

Country report on the implementation of the new CAP and its possible effects on permanent pastures:

Ireland

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A small herd of cows graze rough, boggy pasture near Inver, Co. Galway. John Wilkins, Creative Commons Licence



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Introduction

Ireland is a centralised state with one nationally-determined implementation of both Pillar 1 and Pillar 2 payments and regulations.

1. Pillar 1 payments for permanent grasslands

1.1. EU framework

Different countries have different systems for calculating Pillar 1 basic payments. Most EU12 countries and some EU15 have a flat-rate system for all farmland; some have a flat-rate system but with a lower payment specifically for certain types of land; some have a regionalised system designed to maintain as far as possible the historic distribution of payments (generally keeping very low payments on permanent grasslands and much higher payments on irrigated cropland). As a consequence, similar types of land with similar livestock use have very different levels of payment across the EU.

1.2. Use of payment regions

Ireland is a single payment region on paper. However, the convergence process will not be completed by 2019 (the Department commitment is that no-one will have a payment rate below 60% of the 2019 national average by that time) and payment rates over the national average will only be reduced by the level necessary to fund the uplift in payments for those below it (the exception is that there will be a maximum rate of €700/ha). We have been unable to find any statement that it is the goal of policy to reach a single national payment rate by some specific date.

1.3. Payment rates, redistributive criteria and small farmers

1.3.1. Payment rates

The approximate average rate of Pillar 1 payment will be €171 (BPS) + €83 (greening) = €254/ha, the final figure being determined after all claims are received and processed. Under convergence all farmers will move towards the national average value over the 5 years of the scheme, but while the Department states that convergence is 'towards 90% of the 2019 average', it is not clear when even this degree of convergence is going to be achieved.

BPS entitlements are in general based on the net eligible hectares declared in 2013 or 2015, whichever is lowest. The Initial Unit Value of the entitlements will be based on the average value of entitlements owned (including the value of entitlements which the farmer has leased out in 2014) under the 2014 scheme and, where relevant, the value of payment received under the Grassland Sheep Scheme. It is estimated that approximately 66% of the value of entitlements held by a farmer under the Single Payment Scheme and of the value of any payment the farmer receives under the Grassland Sheep Scheme will be carried forward to the calculation of his total value of entitlements under the Basic Payment Scheme.

Example Calculation of Value of Entitlements

2014 Value of Entitlements	€7,000.00
Entitlements leased out by the farmer	€2,000.00
2014 Grassland Sheep Scheme payment	€1,000.00
Total 2014 Value	€10,000.00
Estimated percentage carried forward	60%
Value used to establish entitlements in 2015	€6,000.00

Those who hold entitlements with an Initial Unit Value that is above the BPS national average will see the value of their entitlements decrease over the five years. Those who hold an initial unit value

that is below 90% of the BPS national average will have their Initial Unit Value increase by 1/3 of the difference between their initial Unit Value in 2015 and 90% of the BPS national average.

No farmer will have an entitlement that is less than 60% of the national average by 2019 and no farmer will receive more than €700 per hectare (including greening).

Below is the example supplied by the Department of Agriculture to explain convergence for two farmers in contrasting situations compared to the 2019 national average.

Examples

BPS: Convergence

- *National average = €171
- (2019 BPS ceiling/2015 hectares)
- 90% National average = €153.90
- 60% National average = €102.50

	Farmer A (low value)	% Increase	Farmer B (high value)	% Decrease
2014 Unit Value	€77.00	~	€672.75	~
Initial Unit Value (+greening)	€50.00	~	€400.14	~
2015 Value	€60.40 (€87.87)	14.12%	€382.68 (€556.73)	-17.25%
2016 Value	€70.89 (€103.13)	33.94%	€363.94 (€529.46)	-21.3%
2017 Value	€81.38 (€118.39)	53.75%	€345.84 (€501.98)	-25.38%
2018 Value	€91.87 (€142.38)	84.81%	€327.69 (€476.72)	-29.14%
2019 Value	€102.50 (€149.12)	93.66%	€309.56 (€450.35)	-33.06%

*BPS & greening compared with 2014 unit value
*National average is estimated

Assuming the Department's estimates to be correct, the minimum payment will be of the order of 60% of €254, which is €152.40. How does this compare to previous payments for grassland areas? The lowest payments under the last CAP went to farmers on poor hill land. Assuming that they had a stocking density of 0.3 LU/ha (2 ewe equivalents/ha), their previous combined SPS and sheep coupled payment (see below) would have been of the order of €50/ha (c. €15/ewe of historically-based SPS and c. €10/ewe coupled payment x 2). This represents a potentially very significant increase in income, assuming that all of their land is eligible.

1.3.2. Use of reduction coefficients

Reduction coefficients were not included in the first BPS Terms and Conditions and Guidance document produced by the Department in February 2014. The phrase was subsequently introduced along with the pro rata system for dealing with ineligible features (see section 3 below), but there are no standard reduction coefficients associated with certain crop codes.

1.4. Implications for pastures

There is no doubt that the reform will lead to a substantial shift in Pillar 1 payments towards poorer quality land, land eligibility rules allowing. The political sensitivities involved are perhaps reflected in

the lack of commitment to a single Ireland-wide payment rate at any specific time in the future, despite the country being in theory in a single payment zone. Notwithstanding this, the effect on all claimants in marginal areas is likely to be significant. The question is whether on the one hand the payment has sufficient conditions attached to ensure that it only goes to truly active farmers (and active on all the claimed land). The DAFM policy objective is for sustainable intensification, but the question is whether sufficient controls are in place to ensure that it does not in fact have further serious negative impacts (through changes in regulation and/or support) on ecosystem services (public goods).

2. Pillar 1 coupled payments for livestock

2.1. Implementation, including objectives and any targeting criteria that are applied to favour certain farming systems

In the new CAP, suckler cow herds are eligible to receive de facto headage payments in Ireland under the Beef Data and Genomics Programme (BDGP). The scheme has two stated objectives:

1. To lower the intensity of GHG emissions by improving the quality and efficiency of the national beef herd.
2. To improve the genetic merit of the national beef herd through the collection of data on the genotypes of selected animals, which will allow for the application of genomic selection in the beef herd.

Participants have to keep certain paperwork and to record certain characteristics of their cows and calves, to allow genotype sampling of their herds, and to agree to certain genotype criteria when it comes to selecting and/or purchasing herd replacements. Another requirement is that applicants must complete a Carbon Navigator each year. This is an online farm management package, produced by Bord Bia and Teagasc, which quantifies the environmental gains that can be made on each applicant's farm by setting targets in key areas such as grazing season length. The navigator is initially completed in conjunction with a Department-approved advisor, but subsequent submissions will be completed by the applicant only. The navigator covers areas such as grazing season length, fertiliser use and slurry spreading.

The payment rate is notionally based on a per hectare figure, but with the number of eligible hectares being related to the number of eligible livestock. This number of eligible suckler cows producing a calf on the holding in 2014 is divided by a standard stocking rate of 1.5 LU to give a maximum payable number of hectares. For example, a farmer with 10 calved suckler cows in 2014 will be eligible for payment on a maximum of $10/1.5\text{LU} = 6.66$ hectares under the Programme.

Eligible participants will receive a payment of €142.50 per hectare for the first 6.66 payable hectares and €120 per payable hectare after that up to the maximum payable area. This calculation works out at approximately €95 per calved cow for the first ten cows and €80 per calved cow thereafter. Participants will be notified of the maximum payable area and the number of reference animals on which the calculation of this area is based will be advised on acceptance into the programme.

As an example, a farmer with 30 calved suckler cows in 2014 will be eligible for payment on a maximum of $30/1.5\text{LU} = 20$ hectares under the Programme or $(€142.50 \times 6.66) + (€120 \times 13.34) = 949.05 + 1600.80 = €2549.85$.

There are additional provisions for use if the programme were to be oversubscribed, including giving some degree of priority to smaller herds.

In the last CAP period, alongside the Single Payment Scheme, there was a Grassland Sheep Scheme, which was an area based payment that was linked to stocking densities as follows:

- 2.5 ewes per hectare for Mountain Type Grazing Land (as defined under the LFA scheme)
- 7 ewes per hectare for all other lands (including Most Severely, Less Severely Disadvantaged Area and non-Disadvantaged Areas)

The maximum area payable was 84ha in respect of Mountain Type Grazing and 30ha for all other lands, while the rates of payment were:

- Mountain Areas – 0 to 20ha - €30/ha; 20 to 84ha - €25/ha
- Lowland Areas - €70/ha

Below is an example of how the payment was worked out in practice:

<u>Farmer with 210 Ewes</u>	
Mountain	Lowland
$210 \div 2.5 = 84\text{ha}$	$210 \div 7 = 30\text{ ha}$
Total: = €2,200	Total = €2,100

The payment worked out as the equivalent of €10.48 per ewe in mountain areas and €10 per ewe elsewhere.

