Ireland’s draft CAP Strategic Plan: fairer or still unfair?

Policy Analysis

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Talamh Beo farmers, leading by doing it themselves, are championing the agroecological approach. Even though their numbers are small, they should be at the stakeholders table to bring agroecology to the discussions in Ireland. Talamh Beo and regenerative farming are gaining rapid support across the board, from farmers, consumers, environmentalists and academics. They are also the only farm organisation to have gender balance and gender mainstreaming. Fairness in CAP can only be possible if Ireland bring agroecology and agroecological women to the table.

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Background

The CAP reform post-2022 formally started in June 2018 with then Agriculture Commissioner Phil Hogan's proposal, which set the objectives for a fairer, simpler, and greener CAP. Among the proposals, Member States expected higher flexibility to tailor this European Policy and legislations to national and regional conditions.

The 2018 CAP proposal was negotiated with the Council and European Parliament by newly established Commissioner Janusz Wojciechowski within a new multi-annual financial and political framework for the EU. The European Green Deal set new regulatory and non-regulatory initiatives related to the CAP, for instance the Biodiversity and Farm to Fork Strategies. In this report (2021), the poor and often lack of legal and policy alignment between the CAP reform package and these two Green Deal strategies is outlined.

During the negotiations with the Council (i.e. national agri-ministers) and Parliament, several ambitious elements were systematically watered down (e.g. GAEC conditionalities, mandatory capping, interventions considered part of environmental spending), while others were upgraded (e.g. internal convergence from 75% to 85%) or newly added to the 2018 proposal (e.g. social conditionality, ringfenced budget for eco-schemes, risk management tool under Pillar I).

Most of the hopes for a true reform and for alignment with the Green Deal objectives were placed in the drafting of the National CAP Strategic Plans. These include capping large subsidies recipients or supporting the transition towards agro-ecological farming in countries where farm workers, biodiversity, climate targets, and healthy food are under the strong pressures and threat.

This study aims to answer the following question commissioned by MEP Mick Wallace:

How has Ireland used the flexibility of the CAP legal framework post-2022 to design a fairer CAP Strategic Plan?

This policy analysis is based on Ireland's draft CAP Strategic Plan 2023-2027 published here on the 8th Nov 2021 and the second modelling analysis presented in August 2021 by the Irish Department of Agriculture, Food and the Marine (DAFM) after various requests for revisions advanced here by the think tank organisation Agriculture and Rural Convention (ARC2020) and here by the Irish Natura and Hill Farmers Association (INHFA).

As regards the legislations at EU level, this analysis considered the three consolidated legal texts adopted by the European Parliament at first reading on the 23rd November 2021, namely:

- CAP Strategic Plan Regulation
- Horizontal Regulation on the financing, management, and monitoring
- Common Market Organisation Regulation

At the time of developing this report (Dec 2021), Ireland's draft CAP Strategic Plan was still subject to stakeholder consultation. The draft received the Cabinet approval on 21 December 2021 to submit the plan to the European Commission by 01 January 2022. The plan will be approved within six months of appraisal and negotiations between the European Commission and the Irish DAFM. Therefore, the analysed draft can be subject to updates. Besides studying the fairness elements, this report includes some preliminary observations on the greener elements, focusing on Good Agricultural and Environmental Conditions (GAECs), eco-schemes, and organic farming.

How do we understand fairness in CAP?

Fairness in CAP is commonly understood as "equality", i.e. equal distribution of agricultural subsidies among potential recipients**.** In a situation where 80% of all beneficiaries receive roughly 20% of the total direct payments, fairness is used as a political frame to legitimise CAP reforms on the moral basis that everyone is treated the same exact way, regardless of need or any other individual difference. It assumes that every farmer or farming systems start from the same point, and fairness can be achieved progressively by the adjustments tending towards equality.

Regrettably, fairness in CAP often neglects equity, i.e. everyone is provided with what they need to overcome visible opportunity gaps. It is important to ensure that Ireland's farmers on the West are treated equally to those in the East for their labour and respect of good agricultural and environmental standards. However, to achieve social justice in a progressive CAP reform, there is scope to challenge the 'equality' assumption (i.e. everyone gets the same) and consider the baseline differences in access to finance, land, technical support, and knowledge.

To achieve equity in agriculture and rural areas, we must consider multiple factors systematically: international market and trade agreements, national policies and legislations, the environment and climate change, labour conditions, investments in research and technologies. These are just some examples of factors affecting equity along access to land, living standards, education, or the rewarding of healthy and nutritious food.

Amidst these factors, the CAP complex package of interventions can reduce or even increase inequalities and equity at different levels:

- **among CAP beneficiaries** (e.g. large vs small size; west vs east farmers, young vs senior farmers),
- **among farming systems** (e.g. organic vs conventional vs high nature value farming vs regenerative/agroecological farming),
- **among different actors of the agri-food supply chain** (e.g. farmers involved in short vs long food chain; commercial vs farmers-own producer organisations).

