



European
Commission

IRELAND

CAP IN YOUR COUNTRY

The **Common Agricultural Policy (CAP)** is Europe's answer to the need for a decent standard of living for 22 million farmers and agricultural workers and a stable, varied and safe food supply for its 500 million citizens. As a common policy for all 28 EU countries, the CAP strengthens the competitiveness and sustainability of EU agriculture by providing Direct Payments aimed at stabilising farm revenues and finances projects responding to country-specific needs through national (or regional) Rural Development Programmes, which also cover the wider rural economy.

The CAP also provides a range of market measures, including tools to address market difficulties, and other additional elements such as quality logos, promotion for EU farm products which complete CAP action to support farmers. The CAP budget fixed for the period from 2014-2020 provides a total of EUR 408.31 billion with EUR 308.73 billion intended for direct payments and market measures (the so-called First Pillar) and EUR 99.58 billion for Rural Development (the so-called Second Pillar).

IRELAND

- covers an area of **69 798 km²**, of which 98.7 % is rural. Of the total area, agricultural land covers 71.6 % and forest land 11.5 %.
- has a total population of roughly **4.7 million**, of which **72 % live in rural areas**.
- has an **important farm sector** dominated by medium-sized farms and grass-based livestock and dairy production.
- has a **particularly strong agri-food sector** – the largest indigenous industry – accounting for more than 7 % of GDP, with more than 85 % of output exported.

INVESTING

in Ireland's agriculture
2014-2020



In the period to 2020, the new CAP will invest **EUR 10.7 billion**¹ in Ireland's farming sector and rural areas, with additional co-financing from the Irish authorities. Key political priorities have been defined at European level such as: jobs and growth, sustainability, modernisation, innovation and quality. At the same time, Ireland has flexibility to adapt both Direct Payments and the Rural Development Programme to its specific needs.

Fairer and greener direct payments

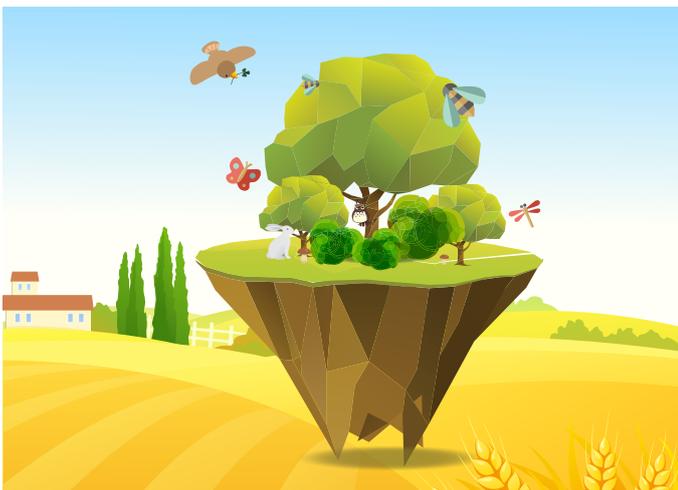
The new Direct Payments are to be distributed in a fairer way between Member States, and between farmers within the same Member State, putting an end to allocations on the basis of "historical references". Given the difficulties of such redistribution, Member States also have the possibility of limiting the reduction per hectare as well as more flexibility to take into account specific sectors in particular regions. With around EUR 8.8 billion over the period, the EU budget available for Direct Payments in Ireland will remain stable, relative to 2007-2013, despite a reduction of 3.2 % at EU level.

A key change in the new CAP is the application of new '[Greening](#)' rules, in order to highlight the benefits farmers provide to society as a whole on issues, such as climate change, biodiversity loss and soil quality. Under this system, 30 % of

the Direct Payment envelope, paid per hectare, is linked to three environmentally-friendly farming practices: crop diversification, maintaining permanent grassland and conserving 5 % of areas of ecological interest or measures considered to have at least equivalent environmental benefit.