This scheme is not available in the current round and the justification offered for this is that sheep farmers in particular will benefit from the redistribution of direct payments. The Minister for Agriculture, when asked in 2014 what supports would be made available for upland sheep farmers, explained his reasoning as follows:

“When determining the Initial Unit Value of a farmer’s entitlements under the Basic Payment Scheme in 2015, Regulation 1307/2009 gives Member States the option to take into account any payment the farmer received in 2014 under Article 68 schemes such as the Grassland Sheep Scheme. This option is only available where the Member State is not applying voluntary coupled support to the sector concerned under the new CAP.

I have decided to apply this provision in Ireland as a means of safeguarding the payments received under the Grassland Sheep Scheme. The incorporation of the Grassland Sheep Scheme payment into the calculation of a farmer’s Initial Unit Value in 2015 will obviously result in a higher entitlement value for the farmers concerned from the start of the Scheme rather than relying solely on the gradual process of convergence to increase the unit value over the five year period up to 2019. Our analysis confirms that as a result of this provision the group of farmers who receive the Grassland Sheep Scheme will have the immediate benefit of an additional €10.3 million in 2015 as part of their payment under the Basic Payment Scheme.”

Farming representative groups (ICSA) have argued that incorporating the Sheep Grassland Scheme payment into the BPS in fact erodes the benefit low payment farmers might have seen through the implementation of internal convergence and a minimum payment.

2.2. Implications for pastures

It is difficult to assess the impact of the BDGP on the viability of farms using semi-natural pastures. On the one hand, it is certainly an incentive to retain suckler cows and to engage with questions of herd quality and replacement policy with the assistance of a certain amount of one-to-one free

advice from experts. And if the criteria of 'quality' are appropriate, such support to businesses in marginal areas is very welcome.

However, a number of concerns must be raised. The first is whether the quality criteria are indeed going to be appropriate to extensive and low-input systems, or whether they are another means of pushing an intensive system which does little to benefit marginal farms and even less to benefit semi-natural grasslands.

Second it has to be said clearly that the scheme does not promote extensive systems, even though there are some apparent stocking rate constraints. In order to avail of the full payment an applicant must declare at least enough eligible forage hectares on their Single Application Form each year to be able to claim their maximum payable area – the payment is therefore an incentive to keep below 1.5 cows/ha, but this is not the total stocking rate for the farm – non-calving cattle and sheep are not included, for example. For example, an applicant with 15 calved suckler cows in 2014 would have a maximum payable area of 10 hectares – to get the maximum payment available, he must declare at least 10 eligible forage hectares in every year of the six year programme. Where the applicant does not declare enough eligible forage ha on the BPS scheme for 2014, the payable area will be reduced; the number of eligible hectares must not fall below 80% of the maximum eligible forage area established at the start of the scheme or they will be disqualified and any payments made already will be recouped. However, he could also for example have 15 forward stores/replacements and 30 sheep, bringing his actual livestock density to 3.15 LU/ha, and still be eligible.

Thirdly, it must be pointed out that a scheme which is designed around record-keeping, paperwork and technical change is not going to appeal to all farmers on marginal, HNV farms. It is quite legitimate to have support schemes which achieve something other than maintaining and encouraging existing systems, and this is clearly such a scheme – it is available to everyone, but is certainly not a scheme which will support everyone. Taken altogether, the BDGP should probably be seen as part of an effort to 'rebalance' the CAP in favour of those who will lose out from the redistribution of Pillar 1 funds.

The loss of the (headage-based) sheep grassland scheme is perhaps part of the same pattern – lessening the cumulative drift of money to marginal areas. Its loss and the implications of that loss raise a number of issues. The first is the lack of a joined-up message for sheep farmers on Ireland's mountain pastures. On commonage, most of which is designated as SAC under the Habitats Directive, the issue is particularly stark, with apparently contradictory payments being not only offered, but paid to the same farmers:

- Pillar 1 area payments paid without activity conditions on paper, but with land characteristics surrogates being used which might or might not reflect actual activity
- LFA/ANC payments which again profess to support the most marginal but whose minimum stocking density limits have in the past turned them into headage payments on some of the most sensitive land – at present there is an exception where the minimum stocking is based on the Commonage Framework Plan
- AE payments which although on paper are no longer to compensate for past mandatory stocking reductions, are still seen as doing so by farmers
- A Commonage Framework Planning process slowly inching towards a holistic, actual-management-based approach to the land, but which is not effectively supported by the payment mechanisms

On sole ownership mountain, the picture seems somewhat simpler, but only because there are very few effective incentives not to respond to payments by increasing stocking rates. Here there can be

Annex 1 habitat, but the absence of a Commonage Framework Plan means that there is no possibility of an exception to the ANC/LFA minimum stocking rule.

In summary, the loss of a headage scheme in a situation where payments are giving such contradictory messages is perhaps not a bad thing – in an ideal world, further rationalisation to produce a coherent scheme or set of schemes all working to one end would be desirable.

Having said that, one cannot escape the reality that most sheep farming on semi-natural land in the LFA is uneconomic. Completely decoupling payments and having weak, rather meaningless activity rules (as the basic CAP Regulations imply) is a recipe for complete abandonment down the road. On the other hand, putting in strict rules to enforce activity means that the payments have to reflect the real costs and still give a proper return. The real question is what activity levels are politically desirable on Ireland's hills – a vision not for farmers' incomes detached from the land, but for land and livestock management and the real costs and appropriate rewards of that management. Ironically, while in the real world the consensus seems to be slowly building after years of mistrust, the CAP schemes still to a significant extent reflect the confused antipathy of some years ago.

3. Pillar 1 eligibility rules for pastures with landscape features and trees

3.1. EU Framework

EC DELEGATED REGULATION 640/2014 on IACS sets out the options for MS to design eligibility rules for pastures with landscape features and trees. This is supplemented by the LPIS Guidance Document [DSCG/2014/33 – FINAL]. These texts are critical to the issues that interest us. It is difficult to summarise all the options in these documents without repeating large sections of the texts.

There is a key choice for MS on how to calculate a parcel's eligible area: either subtracting each ineligible feature, including a limit on the permitted number of trees per hectare; or applying a pro-rata reduction in proportion to the percentage of the parcel covered by ineligible features.

Some key points:

- Pastures that consist of >50% trees and/or shrubs should be classified as PG-ELP (permanent grassland with established local practices), and should appear as such on the national LPIS. If the trees/shrubs are grazable "for their whole area" (i.e. entirely accessible to grazing), then there is no upper limit. In this case the pasture can consist predominantly of trees/shrubs, but it must be classed as PG-ELP on the LPIS.
- Trees and shrubs that are NOT grazable for their whole area can be eligible only up to a limit of 100 trees per hectare. If there are more than 100 trees per hectare, then the whole parcel is ineligible.
- Alternatively, MS may apply a pro-rata system or "reduction co-efficient", designed to reduce the eligible area of a parcel in proportion to the presence of ineligible features. There should be no reductions for the presence of grazable trees and shrubs.
- Groups of trees that hamper agricultural activities should not be eligible, they should be classed as woods.
- Landscape features and trees can be protected under MS implementation of GAEC7 (see below), this makes them automatically 100% eligible, even if they are not grazable.

The new category of PG-ELP is very important, as it provides the opportunity for pastures that are predominantly ligneous to be 100% eligible. Under the EU definition of PG-ELP, *established local practices shall be any or a combination of the following:*

- *practices for areas for livestock grazing which are traditional in character and are commonly applied on the areas concerned;*

- *practices which are important for the conservation of habitats listed in Annex I to Council Directive 92/43/EEC (1) and of biotopes and habitats covered by Directive 2009/147/EC of the European Parliament and of the Council (2).*

3.2. Approach applied to grazable and non-grazable vegetation, accessible vegetation, patches of shrubs/trees, etc.

At the beginning of 2014, the focus of eligibility was on agricultural activity. The first, February 2014, version of the BPS Terms and Conditions and Guidance document stated simply that to be eligible for payment, each land parcel must have an agricultural activity carried out on it. The standard definition of agricultural activity from Article 94 of Regulation (EC) No 1306/2013 was used for this.

Some land was assumed not to meet this apparently simple criterion and was therefore not eligible for BPS was listed in one paragraph:

'In the case of each hectare declared, the eligible area excludes any areas under roads, paths, buildings, farmyards, woods, scrub, rivers, streams, ponds, lakes, sand, areas of bare rock, areas of ungrazable ground cover, boglands unfit for grazing, sand/gravel pits, areas used for quarrying, areas fenced off from grazing use, areas ungrazed due to low stocking rates, areas of ungrazed mature heather, areas of intense rush or ferns, inaccessible areas, land that is not being farmed by the applicant, areas used as sports fields, golf courses, pitch and putt courses, areas used for commercial turf production etc.'

The document was very vague – it did not provide a definition for terms like ‘ungrazed due to low stocking rates’ or ‘intense rush or ferns’. It contained some contradictions (how could land which was actually grazed not be eligible – ‘ungrazed due to low stocking rates’). This caused considerable confusion and fears in more marginal areas - what a Department inspector might consider ‘unfit for grazing’ might in reality be grazed, especially given the signals from the previous LFA measure that low stocking rates common on some western mountains did not apparently constitute legitimate agricultural activity. There were considerable lobbying efforts by stakeholders in this period.

