system to allow every farmer the option to avail of specific knowledge transfer event which caters for their needs. Currently from an Irish perspective, a €100 million budget is dedicated to the Knowledge Transfer scheme. Macra na Feirme's proposal will allow all 139,100 Irish farm owners be provided with a €718 voucher to be used for a course/KT event of their choice. This would allow all Irish farmers access to a knowledge transfer measure compared to the mere 20,000 farmers currently benefiting from the Irish KT scheme.

Other recommendations from the Market Task force report, such as the mandatory inclusion of investments in education, training and knowledge transfer of business advice on farm risk management strategies in the EU's Farm Advisory scheme, should also be considered as a means to improve understanding and uptake of risk management tools.

11.4 Smart Agriculture

Macra na Feirme supports CEJA's proposition on smart agriculture. Agriculture is becoming more reliant on precision farming technology and access to high speed broadband for the day to day running of a farm. Therefore, it is crucial access to stable high speed broadband is available in rural areas across the EU to facilitate the increase in e-farming. Further researches into the role new technology and innovative techniques have in further enabling sustainable growth in farming needs to be conducted.

Should the Rural Development Programme contain grant aid for precision farming technology?



Macra na Feirme CAP Post 2020 Member Survey Findings

11.5 Support for Young Farmer Organisations

Young farmers are the lifeblood of rural communities throughout Europe. A variety of obstacles, be it a lack of access to land and credit, exist preventing young people choosing agriculture as a career. As the future faces of EU agriculture, every effort should be made to accommodate their needs and ensure their residency in the country side. To ensure the voices and needs of young farmers are heard, funding should be available to allow the managing authority in each Member State provide grant aid towards the running costs of young farmer organisations. By being fully in touch with the requirements of young farmers, programmes can be better tailored to sufficiently meet their needs. Young farmer organisations across Europe support the transfer of knowledge and capacity development of their members. Having sustainable young farmer organisations ensure that their work in supporting the maintenance of young people in rural areas is supported and valued. Financial support must be provided through the Rural Development Programme for this work.

11.6 Agri Environment measures

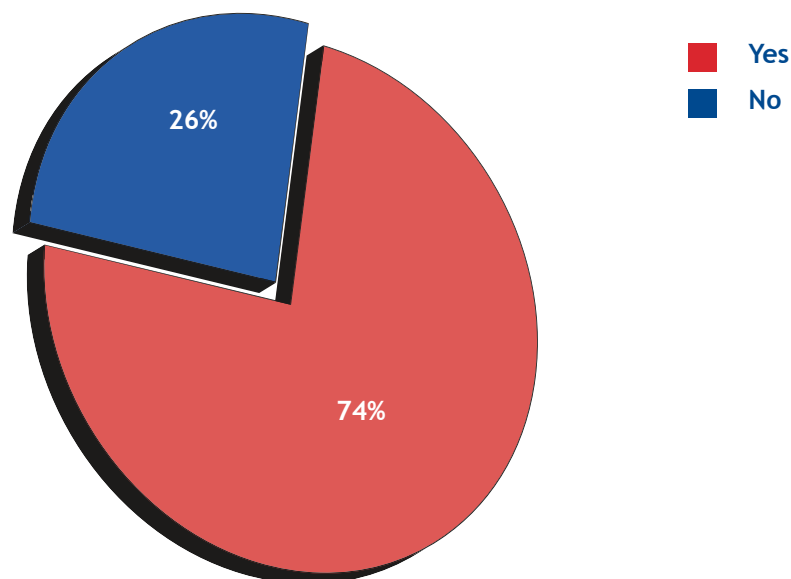
As already mentioned, Macra na Feirme would encourage a change toward a combination of management, results based and locally lead agri environmental schemes to be implemented under the Rural Development Programme.

11.7 Farmer Health, Safety and Wellbeing

There is a need to address the health, safety and wellbeing of farmers through training, education and innovation. Across Europe, there is a need to ensure adequate awareness of the health and safety risks of farmers. Macra na Feirme supports the CEJA proposal that farmers would receive a free, yearly health and wellbeing check up and would have to participate in a free mandatory health and safety course to be classified as an active farmer.