For the remaining Irish Direct Payments, the [Basic Payment Scheme](#) (previously called the Single Payment Scheme) applies. The Irish authorities decided to cap amounts for direct payments at EUR 150 000 per individual holding. The only voluntary coupled support foreseen by the Irish authorities is for protein crops, which will account for roughly 0.2 % of the Direct Payments envelope, with roughly 1.8 % of the national envelope then reserved for the 25 % top-up for young farmers for the first 5 years of their activity (in addition to installation grants that are available under the Rural Development programme).

Other changes introduced in the 2013 CAP reform include stricter rules on active farmers eligible for Direct Payments.



¹ Total allocation of Direct Payments and Rural Development for the period 2014-2020 (in current prices).

Farmers at the heart of the food supply chain

To improve the balance of the food supply chain in Ireland, EU instruments (such as [Producer Organisations](#)) help farmers to get better organised and to market their products better.

Moreover, the EU organic logo helps consumers choose food produced in a sustainable way.



Supporting key priorities for Ireland's rural development

With a total EU contribution of **almost EUR 2.2 billion** for measures benefiting its rural areas, plus an additional EUR 1.7 billion from national funding, the [2014-2020 Rural Development Programme for Ireland](#) focuses on the following priorities:

-  shifting towards a low carbon economy, climate change and resource efficiency,
-  protecting the environment,
-  strengthening research, technological development and innovation,
-  improving competitiveness of the agricultural sector,
-  creating conditions for the economic and social regeneration of rural areas.

Furthermore, a central objective of the Irish Rural Development Programme is restoring, preserving and enhancing ecosystems related to agriculture and forestry.



KEY ACHIEVEMENTS



Between 2007 and 2013, the CAP invested more than EUR 11.7 billion² in Ireland's farming sector and rural areas with the objective of stabilising farmers' income, modernising and increasing the sustainability of Irish farms and securing the supply of safe, affordable and quality food for its citizens.

Irish farmers benefit from the CAP

In recent years, Direct Payments have been a key safety net. In 2014 some 122 540 farm businesses received roughly EUR 1.2 billion in Direct Payments. Within these figures, only 42.4 % received a payment of less than EUR 5 000 (compared with the EU average of 79.3 %), whereas the 1.6 % that received more than EUR 100 000 was more or less the EU average. This highlights the **high share of medium-sized beneficiaries** in Ireland. In addition to this, the EU spent roughly EUR 7 million on market measures in Ireland in 2014.

Fostering growth and jobs in Ireland's rural areas

In the period from 2007 to 2013, Ireland got EUR 4.3 billion of public funding in a whole range of different activities supporting agricultural production and benefitting Ireland's rural areas. These public funds (roughly EUR 2.5 billion from EU funds, and EUR 1.8 billion from national funding) were aimed in particular at preserving Ireland's diversity and enhancing its economic strength, cultural richness and social cohesion. In concrete terms, Rural Development funds provided support to:

- **young farmers:** 862 applicants received thanks to the young farmer installation scheme a funding just over EUR 12.9 million (around EUR 15 000 per application);
- **modernisation:** 13 568 farm holdings were supported, totalling EUR 124 million.

Rural Development measures have also contributed to improving the competitiveness of Irish agriculture, through farm modernisation and support for restructuring, as well as the rural economy.



Example of a Rural Development project supported by the CAP

Animal Handling Facilities Boost Dairy Farm Efficiency

EAFRD support for investment in calving facilities has helped a farm in County Monaghan to achieve EU standards, enhanced productivity, labour efficiency and control of farm waste, and improved the welfare standards for livestock and general safety. The main aim of this new development was to continue to improve the overall productivity and profitability of the farm business, by improving the calving and calf housing facilities, reducing labour input for management of calving, improving operator safety and animal welfare, and management of farm waste. The new calving facility for 100 cows allows the operator to comfortably calve cows and is integrated into the winter housing for easier feeding and management. It also ensures that all straw bedding and run-off is controlled. The welfare of cows and calves has improved and there is a safer working environment for the farmer.

Total cost: EUR 120 000 (EU contribution: EUR 29 250)

2 Total expenditure for Direct Payments, Market Measures and Rural Development (payments) for the period 2007-2013 (in current prices).