So it was that in May 2014 the Department produced a new ‘Land Eligibility Booklet’. This document provided more detail on the terms used in the paragraph quoted above and shifted the focus more to the detail of determining whether or not land within the broad categories already named is actually maintained in a state suitable for grazing (is ‘grazable’, in the words favoured in Ireland). In addition, the pro rata system was adopted to determine the payable area of parcels being claimed.

Along with this Ireland has gone some way to adopting the new definition of permanent grassland and so areas eligible for payment now include *‘productive ryegrass dominated swards, less productive swards that include rush and other non grass herbaceous species and grassland that includes heather which is grazable and where grass and herbaceous species are not predominant.’*

What counts as ineligible? The Department gave the following detailed guidance on land which may or may not be eligible, depending on its management, and on what land is ineligible in all circumstances:

Potentially eligible land

The rules state that **Bogland**, whether or not used for turf production, is not eligible. However, Blanket Bog which is used for agricultural purposes is eligible.

Immature **rushes** are eligible but tall rushes not being accessed by grazing animals or high density rushes not accessed by animals are not eligible. The eligibility booklet included some photos for

reference (reproduced below), but no specific heights or percentage densities were given for rush, heather, ferns or scrub:



Ineligible – Tall rushes and area not accessed by animals



Eligible – Rushes increasing in density with evidence of grazing by animals, ongoing management required to avoid the land becoming ineligible.



Eligible – Management needed to ensure it remains in an eligible state



Ineligible – Tall woody heather

Land with 'low immature **heather**' is eligible. Land with 'tall woody heather' which is no longer being accessed by animals is not eligible. In the case of tall woody heather the land must be deducted or the reduction coefficient applied to account for the area of the parcel in this condition.

On land where **ferns** have grass underneath it will be considered as being grazable and therefore eligible for payment. Ferns with no grass underneath and not grazable by animals is not eligible and must be deducted.



Three photos showing the same area at different times of the year. If managed, this area can be eligible. The bottom right photo is an example of ineligible land with ferns

Ineligible Features

Farmyards, concreted or gravelled areas and farm roadways – whether a fenced roadway between adjoining fields or where the roadway runs alongside a field boundary or within an open field the width of the gravelled area must be deducted. This includes paths that have grazable grass running along the centre.

Ponds, Rivers and Streams – Areas under these features are ineligible and must be marked for exclusion. Drains have been designated as landscape features under GAEC and are eligible. Turloughs or other areas that become available for grazing during the summer are also eligible. Areas too wet for grazing must be deducted as ineligible.

Outcropping Rock – Areas of outcropping rock are not eligible as it is considered not available for grazing. Where the rock is interspersed with grazing areas a reduction percentage must be applied.

Scrub – There is no concept of ‘grazable’ scrub or trees in Ireland – the rules are designed to cope with scrub or trees under which there is grazable pasture. Areas under ‘dense scrub with no interspersed grazing must be deducted’ as 100% ineligible. A percentage reduction must be applied for scattered areas of scrub.



Example of parcels requiring a % reduction for ineligible scrub.

Quarries, Sand and Gravel Pits – These areas are ineligible.

Marshy or Wet Areas – Areas that are ‘permanently too wet for animals or machinery’ are ineligible.



Example of 'Ineligible – non agricultural bog area'

Areas fenced off – Areas or parts of parcels that are fenced off are ineligible except for REPS 4a (new 'created' habitats)

Unused Areas of Arable Parcels – Areas of arable parcels which are not used for cropping and are 'not kept in a state suitable for grazing or cultivation' are not eligible.

The pro rata reductions table below shows the coefficients to be used. Deductions are only applied once the percentage of total ineligible area within a plot is greater than 10% (but there is a separate 'red-line' process for excluding blocks of ineligible areas).

Reduction Coefficients applied under the pro rata system		
Category	% Ineligible within the parcel and/or redlined area	Reduction Coefficient to be applied
1	0 up to 10	0
2	10 up to 30	20%
3	30 up to 50	40%
4	50 up to 70	60%
5	70 up to 100	100%

The DAFM have stated that where areas have become ineligible due to compliance with SPA and SAC management requirements or ecological objectives or to the requirements of the Water Framework Directive, these areas will continue to be eligible for payment provided that:

- the newly ineligible area was due to compliance with SPA, SAC or WFD requirements/objectives;
- the area in question was declared on a 2008 SPS application form;
- the area was declared as eligible to draw down an SPS payment in 2008;
- the applicant who declared that land on a 2008 SPS application form was paid under the 2008 Single Payment Scheme.

3.3. Implementation of GAEC7 on pastures

The list of protected landscape features is extremely short: only **hedgerows** and **drains/ditches** are included; they can be declared as eligible land as long as they fulfil cross compliance requirements. Non-listed features of significance in the Irish countryside include individual trees, earth banks (with no live hedge) and stone walls, as well as more unusual features like manmade ponds.

Under GAEC 7 hedges/hedgerows are defined as a 'line of shrubs and/or tree species, planted and maintained in such a way as to form a barrier of sufficient width to control animals or to mark the boundary of an area. Hedgerows can range from neatly trimmed lines of dense shrub and tree species which generally form a stock proof barrier to a line of individual mature trees with no stock proofing quality and all states in between.'

A drain as covered in GAEC is defined as 'an open trench which is dug to improve the drainage of agricultural land. It generally starts within the holding and is linked directly or indirectly through other drains, to a stream or river which passes through or alongside the holding. It may contain water permanently or only following heavy rain.' Note that 'streams' remain ineligible features – the implication is that a stream is natural, whereas a drain or ditch has been dug, but the distinction is likely to be far from clear in practice in many wetter areas.

Where a hedgerow must be removed then a replacement hedgerow of similar length must be planted in advance of the removal and subsequently maintained.

Trees

Note that trees are not protected as landscape features under GAEC 7 except when part of a 'hedgerow'. (Even then an earth bank with scattered trees is seemingly not covered – it must be a 'line of trees'.) The reduction coefficient will apply where scattered trees are within the plot. There is no printed guidance on whether it is the canopy of the tree or the trunk area that is deducted but verbal advice given by the Department to the authors was that it would be the area that is not 'grazable' that would be deducted. So the area of scattered trees is eligible in a plot once the ineligible area (ungrazable areas taken up by the trunk or dense canopy with no grazing underneath) does not exceed 10% of the plot.

Field copses ("groups of trees and/or scrub") are not eligible for payment under the BPS but qualify as Ecological Focus Area's (EFA's) as long as they are in or adjacent to an arable parcel and not greater than 0.3ha.

3.4. Use of PG-ELP and other specific inclusion/exclusion of land cover types

The opportunity to adopt the PG-ELP category has not been taken up in Ireland.

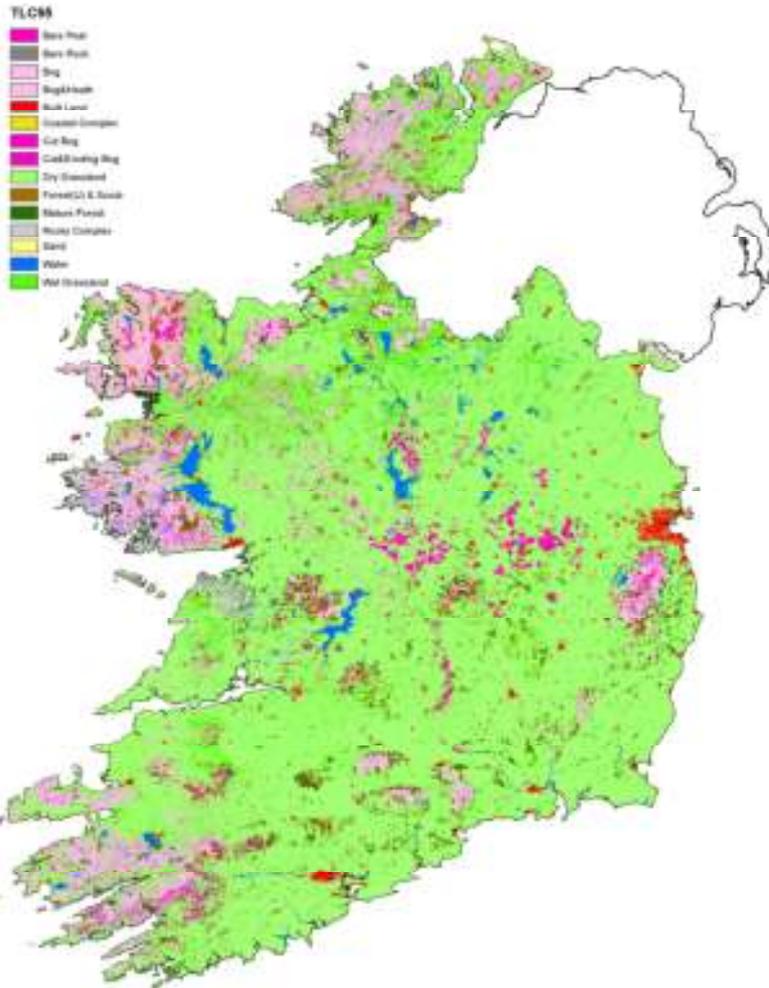
3.5. Implications for pastures

The majority of Ireland's ligneous pastures are either wet and dry heaths or certain types of blanket bog where ericaceous species are predominant or dense bracken. The area of heaths and bracken is approximately 288,322 ha or 4.13% of the national territory. However, if lowland and upland blanket bogs, some of which also have a significant proportion of ligneous vegetation, are included, the total percentage of national land area covered by pasture with ligneous vegetation is increased to 10.72% or almost 750,000ha. These areas generally extend along the western seaboard with a smaller proportion in the east of the country (see purple and pink areas in map below).