Macra na Feirme is also very much in favour of the CEJA proposal for active farmers to gain access to farm relief for a variety of unworkable circumstances such as; sickness, injury and bereavement as well as relief to cover maternity and paternity relief.

Would you agree that a farmer has to undertake a farm safety education course to be qualified as an active farmer?



Macra na Feirme CAP Post 2020 Member Survey Findings

11.8 Producer Organisations

Macra na Feirme supports the concept of producer organisations and believes funding should be made available for their establishment from the Rural Development Programme.

11.9 Farm Investment and Improvement Measures

The Rural Development Programme should contain farm investment and improvement measures targeted at the modernisation of farm holdings and investments which promote safety on farms. All measures should be young farmer proofed with additional grant aid available for all young farmers under the age of 40 similar to what exist in the current Rural Development Programme. The measures should allow for investment and improvement in physical farm assets, schemes which promote advances in the drivers of profitability at farm level such as grass, crops and soils and grant aid for infrastructure which will support the development of farm holdings. Examples of possible investments could be farm roadways, water pipework, trough infrastructure and road underpasses to aid the movement of animals and machinery.

Summary:

Macra na Feirme feels the pro young farmer legacy of the previous CAP needs to be carried forward into CAP2020 with the development of rural areas at the core of the RDP. All Rural Development Programme measures need to be young farmer proofed and give additional grant aid to young educated farmers who are under the age of 40. Below are a some of the measures that Macra na Feirme believes will complement investment, jobs and growth in rural communities and the establishment of young farmers:

- *Succession Measures and Start Up Aid Measures - Macra na Feirme proposes the implementation of our farm succession proposal and mandatory start up aid proposal" be implemented be included under the RDP*
- *Financial Instruments- Macra na Feirme is very much in favour of the recommendation in the Market Task Force's report, Improving Market Outcomes, for the Commission to explore the mandatory inclusion of on farm risk management tools and financial instruments as part of Members State's Rural Development Programmes*
- *Knowledge Transfer- Macra na Feirme proposes a voucher system be introduced, to allow every farmer the option to avail of specific knowledge transfer event which caters for their needs*
- *Smart Agriculture- Macra na Feirme supports the CEJA proposal around Smart agriculture for increased stable access to internet for rural areas within the EU and further research into the role new technology has in promoting sustainable agriculture*
- *Support for Young Farmer Organisations- Young farmer organisations across Europe support the transfer of knowledge to their members and they should receive financial support through the RDP*
- *Agri Environment Schemes- Macra na Feirme proposes a move toward a combination of management, results based and locally led schemes for environmental measures*
- *Farmer Health, Safety and Wellbeing- Macra na Feirme supports the CEJA proposal that farmers would receive a free, yearly health and wellbeing check up and would have to participate in a free mandatory health and safety course to be classified as an active farmer*
- *Producer Organisations- Macra na Feirme supports the concept of producer organisations and believes funding should be provided for such groups from the RDP*
- *Farm investment and improvement measures which are targeted at the modernisation of farm holding and investments which promote safety on farms.*

12. Conclusion

The future of agriculture in Europe is facing numerous very real and serious threats and therefore the measures included in CAP 2020 will make it one of the most critical reforms since the CAP's inception in 1962.

There is mounting pressure on the CAP budget from many other sections within the EU Commission. It is imperative the CAP budget is maintained or enhanced to provide farmers with the direct payments they require to: overcome volatility in the markets; protect the environment; and maintain the countryside for the benefits of all Europeans.

The decrease in funding to the EU budget as a result of Brexit cannot be used as a scapegoat to lower the level of support farmers receive. A redefining of the active farmer and redesign of the direct payment model will allow for the refocusing of payments to active farmers.

Macra na Feirme has included numerous proposals in this paper that will act to not only help cushion the impact of Brexit but also deliver on the Commission's key objectives for this reform of progressing generational renewal and more sustainable agriculture.

Progressing generational renewal is crucial for agriculture within the EU. Macra na Feirme has proposed innovative measures that are not only aimed at catering for the needs of older farmers and increasing the numbers of young farmers on holdings but also look to increase the development of farm businesses and the level of education and training of all farmers.