Adding value with Quality schemes

Through the [Quality Policy of the CAP](#), the EU provides a number of measures to help producers build on the high quality reputation of European products to sustain competitiveness and profitability. A key tool in this is the register of more than 1 300 protected food names which are classified as a **Protected Designation of Origin (PDO)**, a **Protected Geographical Indication (PGI)** or a **Traditional Speciality Guaranteed (TSG)**. The production of these registered quality products contributes to diversity, development and growth in the rural areas where they are produced and protects local knowledge, skills and jobs.



At present, Ireland has five food products registered, [four as PGI](#) (*Connemara Hill lamb or Uain Sléibhe Chonamara, Waterford Blaa, Timoleague Brown Pudding and Clare Island Salmon*) and [one as PDO](#) (*Imokilly Regato*).

Responding to new market difficulties

Following the prolongation of [the Russian ban on the EU agricultural imports](#) and the specific market conditions of the summer 2015, the European Commission adopted in October 2015 a [support package worth EUR 500 million](#) to help those farmers affected most by the difficulties. A total budget of EUR 420 million was made available for national envelopes to support especially the **dairy and livestock sectors**, with more than EUR 13 million for Ireland (which was then allocated to the milk and pig sectors). In July 2016, the Commission announced a further **solidarity package** aid worth EUR 500 million including adjustment aid worth 350 million aimed at

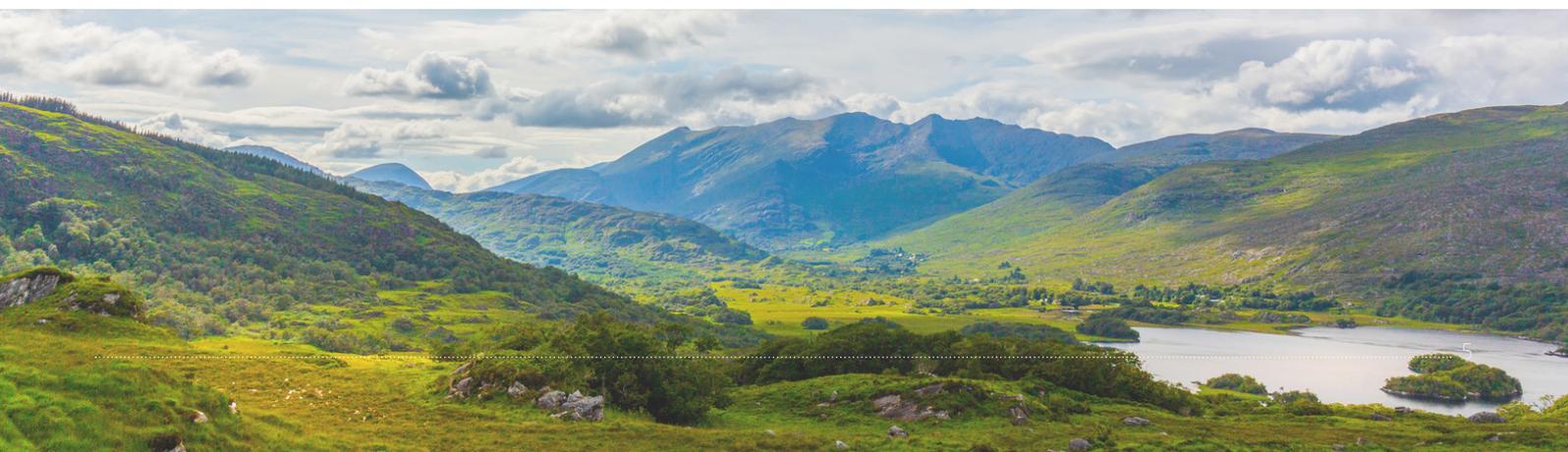
the dairy sector in particular, with EUR 11 million earmarked for Ireland.

In spite of the Russian ban, global **EU agri-food exports** to third countries have performed well, increasing by EUR 6.8 billion in the first 12 months since the ban, relative to the EUR 5.2 billion drop in trade with Russia compared to the same period of the previous year. Major gains have been achieved in exports to the USA, China, Switzerland and other key Asian markets such as Hong Kong and South Korea.

What do the Irish think of the CAP?