These areas are all potentially eligible for pillar 1 payments provided they fulfil the conditions; the most significant probably being that the area remains in a state suitable for grazing and that there is an agricultural activity being carried out. It seems that as these areas are increasingly affected by issues like abandonment of upland grazing areas and lower stocking densities they are more at risk of having their areas declared ineligible through inspections.

Most of these areas will be in active grazing though there have been recent cases where areas that were being claimed by farmers to be actively grazed were declared ineligible following inspection. The Department feel that the EU rules demand that they find surrogates criteria which are indirect evidence for grazing, and finding ones which work perfectly is very difficult. As 2015 is a reference year in which entitlements are established, it is particularly important from the farmer's perspective that they do not lose out while the rules are still being developed and refined.

The initial indications were that areas were being declared ineligible for reasons such as 'ineligible forage', 'tall sedge and grass', 'strong woody heather'; in the most publicised area in south County Galway, some commonage areas were having their eligible areas reduced by up to 85%. Following an appeal and a legal challenge to this decision the Department decided not to apply the reductions on the most of the South County Galway commonages. The Galway group got a local ecologist to assess the upland area; the Department has apparently accepted these recommendations, which resulted in a final overall reduction of about 3% - a very significant climbdown.



Land cover map for Ireland – pink and purples are wet and dry heaths and bogs.



A photo taken in poor April weather of some of the commonage land in County Galway where areas were declared ineligible for issues like heather and rushes or lack of utilisation, though browsing was clearly evident in areas.

Limestone pavement is another concern. In the Burren, the average eligibility is around 60% (Brendan Dunford, pers. comm.), but this hides considerable variation – some farmers have lost 10-20 ha of eligible area. There is similar concern on the Aran Islands, though the potential impact of the rules has yet to work itself through (Patrick McGurn, pers. comm.). In both areas, the Department is engaging in a parcelisation exercise in LPIS – separating out land which they consider to be in separate parcels or merging formerly separate parcels which they consider to be one in practice. Both actions can cause difficulties – a newly-separated rocky parcel can be >70% ineligible, meaning that even the eligible portion is then lost, or an area of eligible greener land can be merged with a rocky area but be insufficient to bring its ineligible features below the 70% threshold, so that the greener land's eligibility is lost.

Subsequent to this the Department of Agriculture also published the latest guidelines to eligibility booklet which, as outlined above, gave further clarification on how Natura 2000 or Water Framework Directive considerations would be incorporated into the system. While the changes to eligibility relating to Natura sites makes these areas eligible for payment, which will ultimately mean supporting farmers, it does not address the underlying issues of undergrazing in some of these areas.

The rules have not been well adapted for pastures with trees. While silvo-pastoral farming is not widespread in Ireland there are cases where isolated or scattered groups of trees form part of the pastoral landscape. There is little or no guidance relating to these areas and while the reduction coefficient allows up to 10% of the plot to be accounted for by trees before reduction applies, there is no guidance provided as to what part of the trees should be deducted; whether it is the canopy area showing in the orthophotos or the trunk. With fear of penalties farmers could easily be redlining areas of trees while the areas beneath the canopy are perfectly grazable. On contacting the Department of Agriculture they said it was the areas that were ungrazable that should be deducted, but this very important point is not explained in the rules.



This photo is used in the guidance on eligibility booklet as a parcel requiring % reduction for sparse scrub even though the grazable area has not really been reduced.

The value of small copses of trees is recognised only in EFA's (provided they are <0.3ha) – even there, these features are considered something completely separate from the main farmed area; for pastures the lack of recognition in GAEC 7 means that they are not regarded as a normal feature of extensively-managed grassland itself and which should be part of the overall grazing system.

4. Pillar 1 “maintenance” and “minimum activity” rules

4.1. EU framework

The key Regulation is DELEGATED REGULATION 639/2014 supplementing Regulation 1307/2013 establishing rules for direct payments to farmers.

The Regulation states that in order to fulfil the obligation to maintain the agricultural area in a state suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machineries, MS must define:

- at least one annual activity to be carried out by a farmer. Where justified for environmental reasons, Member States may decide to recognise also activities that are carried out only every second year;
- the characteristics to be met by an agricultural area in order to be deemed maintained in a state suitable for grazing or cultivation.

These criteria must not require production, rearing or growing of agricultural products. MS may distinguish between different types of agricultural areas.

It seems as though this wording does not explicitly exclude MS from defining minimum grazing requirements, so long as this is not defined in terms of rearing livestock (production). However, the Commission has stated in several meetings that they do not want to see minimum LU/ha as a requirement, for fear of WTO complaints about incentivising production. They have recommended mechanical cutting as the minimum activity on grazing lands.

4.2. Implementation

The guidance booklet says that “To participate in BPS and related schemes a person must be an ‘active farmer’ as defined in Regulation (EU) No 1307/2013 and related Regulations. Only persons who fulfil one of the following conditions will be considered an ‘active farmer’ and will be eligible to participate in BPS and related Schemes;

i. A ‘farmer’ is defined as a person who carries out an agricultural activity such as ‘the rearing or growing of agricultural products including harvesting, milking, breeding animals and keeping animals for farming purposes’.

ii. Persons who do not engage in one or more of these activities must at a minimum maintain their land in ‘good agricultural and environmental condition’.

*In order to be eligible for payment each land parcel must have an agricultural activity carried out on it. In the case of owned, leased or rented in land, this activity must be carried out by the applicant. **In the case of commonage, the activity must be carried out by at least one of the applicants.** If there is no activity on all or part of a parcel, such area is ineligible for payment and subject to the same deductions and exclusions that applies to all over-declarations of ineligible land. Applicants are obliged to declare all lands being farmed. If applicants intend to declare any land parcel where there is no farming activity undertaken they **should reduce the claimed area to zero and insert a use of “Inactive” in column 9 of the application form.***

The farming activity should be such that it maintains the land in a state eligible for payment. A parcel subject to normal husbandry practices such as cropping, cutting hay/silage or grazing by animals at an appropriate and sufficient stocking rate to control invasive species is considered as being in such a state. As regards maintenance of mountain and hill land, generally the only way of keeping it in an eligible state is by grazing it with an adequate level of livestock appropriate to the conditions. An agricultural activity must be carried out by the applicant on all parcels by 30 September each year. Where the applicant chooses to maintain the land by topping, such topping must be carried out before 30 September each year. The applicant must be in full control of all land parcels declared, and

must maintain stock proof fencing as detailed at point 3 above to achieve this, with commonage parcels being the exception. Stock proof fencing is required between owned and commonage lands. The only exception is where land is farmed by hill farmers in the traditional manner with stable flocks. If inspected there must be evidence on the day of inspection that the land is being farmed in a manner which maintains its eligibility.”

4.3. Implications for pastures

The active farmer rule in itself provides little or no protection for Irish grasslands nor to real farmers who find themselves in competition for land to claim with those who are in reality wholly or partially inactive farmers. The State rather depends on the eligibility rules to perform this task, as set out in the final sentence above and as discussed in section 3. In principle this is not a bad thing – eligibility rules have the benefit of impacting on every hectare of land (whereas dependence on the active farmer rule could allow a claimant who is a ‘real’ farmer in one location to be an inactive claimant in another). The issue is rather whether those rules are set in a way which effectively discriminates truly active management from the inactive, not including any land not actively managed, but not excluding land which is actively used.