The term sustainable agriculture is often only referred to in its ecological concept but sustainability also specifies the role farming has in terms of economics and social aspects. It is pivotal CAP 2020 takes this into consideration and implements measures proposed by Macra na Feirme to cater for the economic and social needs of young farmers and all farmers.

Maintaining the direct payment model and the wide and varied nature of the Rural Development Programme is extraordinary beneficial. They are a key element for CAP 2020's success. Under the Rural Development Programme, Macra na Feirme has proposed for the inclusion of a combination of results and management based schemes to combat the environmental challenges currently facing the industry. Additionally, allowing for Knowledge Transfer schemes to be made available to all farmers, educating farmers on financial instruments, financially supporting young farmer organisations and insuring a stable supply of high speed broadband to rural areas, will act to modernise the CAP. Crucially, due to the dangerous nature of farming as a career, it is time the CAP addressed farm safety and farmer health and wellbeing.

Agriculture is one of the oldest professions known to man and it is paramount Europe remains a global leader promoting sustainable, modern and efficient agriculture with young farmers being provided with the roadmap to do so through the Common Agricultural Policy.

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Appendix - Land Mobility Service

The Land Mobility Service ... exploring your options

For anyone looking to the future and thinking of farming as a career but has no land, planning on expanding, changing enterprise, retiring or reducing workload then the Macra na Feirme Land Mobility Service has the solution for you.

Macra na Feirme, supported by FBD Trust and other industry stakeholders including Aurivo, Dairygold and Glanbia Coop's operates a service that helps farmers and land owners explore their options and facilitates compatible farmers to enter into mutually beneficial collaborative arrangements.



The Land Mobility Service maintains a database of landowners and farmers interested in collaborating and developing sustainable viable farm enterprises. The Land Mobility Service is a matching and facilitation service and is managed by Austin Finn who has significant farming, educational and business experience, holding an Agricultural Science Degree and is also a Chartered Accountant.

The Land Mobility Service was established following the completion of the Land Mobility and Succession Report by Macra na Feirme which justified the need for such a service. The Land Mobility Service facilitates collaborative arrangements tailored to suit any specific farming situation. The arrangements can be as simple or as complex as desired provided they are workable and economically viable for all parties involved and have a business plan.

Collaborative arrangements can be facilitated between individuals within or outside the family structure. For an arrangement to work it will need to deliver for all parties involved. The considerations when establishing a collaborative arrangement include income security and enhancement, the protection of the assets and EU entitlements, the area of land to be farmed, the quality of life and social benefits of collaboration and the tax efficiency of the arrangement.

The service is 100% confidential and employs expert independent facilitators which fully respect the wishes of all parties in any arrangement. The Land Mobility Service has a singular agenda to find a workable, economically sustainable arrangement that satisfies the needs of all parties.

Collaboration has multiple social and financial benefits, and is an excellent way to facilitate expansion, scaling back or switching enterprise.

Types of Collaborative Arrangements include:

Contract production / rearing or Farm to Farm Arrangements. Allows two farmers to work together for better land use. Each party farms in his/her own rights and looks after their side of the arrangement. An example of this type of arrangement would be contract growing of crops or rearing of animals between farmers.

Long Term Lease Arrangements. Long term leasing delivers access to land at a known cost for a definite period. The land owner benefits from Irish income tax relief and has income security. The tenant is the farmer and the land owner effectively retires, however land owners can opt to retain some land and continue to farm that themselves.

Partnerships Arrangements. Brings together like minded people with a similar vision who wish to develop a farm business together. Partnerships can bring two or more unrelated individuals together or be within families and aid family farm succession planning.

Share Farming Arrangements. This is an arrangement whereby two or more people come together to farm the same area of land. All parties are active farmers and share the risks and rewards. Share farming can work for any enterprise but is most common in tillage (share cropping) and dairy (share milking). Share farming works very well for land owners who wish to step back but are not yet ready to retire and wish to stay involved in the farm business. Share farming represents an excellent opportunity for new entrants and young trained farmers to get involved in a farm business and build their equity and experience at much lower risk and investment than would be the case with a long term lease arrangement.

Full details of the service and contact information is available on www.landmobility.ie



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