According to the most recent Eurobarometer survey, published in January 2016, 69 % of Irish agree that the **EU fulfils its role in ensuring "a fair standard of living for farmers"** (compared to 52 % in EU-28) and that "agricultural products are of good quality, healthy and safe" (76 % of Irish compared to 65 % of EU-28). Irish attach more importance than citizens of the other EU countries when it comes up to: **investing in rural areas to stimulate economic growth and job creation** (93 % Irish, 88 % EU-28), **strengthening the farmer's role in the food chain** (91 % to 88 %) or **developing research and innovation in agriculture** (90 % to 84 %).

The Eurobarometer survey 440 "Europeans, Agriculture and the CAP" can be consulted [here](#).



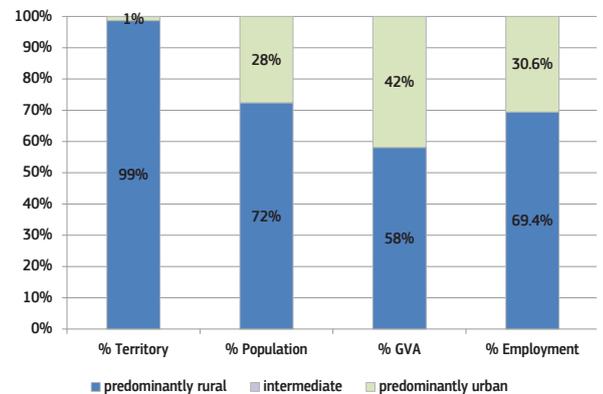


AGRICULTURE AT A GLANCE

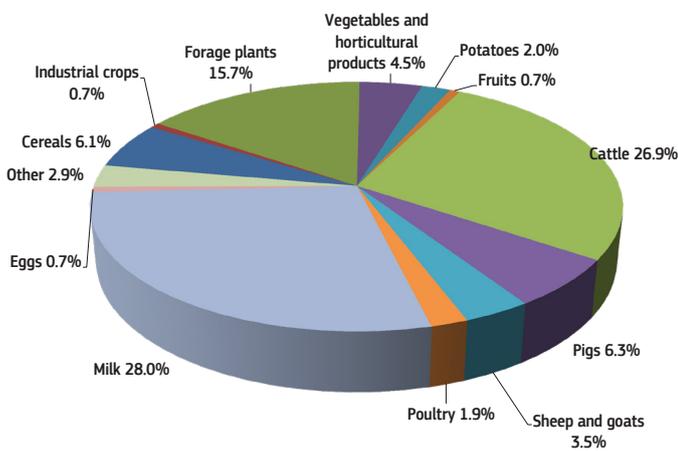
Ireland's agriculture is characterised by:

- a high contribution to employment: 5.7 % of total employment compared to 4.7 % in EU-28;
- a greater share of exports: than most Member States (agri-food generated 12.3 % of total exports in 2014);
- few small farms: only 7 % of farms are smaller than 5 ha, compared to 66.3 % in EU-28.

Importance of rural areas

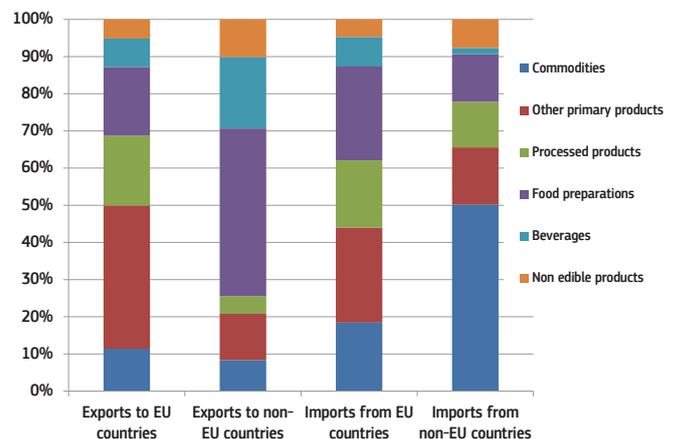


Very diversified production



Output components (2013-2015 average); values at constant producer prices

Agricultural trade with EU Member States is highly important for Ireland (2014 data)



Farmer's income continues to be more volatile than wages and salaries in other sectors