5. Protection of environmentally sensitive grasslands

5.1. EU framework

EFNCP has been proposing for many years a stronger incentive under Pillar 1 for farmers to conserve semi-natural grasslands, through a special grasslands payment with simple conservation requirements. DG ENV has also been pressing for better protection measures, leading to a new mechanism for designating and protecting “environmentally sensitive grasslands”. Under Article 45 of the main Direct Payments Regulation 1307/2013:

- *Member States shall designate permanent grasslands which are environmentally sensitive in areas covered by Directives 92/43/EEC or 2009/147/EC, including in peat and wetlands situated in these areas, and which need strict protection in order to meet the objectives of those Directives.*
- *Member States may, in order to ensure the protection of environmentally valuable permanent grasslands, decide to designate further sensitive areas situated outside areas covered by Directives 92/43/EEC or 2009/147/EC, including permanent grasslands on carbon-rich soils.*
- *Farmers shall not convert or plough permanent grassland situated in areas designated by Member States under the first subparagraph and, where applicable, the second subparagraph.*

The new CAP also maintains the existing mechanism designed to prevent an overall decline in the extent of permanent grassland declared by farmers at MS level, or more specifically the ratio of grassland to other farmland, as follows:

- *Member States shall ensure that the ratio of areas of permanent grassland to the total agricultural area declared by the farmers in accordance with point (a) of the first subparagraph of Article 72(1) of Regulation (EU) No 1306/2013 does not decrease by more than 5 % compared to a reference ratio to be established by Member States in 2015*

Environmentally sensitive permanent grassland areas outside the areas covered by the Habitats and Birds Directives shall be designated on the basis of one or more of the following criteria:

- *covering organic soils with a high percentage of organic carbon, such as peat land or wetlands;*
- *hosting habitats listed in Annex I to Directive 92/43/EEC or protected under national legislation;*

- *hosting plant species listed in Annex II to Directive 92/43/EEC or protected under national legislation;*
- *being of significant importance for wild bird species listed in Annex I to Directive 2009/147/EC;*
- *being of significant importance for wild animal species protected under Directive 92/43/EEC or protected under national legislation;*
- *covering permanent grassland of high nature value as defined by objective criteria to be established by the Member State;*
- *covering soils with a high risk of erosion;*
- *being located in a sensitive area designated within the river basin management plans pursuant to Directive 2000/60/EC.*
- *Member States may decide every year to add new designated areas and shall inform the farmers concerned of that decision in due time.*

5.2. Implementation of ESPG

5.2.1. Environmentally-sensitive grassland definition and identification

In Ireland these are specific areas within Natura 2000 designated sites. At present, this Department is in the process of identifying the farmers with these areas and they will be written to in due course.¹

5.2.2. Rules concerning ploughing and conversion

Under this measure permanent pasture designated as Environmentally Sensitive must not be ploughed or converted. A low-key penalty will apply: Where designated sensitive grassland was ploughed or converted, the reduction is the area of sensitive grassland that was ploughed or converted.²

5.3. Implications for pastures

At present the rule has no force in Ireland, as farmers have not been notified which areas are protected by it. Note that areas protected under purely national designation can be ploughed at will, at least as far as CAP-related penalties are concerned (see section 6 re the control of the permanent pasture area). In any event, since any areas eventually designated are already in SAC or SPA, the intention is clearly not to add any extra controls onto farmers; grasslands in those areas are already subject to a range of prohibitions and consent procedures.

Semi-natural permanent grasslands outwith the Natura 2000 network may still be covered by the EIA regulations clauses relating to agricultural intensification on uncultivated or semi-natural land³, and reference is made to the guidelines document in the CAP payment schemes guidelines (though the link is broken). However, any activity affecting less than 5 ha of land is not brought under the EIA rules in Ireland; given the size of Irish farms, it would be very easy to avoid being affected by these regulations. In any case, there is no link between the EIA rules and cross-compliance, so a

¹

<http://www.agriculture.gov.ie/media/migration/farmingschemesandpayments/basicpaymentscheme/2015for ms/TermsConditions2015EUBasicPaymentSchemeGreeningPayment110315.pdf>

²

<http://www.agriculture.gov.ie/media/migration/farmingschemesandpayments/basicpaymentscheme/greenin gdocuments/Greeningmanual200215.pdf>

³

<https://www.agriculture.gov.ie/media/migration/ruralenvironment/environment/environmentalimpactassess ment/EIAGuideforFarmers200212.pdf>

breach would not impact on CAP payments. It is not known how many permissions have been sought and granted under the EIA regulations, nor how many infraction procedures have been brought against landowners. A significant area of semi-natural grasslands is not part of the Natura 2000 network.

6. Control of the ratio of permanent pasture area to the total agricultural area declared by farmers

6.1. Implementation nationally and for individual farmers

This measure will be managed at national level and, therefore, no requirements will be placed on individual farmers. However, if the ratio of permanent grassland in Ireland – compared to the area of agricultural land – falls by more than 5%, farmers who have ploughed permanent grassland will have to reinstate it. It would also mean that there would be restrictions on any further ploughing of permanent grassland. If the percentage does fall, the Department will notify individual farmers as to the requirements. The ploughing and reseeded of permanent grassland is not affected by this requirement, since the definition of permanent grassland at EU and national levels allows for this.⁴

6.2. Implications for pastures

Ireland is a country of permanent pastures; there is no observed tendency to convert permanent grassland to arable rotations. The main threat in environmental terms is rather the loss of semi-natural grasslands through intensification of management, especially on inbye land, where few species-rich areas remain; on rough grazings, forestry and in some areas abandonment are probably the strongest threats. Neither the ESPG rules nor the permanent pasture controls do anything to address these real issues, thus leaving the significant areas of semi-natural farmland outwith Natura 2000 highly vulnerable to a gradual decline in environmental quality or to wholesale replacement with plantation forestry.

7. Pillar 2 payments

7.1. Relationship between eligibility for Pillar 1 payments and for Pillar 2 area payments

Once the reference area for Pillar 1 has been submitted and verified, the farmer in an ANC will be eligible for this payment but based on the Pillar 1 reference area, so at application stage a farmer couldn't be eligible for ANC on the one hand and not eligible for BPS on the other. Both share the same list of eligible crops and almost identical conditions are attached to eligible areas and ineligible features under the two schemes.

In theory, difficulties might arise in case of inspection: under Pillar 1, an area would be ineligible if it appeared to be 'ungrazed due to a low stocking rate', but at the same time the farmer would be in principle eligible for an ANC payment simply by satisfying the 0.15LU/ha stocking rate criterion. However in reality, this would probably bring eligibility for ANC payments into question. It is not clear how common the opposite situation would be, namely one where land is adequately grazed at a stocking level below 0.15 LU/ha and is therefore in principle eligible for BPS but not ANC.

For the agri-environment measures in GLAS (see 7.3 below), only the eligible area declared under the 2014 Single Payment Scheme can be entered. All actions in GLAS with a small number of exceptions (bird, bat and bee boxes) must be parcels with an eligible reference area. The exception is commonage parcels where the eligible area is the GLAS commonage area as established by the GLAS commonage mapping system and this will include some areas of non UAA such as scrub which

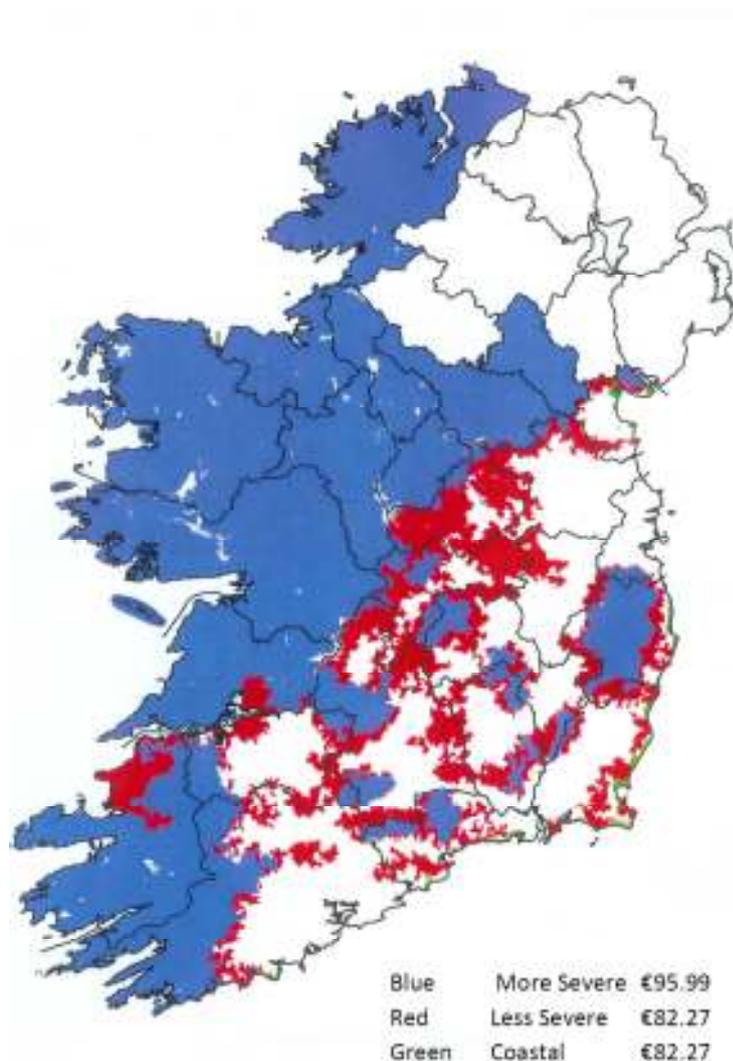
4

<http://www.agriculture.gov.ie/media/migration/farmingschemesandpayments/basicpaymentscheme/2015for ms/TermsConditions2015EUBasicPaymentSchemeGreeningPayment110315.pdf>

is affected by the pro rata rule. The use of the pro rata rule is causing some difficulties in the Burren (Brendan Dunford, pers. comm.) – parcels with >70% ineligible features lose the eligibility of even the remaining 30%; BurrenLife payments cannot be claimed on those parcels.

7.2. Payments in Areas with Natural Constraints (ANC)

The ANC measure continues the traditionally significant role of the previous LFA measure (called the Disadvantaged Area Scheme). Payments are substantial and the area covered by the measure is large (see map below). There are approximately 140,000 farms in Ireland and the ANC scheme is expected to benefit approximately 95,000 of them. In 2014 the total area designated as disadvantaged was 5,155,438 hectares (75% of Ireland's total land area).



Map of Less Favoured Areas in Ireland. Note that this map shows the boundary which will be used until the ANC delimitation criteria are fixed, but not the new classification of land within the ANC area, as described in the body of the text.

The stated objectives of the scheme are:

- To ensure continued agricultural land use, and thereby contribute to the maintenance of a viable rural society;
- To maintain the countryside; and

- To maintain and promote sustainable farming systems which in particular take account of environmental protection requirements. (It is however hard to discern which elements of the scheme make such a discrimination between applicants and their systems)

The current LFA boundary is based on the old criteria, which identify disadvantaged areas on a townland by townland basis based on areas with a low stocking density and socio-economic factors (declining rural population, low productivity and low farm incomes). It will remain the basis for eligibility until 2018, when a new ANC delineation in accordance with the criteria included in Regulation No 1305/2013 is anticipated. The new delineation will be carried out using physical characteristics, the most relevant to Ireland being:

- Soil Moisture
- Soil Drainage
- Slopes
- Soil rooting and Depth
- Soil Texture
- Organic Matter

To be eligible for payment under the ANC scheme an applicant must⁵:

- Submit a valid 2015 BPS application confirming application for ANC.
- Hold a valid herd number.
- Occupy and farm a minimum of 3ha of ANC forage land (with the exception of island ANC).
- Undertake to farm, manage and pursue a farming activity on all land applied for and adhere to the definition of an “active farmer” as defined in article 9 of Regulation 1307/2013.
- Undertake a farming activity on all land in 2015 for the full calendar year.
- Comply with cross compliance.
- Have a holding that meets the minimum stocking levels. Applicants must maintain an annual average of 0.15 LU/ha calculated over the 12 months of the scheme year. The exception is commonage where the stocking rate applied to their Commonage Management Plan will apply. The minimum grazing period is seven consecutive months. Applicants must own, possess, hold and maintain the livestock to maintain the minimum stocking level.
- Co-operate fully with Department inspections.
- Applicants in a partnership can continue to benefit individually under the scheme based on the area of ANC they contribute to the partnership.
- An application will not be accepted or approval may be withdrawn if it is found that an applicant artificially created the conditions required to obtain grant aid.
- Applicants must return Sheep/Goat census.
- Horses are not eligible for the stocking density calculation but equine breeding enterprises are eligible on the basis of the contribution they make to the local economy.
- Donkeys are eligible for inclusion in the stocking density calculation so long as they are owned and registered in the name of the applicant and maintained on their holding.

The area eligibility conditions include:

- Parcels, including commonage parcels must be maintained in such a condition as to ensure the land is suitable for grazing or cultivation. Parcels not to be suitable for grazing or cultivation will not be eligible.
- There must be independent access for animals and/or machinery.
- There must be appropriate fencing for the farming enterprise.

5

- If at inspection an applicant claims to be farming land with animals, then the type of animal must be appropriate to the land and there must be handling facilities available to meet the animal welfare requirements.
- Applicants must comply with inspection terms and conditions.
- No payment shall be made in favour of those for whom it is established that they artificially created the conditions required for obtaining such payments.

The scheme rules exclude holdings that are under 3ha in size. The new stocking density of 0.15 is expected to bring more farms with extensive grazing land into the system, given that this is double the previous Disadvantage Area Scheme minimum stocking density of 0.3LU/ha.

Area Designation	Payable Area	Payment Rate/ha
Mountain Type Land	First 10 ha or part thereof*	€109.71
	Remaining ha up to maximum of 34 ha**	€95.99
More Severely Handicapped Lowland	30 ha or part thereof subject to an overall maximum of 30 ha.	€95.99
Less Severely Handicapped Lowland	30 ha or part thereof subject to an overall maximum of 30 ha.	€82.27

* The top-up of €13.72 on the first 10 hectares of Mountain Type Land will only be paid to beneficiaries who maintain a sheep, cattle or goat enterprise or a combination of these enterprises.

** Applicants maintaining a combination of Mountain Type Land, More Severely Handicapped Lowland and/or Less Severely Handicapped Lowland, will be paid up to a maximum of 30 hectares except where the area of Mountain Type Land declared is between 30 and 34 hectares. In these cases, the payment will be based on the number of hectares of Mountain Type Land declared.

A separate payment rate will apply to applicants farming offshore islands. The payment rates are as follows:

Area Designation	Payable Area	Payment rate/ha
Area of Specific Constraint (Islands)	Up to and including the first 20ha of Area of Specific Constraints or part thereof.	€250
	Greater than 20ha or less than or equal to 34ha of Area of Specific Constraint.	€150
	Greater than 34 ha or less than or equal to 40 ha of Areas of Specific Constraint.	€70

7.3. Agri-environment (AE) and Natura 2000 payments for extensive grazing/semi-natural pastures

There are no specific Natura 2000 payments in the current RDP. There is only one AE measure – the so-called Green Low-carbon Agri-environment Scheme (GLAS), which includes several different options. A number of the GLAS measures impact on semi-natural pastures and meadows:

Commonage Management Plan/ Commonage Farm Plan (€120/ha)

The objective of this measure is to “ensure that commonage lands are appropriately grazed and managed to ensure they remain in GAEC and are compliant with eligibility criteria”.

This is included as a under Tier 1 of the Green Low-Carbon Agri-Environment Scheme (GLAS) and as such gives those with commonage priority entry into the scheme.

A commonage plan is drawn up for each applicant and each herd number must have their individual number of ewe equivalents by 31st December 2016 and retain that for the remainder of the GLAS contract.

Each CMP must reach the total minimum of ewe equivalents for the commonage by the 31st December 2018 and retain for the remainder of the GLAS contract but must not exceed the total maximum at any time.

The CMP must clearly state details of all activities which are required to be carried out on the commonage e.g. burning, control of dumping, etc.

For commonages less than or equal to 10ha in size the farmer must have an individual Commonage Farm Plan drawn up by their advisor which is similar to the CMP but without the collective agreement of others.

Low Input Permanent Pasture (€314/ha)

The objective of this measure is to “promote a grassland management system that through appropriate grazing levels and restriction on fertiliser and pesticide use results in a more diverse sward with an increase in flora and fauna”.

Entrants to this measure must have a grazing enterprise of owned livestock on the farm.

The maximum area payable is 10ha of Low Input Permanent Pasture (LIPP).

Selected parcels must not have been cultivated in the last eight years and must have been declared as forage for the same period.

The pasture must contain a minimum of four grass species (excluding Ryegrasses) and a minimum of three other non-grass plant species, e.g. plantain, chickweed, trefoils, etc. There must be less than 30% Ryegrass cover.

The sward must be maintained by grazing, cannot be cut for hay or silage and cannot be topped between 15th March and 15th July. Spot herbicide treatment of noxious and invasive weeds is permitted during these times.

The maximum nitrogen application is 40kg N/ha per annum.

The impact of supplementary feeding should be controlled by moving feed sites regularly.

Traditional Hay Meadow (€315/ha)

The objective of this measure is to “promote the maintenance of a traditional method of forage conservation that is beneficial to grassland flora and fauna”.

The maximum payable area is 10ha and parcels must not have been cultivated in the last eight years and must have been declared as forage on the SPS for the previous eight years.

The meadow must contain at least three grass species (excluding Ryegrasses) and where ryegrasses are present they must not occupy more than 50% of the sward.

Max chemical N usage is 40kg N per annum and grazing cannot take place from 15th April until the meadow is mown, which must be after the 1st July.

No topping from 15th March until the meadow is mown.

The impact of supplementary feeding should be controlled by moving feed sites regularly.

Spot herbicide treatment of noxious and invasive weeds is permitted between the 15th March and when cutting takes place.

In cases where bad weather prevent hay from being made then silage can be saved.

Traditional Orchards (€23.50/unit/yr)

This measure does not directly support areas of permanent grassland but it could in some small way contribute to increasing future cover areas of permanent grassland.

The objective of the measure is to “increase biodiversity and provide habitat for wildlife on the farm”.

The maximum payable number of units is 10 trees and they must be spaced with a radius of 7 m apart. Grazing with sheep is permitted provided they don't damage the trees.

The objective of the **Farmland Habitat (Private Natura)** measure is to “avoid farm practices that cause environmental damage and protect vulnerable habitats such as wetlands, which in turn helps safeguard animals and plants which occupy them”. Note – this is *not* a Natura 2000 payment, but an AE option targeted at Natura 2000 sites in sole ownership.

The payment for this measure is €79/ha per annum. Participants with LIPP or Traditional Hay Meadow may choose to enter land in these over the Natura measure, since the payments are better, but must comply with the requirements of the Natura designation as well.

A Sustainable Management Plan must be completed and specify:

- Details of farming practice – grazing/ tillage/ mix of both, etc.
- Grazing regime, livestock type and number of months that grazing takes place.
- Site description and dominant habitat type.
- Set stocking levels that avoid eutrophication, overgrazing, undergrazing and erosion.

Supplementary feeding is allowed where it currently practiced and not considered to impact on the Natura site. Spot treatment for noxious and invasive weeds is permitted.

The following are indirectly benefiting areas of permanent grassland in that they require a grass management system that benefits the target species but indirectly means areas of permanent grassland are kept as such for the period of the scheme.

- **Breeding Waders (€366/ha/yr)** – Requirement for an appropriate grazing regime and no reseeded is permitted on the parcels entered in this measure.
- **Corncrake (€364/ha/yr)** – Requirement to produce tall herbaceous vegetation with grazing and mowing not permitted between 15th March and 20th August.
- **Chough (€365/ha/yr)** – Requirement to develop an appropriate grazing plan for a tight sward.
- **Geese and Swans (€205/ha/yr)** – Requirement to use a grazing regime that produces a suitable sward for the birds. The parcels must be maintained in grass for the duration of the GLAS contract.

- **Hen Harrier (€370/ha/yr)** – Requirement to produce a suitable sward for breeding birds. Traditional grazing practices that maintain the development of tall tussock vegetation throughout the parcel must be undertaken.

7.4. Implications for pastures

Given the scale and ubiquity of RDP payments, their significance for HNV farmland areas is hard to underestimate, at least for the farm economy. Their impact on land management is more difficult to summarise simply.

On the positive side:

- ANC payments, with their minimum stocking (now set at a more realistic level, and with a further possibility of relaxation in the case of commonage), provide a link to real minimum activity by the farmer on the land claimed which BPS totally lacks. They effectively do BPS's dirty work, so that farmer behaviour is governed by ANC and rewarded by both ANC and BPS. However, there are no other ANC requirements designed to deliver the stated environmental objectives of the scheme.
- While not perfect and while still very much prescription-based, some of the more detailed GLAS measures, especially those targeted at specific species and habitats, are a distinct step forward from previous RDPs in terms of focussing attention on likely outcomes
- Other measures, while rather general, are perhaps not inappropriate for 'broad and shallow' type schemes, where they might reward the less intensive as against the intensive and provide a first level of support on which further more targeted measures can be built. As the sole support available for some HNV farmer, they are inadequate, offering, as they do, the same payment to well-maintained, biodiverse habitat as to the rather uninteresting.
- The acceptance of the idea that commonage AE payments should relate somehow to the management of the commonage and not just to overall stocking levels on the holdings of which the commonage form a rather complicated part is very welcome

There are however a number of weaknesses, some of them significant:

- The overall message of the policies is weak and confused. BPS giving virtually no steer to the claimant, and GLAS giving very confused signals and few signals at all in case of private mountain areas. In this overall context, the weakness of the ANC payment in terms of wider objectives is exposed, despite (or because of) it being the only measure to give consistently positive signals to all claimants on marginal farmland. However, it would be unfair then to focus criticism on the ANC scheme – the issue is one of overall coherence and the *raison d'être* of both Pillar 1 and AE payments.
- AE measures are generally disappointing in their design and criteria; low-input pasture and traditional meadow payments reward a minimum standard (in terms of the number of species present), but give no extra recognition to those pastures and meadows which are still species-rich – this is a simple opportunity missed, given that species have to be counted even under the existing option.
- The commonage option, while in many ways ground-breaking, puts farmers and advisors under extreme pressure⁶, and has disappointingly little room for innovation and real collaborative approaches to management, even in the few cases where this might be possible initially.

⁶ See for example this blog entry by a respected team of advisors:

<http://www.yourcommonage.ie/2015/12/how-did-commonage-issue-fare-in-2015.html>

8. CAP context indicators on grassland habitats and on extensive livestock

8.1. Indicator on grassland habitats

8.1.1. EU background

Indicator 36) is a new CAP indicator: Conservation status of agricultural habitats (grassland). However, essentially it is the same data as reported by MS to the Commission under Article 17 of the Habitats Directive, on the conservation status of Annex 1 habitats.

The Commission guidance on the CAP indicators states the following:

- *The indicator on conservation of agricultural habitats is essential for the diagnostic and SWOT of RDPs. It will enable to assess the level of ambition of the Natura 2000 measures proposed by MS in the programme for the focus area on biodiversity. The information is complementary to the FBI (farmland birds index) which is not an indicator on habitats and only focused on common birds. It is also relevant for the first pillar as EFA, the grassland measure of the greening and cross compliance are complementary key elements which contribute to the improvement of the conservation status.*
- *For the 2001-2006 reporting, the figures on grassland (only dataset available in relation to agriculture since the habitats directive only covers habitats related to grassland, none on permanent crops and arable), for each MS at national level and also broken down by biogeographical level, are already available. BG, RO and HR were not covered.*
- *For the 2007-2012 reporting, data will also be available for grassland for each MS at national level, and also broken down by biogeographical level. In some MS, the data will also most probably be collected at NUTS 2 level (UK, IT, DE, BE), but it has to be discussed with those MS their potential availability. An indicator will be provided in 2014-15 (depending on MS reporting) on the basis of the data reported by MS in 2013 and used for the monitoring of progress in reaching Target 3a of the EU 2020 Biodiversity Strategy.*
- *For the 2013-2018 reporting, the feasibility of a split at NUTS 2 level is under discussion.*

Data for the biogeographical regions in each MS have been included in the database. Maps and more information on the biogeographical regions can be found in the following link: http://ec.europa.eu/environment/nature/natura2000/sites_hab/biogeog_regions/index_en.htm

8.1.2. Implementation

The data presented in the Irish RDP⁷ for indicator 36 are as follows:

<i>Indicator name</i>	<i>Value</i>	<i>Unit</i>	<i>Year</i>
favourable	0	% of assessments of habitats	2013
unfavourable - inadequate	17	% of assessments of habitats	2013
unfavourable - bad	83	% of assessments of habitats	2013
unknown	0	% of assessments of habitats	2013

Note that the data is for the percentage of habitat assessments and so gives no indication of the total area of habitat in question. In terms of showing some impact from the RDP, an indicator based on the actual area in favourable, unfavourable-recovering etc. status would be much more meaningful.

7

Using the Irish Article 17 report for 2013⁸ as a source, and making broad brush assumptions as to which habitats are grazed (e.g. all blanket bog, all alkaline fens, no raised bogs, no tall herb communities, no *Cladium* fens) an approximation of the area of Annex 1 habitat used by grazing livestock can be made, as shown in the table below.

This implies that roughly 12% of Ireland's UAA and over 15% of permanent grassland is grazed Annex 1 habitats.

It can be seen that non-Alpine 'rough grazing' habitats (4010, 4030, 7130, 7140, 7150) make up 79% of all grazed Annex 1 habitats and, together with saltmarshes and limestone pavements/turloughs these account for over 90% of such habitats. Many of the remaining habitats are associated with mountain tops and wet water margins, with very few surviving on Ireland's green inbye land.

Annex 1 habitat	Area of habitat in Ireland, ha	% of total, this table
1330 Atlantic salt meadows	26700	4.4
1410 Mediterranean salt meadows	6500	1.1
2130 Fixed dunes (grey dunes)*	7280	1.2
2190 Dune slack	283	0.0
21A0 Machair*	2942	0.5
3180 Turloughs*	6894	1.1
4010 Wet heath	142966	23.3
4030 Dry heaths	109422	17.8
4060 Alpine and subalpine heath	17010	2.8
5130 Juniper scrub	4689	0.8
6210 Orchid-rich calcareous grassland*	1429	0.2
6230 Species-rich <i>Nardus</i> upland grassland*	642	0.1
6410 <i>Molinia</i> meadows	564	0.1
6510 Lowland hay meadows	145	0.0
7130 Blanket bog (active)*	228678	37.3
7140 Transition mires	9377	1.5
7150 Depressions on peat substrates of the <i>Rhynchosporion</i>	2984	0.5
7230 Alkaline fens	13020	2.1
8240 Limestone pavement*	32185	5.2
Total	613710	100.0

Approximate area of habitually grazed Annex 1 habitats in Ireland

The dominance of certain habitats makes the method of reporting chosen by Ireland particularly meaningless. The assessment of conservation status is a summary per habitat and only a % of summaries is reported under this context indicator by Ireland, so it would not be correct to interpret the 100% unfavourable figure reported as necessarily implying that all of the area of grazed Annex 1 habitat is in unfavourable status. For example, under Article 17 reporting 22% of the area of 6210 was found to be in favourable status and a further 28% was 'only' inadequate, rather than bad. By the same token however, it would be possible to have a favourable assessment for every hectare of the least common 10 of the habitats in the table (which would be reported as '>50% favourable') and to have impacted on only 4.4% of the grazed Annex 1 habitat.

⁸

To clarify the types of data used, the country reports for the following habitats were investigated:

- H4030 European dry heaths
- H6210 Semi-natural dry grasslands and scrubland facies on calcareous substrates (*Festuco-Brometalia*)
- H6410 *Molinia* meadows on calcareous, peaty or clayey-silt-laden soils (*Molinion caeruleae*)

This selection was intended to provide a good mixture of a very common habitat (4030) and two relatively widely-distributed habitats from completely different edaphic conditions (6210, 6410), both often found in small patches and both of which are known to be under threat.

For European dry heaths, a range of data was used, some recent (2012) but some very old indeed. As recently as 2007, the area of the habitat was reported as 680,700 ha +/- 485,700 ha, so precision is a not insignificant issue – in that survey in some cases, the mere presence of a soil type was used to suggest the presence of the habitat. In many instances, the estimates are drawn on the basis of polygons which map habitat mosaics – in some cases, the other habitats in the mosaics will also be in Annex 1 (e.g. 4010 or 7130) but in other cases they may not be (species poor *Molinia* or *Nardus* swards or stands of *Pteridium*, for example); areas ineligible from a CAP perspective are possibly not subtracted from the totals. Even within SAC, the return is based on partial data with some extrapolation/modelling.

The contrast with 6210 is marked – here the data was almost all recent (2007-12) and was based on a survey intended to be relatively comprehensive; older data only informs statements about trends, but again the main baseline used was 2000 aerial imagery. A similar picture applies with 6410, but it is noted that areas of the habitat which might have been picked up in a national fenland survey, as opposed to a national grassland survey, may have been missed, so that the total area is likely to be somewhat underestimated. Trend data was again drawn up using aerial imagery, but the report notes that the changes that are contributing to a decline in the area of 6410, for example abandoned meadows or pasture, or fertiliser application and reseeding, are very difficult to observe without a long-term monitoring scheme [on the ground].

8.2. Farming intensity indicator

8.2.1. EU framework

Indicator 33) is on Farming intensity, including: Areas of extensive grazing - UAA utilised for extensive grazing (UAA with cattle/sheep/goats density < 1 LU/ha of forage area, defined as *forage crops, permanent pastures and meadows and common land*).

8.2.2. Implementation

The data presented in the Irish RDP for indicator 33 are as follows:

<i>Indicator name</i>	<i>Value</i>	<i>Unit</i>	<i>Year</i>
Low intensity	47.1	% of total UAA	2007
Medium intensity	32	% of total UAA	2007
High intensity	20.9	% of total UAA	2007
Grazing	44.7	% of total UAA	2010

No information is given as to how the indicators were calculated. The % 'grazing' is unexpectedly low, not least given the figure of 79.7% of the UAA given for permanent pastures and meadows under context indicator 18. Looking even at the context of this particular indicator, it is rather unexpected to find that even some of the 47.1% of UAA managed at 'low intensity' is apparently not grazed. The same information, without further explanation and with no source referenced, is found

in the Strategic Environmental Assessment carried out as part of the RDP preparatory work. Without explanation, the indicator loses any value it might have in principle.

8.3. Implications for pastures

These indicators illustrate a broad suite of problems which prevent good ideas on paper from becoming meaningful tools in practice. The grazing and farming intensity indicator remind us that at some level, the administration needs to care about the task in hand and to take ownership of it – something Ireland has conspicuously failed to do in this particular case.

The grazed habitats indicator illustrates the need for Government departments to work together toward what are supposedly shared aims – Article 17 reporting for Ireland is carried out seriously and professionally by NPWS, but the data presented by DAFM is rather meaningless. But it also illustrates the real issues with Article 17 reporting. While information on the more restricted lowland habitats is better in Ireland than in many other countries, detailed knowledge of common habitats which often exists in complex mosaics is often quite poor. Perhaps this reflects badly on the compartmentalising ethos of the Habitats Directive, but it also reflects the weak and confused message it gives as regards Annex 1 habitats outwith SCI/SAC – Article 17 suggests that they matter, but neither the Commission nor Member States seem to give the status, protection or future of those areas any sort of importance; any significance that they *do* manage to retain in environment departments and in DG Environment certainly seems to be lost when it comes to agriculture ministries and DG Agriculture.

In summary, these indicators are not being taken seriously in DAFM and until that changes, or until DG Agriculture takes a real interest in the issues they address, they perform no real useful function.

9. Conclusions

Some ‘pros’ in Ireland’s implementation of the CAP in 2014-20:

- Convergence – movement toward a more equitable allocation of payments between intensive and more marginal farmers.
- Reduction Coefficient – seen by many as a move in the right direction as it helps simplify the application process and allows 10% ineligible features without reduction.
- The government reaction to public opinion and call for changes to eligibility, application deadlines and provision of more guidance. They did answer these calls in a relatively short timeframe though issues around some of the AE schemes still remain.
- Improved clarity on issues surrounding eligibility – the shift from the emphasis being on some simple categories of land assumed to reflect agricultural activity or the lack of it to focusing now on land being actually maintained in a state suitable for grazing (which in practice means ‘actually demonstrably grazed’).

Some of the ‘cons’ in the 2014-20 CAP implementation in Ireland:

- Lack of a clear message in what the payments are *for*. A by-product of this silence is the attitude prevalent in some quarters which thinks that the payments to farmers in ANC/ Less Favoured Areas are almost made to subsidise inefficiency. There should be more focus on showing how effective these areas are in providing public goods and services; with an emphasis on biodiversity, water quality, carbon storage, management of cultural capital, etc. This message needs to be said by policy makers, but also reflected in the silent message of policy measures themselves.
- The sheep farming sector is somewhat overlooked in this round, and their areas/systems are where the CAP messages are most confused, yet sheep are the ‘farming of last resort’ in many semi-natural grassland areas, particularly in the uplands.

- The Reduction Co-efficient has had the result of re-widening the divide between areas of intensive farming and extensive farming. Groups like the IFA welcome the change while smaller farmers on marginal land are left with the possibility of having land completely ineligible (if they have over 70% ineligible features). The costs of shepherding a 100 ha mountain which is 65% ineligible are still much greater than those associated with managing a smaller but completely eligible parcel of 35 ha.
- The initial roll out and communications around CAP payments, the application process, eligibility guidance, tight deadlines for applicants was pretty disastrous, notwithstanding the Department's later recovery. One additional difficulty was that it turned out that the IFA was giving a message which was so unacceptable to a large proportion of their members in the west that a new body was formed – this would have lessened the value of the IFA as the traditional sounding board for the Department. Lessons will no doubt have been learnt.
- Commonage farmers, who were initially thought of as the big winners of GLAS have been left frustrated and confused about their scheme, the problems of securing planners and the lack of clarity on how the scheme will be implemented.
- As discussed in the text, suckler farmers in more marginal areas do not consider the Beef Data and Genomics Scheme would be suitable for them. Many have applied but on the provision that flexibilities are introduced that allow them to pull out half way through the scheme, without penalty, if they find it is not profitable or if they find they cannot meet the cost of the requirements e.g. buying a four/five star bull or DNA testing costs.
- There is a fear that the change of focus from agricultural activity to grazability will have the effect of putting a temporary plaster on the wound around the issue of what inspectors will consider eligible or not. There is still a need to provide farmers with the rationale that inspectors follow when considering what is grazable.
- The environmental measures under the CAP for permanent pastures (new protection of ESPG and existing control of the total permanent grassland area) are of no practical use in Ireland.
- The new indicator for farmland habitats (grasslands) and the indicator for extensive grazing are of limited practical use as they are not taken seriously by the DAFM, and seemingly not by the EC either.

Some of these questions are worthy of work over the next few years:

- Eligibility. It has already been shown in Ireland that there are concerns around inspections; the time of year inspections take place, the methodology behind it, whether they consider habitat conditions, especially on Natura sites. It remains to be seen whether the apparent eligibility of certain land covers will be vindicated by inspection visits and whether the decisions made are both equitable and consistent with the demands of other policy areas, in particular Natura 2000. This would also give an opportunity to re-examine the potential usefulness of the PG-ELP option for Ireland.
- Greater integration between farm planners and National Parks and Wildlife officials especially for measures where specific management plans are required to be drawn up. Commonage areas are a perfect example of where designing a management plan could benefit from the input of someone like a wildlife ranger who is concerned with overall conservation status rather than just stocking rates.
- The lack of clarity surrounding the new measures in Pillar 1 and Pillar 2 measures has led to most of the negative reaction from farmers and farming organisations. There is a need to provide farmers with detailed information as early as possible, firstly when it comes to knowing what the new application procedures are and secondly what the eligibility rules and guidelines are. Farmers are in a situation where they are being pressured to apply before

tight deadlines while they are left unclear as to how they should mark their maps or what the penalties will be. Perhaps there should be a stakeholder group dealing with the design of forms and application systems (as in Scotland) and a working group to deal with sample groups of farmers on their understanding of the new rules and specification surrounding eligibility. It is too late for this CAP round but perhaps something to consider longer term