Irish farmers only capture less than 20% of the value added in the food chain (i.e. 18.1% in 2016)[1]. This is definitely low in absolute terms, but also below the long-term EU average of roughly 25%. It is Ireland's food and drink manufacturers who capture for the largest share and this share grew between 2008 and 2015. Under these circumstances, higher support is expected to prioritise those farmers and agri-food systems that are trapped in this unfair value distribution and struggling to move away from a commodity-driven agriculture.

Access to land is the basic condition for a fair agriculture. For instance, a recent study published in 2021 by the Joint Research Center showed the impacts of CAP subsidies on the increase of land prices and land rents in the EU, and stressed the need to design adequate tools to reduce the risks of inequalities, for instance through effective capping, redistributive payments, GAECs standards, etc.

Fairness in CAP must be analysed through the lenses of equity and equality. We need to ask ourselves questions like: how far below certain standards of fairness we are currently operating? Are we failing basic human rights? Are we turning a blind eye to the SDG's, especially 5 (gender equality) and 2 (zero hunger)? How can we overturn the structural inequalities built around the strong ties between politicians, career bureaucrats, and those farmers who have been getting more than others for the past decades? If fairness is important, then we need to understand the historical path of agro-ecology, female workers, biodiversity and rural livelihoods within a context of growing industrialised, less accessible, and commodity-driven agriculture.

[1] Page 8 of this Analytical Factsheet retrievable here https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/by_country/documents/analytical_factsheet_ie.pdf

Analysis of the fairness elements

To answer the policy question underpinning this study, Table 1 gives an overview about the proposal of Ireland's draft CAP plan in relation to some selected elements of fairness available in the CAP legislation. A separate note is added on elements such as gender and definition of active farmer. The table compares Ireland's draft CAP plan with the current situation (programming period 2014-2020), as well as with the flexibility offered by the CAP legislation 2023-2027.

In yellow are highlighted Ireland's proposals that stick with the minimum EU legislation requirements. To be stressed that meeting the bare EU minimum requirements is not a top end target. In red, the proposals that Ireland missed out for adopting ambitious reform already in 2023. In green, the proposals that Ireland has put forward beyond the minimum EU legislation.

Table 1 Overview: comparison across different elements for a fairer Ireland's CAP Strategic Plan

Fairness elements in the CAP post-2022	Current situation in Ireland 2014-2022	CAP legislation 2023-2027	Ireland's draft CAP Plan 2023-2027
Internal Convergence ***Reducing differences in the level of BISS entitlements per hectare compared to national average***	60%	*Minimum 85% by 2026*	*85% by 2026*
Max level of entitlement payment ***Adding an upper limit on the value of BISS entitlements***	700€ *(2019 max unit value on Basic Payment Scheme + Greening)*	Up to the Member States	320€* *Although this is still considerably higher than the expected average payment entitlement of 165€ foreseen in 2026*
Capping large recipients ***(Voluntary) Adding an upper limit on the amount of BISS payments received by each farmer (labour costs may be deducted from capping)***	100% reduction for amounts exceeding 150.000€	100% reduction for amounts exceeding 100.000€ 85% reduction for amounts exceeding 60.000€	100% reduction for amounts exceeding 66.000€ *Unclear if labour costs are going to be deducted*
Redistributive payments ***Additional income top-up dedicated to small and medium size farms***	None	At least 10% of direct payments national ceiling	10% of direct payments national ceiling *However, Ireland will allocate these payments to the first 30 hectares of all farms (including large ones)*
Payment for young farmers ***Share of direct payment's national ceiling dedicated to farmers below 40 years' old***	2% *Young farmers can apply for up to 50 eligible ha*	3%	3% *Young farmers can apply for up to 50 eligible hectares*
Small Farmer Scheme ***Up to a maximum of EUR 1 250 per year to small farmers subject to a simplified control system***	Not implemented	Up to the Member States	Not implemented

Fairness elements in the CAP post-2022	Current situation in Ireland 2014-2022	CAP legislation 2023-2027	Ireland's draft CAP Plan 2023-2027
Social Conditionality ***Condition linked to the respect of farm workers' rights. Application can start in 2023. Mandatory as of 2025***	N.A.	Voluntary in 2023 and 2024 Mandatory by 2025	Omitted in the draft
Sectorial support to Producer Organisations ***Financial support given to organisations implementing operational programmes to improve the position of farmers along the supply chain***	Only 4 Producer Organisations recognised (2 in beef, 2 in F&V). Recognition criterion: minimum Volume of Marketed Product €2,500,000	Up to the Member States	Recognition criterion of VMP maintained still high at €2,500,000

* Still indicative. The application year and max unit amount are not confirmed yet.

Table 1 shows that overall, Ireland made some steps towards a fairer budgetary distribution of direct payments among potential beneficiaries, but the overall ambition was minimal and, in some cases, completely missing. Except for the introduction of capping on large CAP beneficiaries where more details are needed, Ireland largely stuck to the minimum requirements agreed at EU level. In some cases, the EU legislation helped raising the standards like the case of internal convergence (85%) and the possibility of setting a max unit amount of payment. However, the specific national interpretations of these fairness elements can reduce their effectiveness (e.g. allocating CRISS to every 30 first hectares instead of envisaging a more creative solution targeted to small and medium size farms). The following sections examine these elements more in details.

Internal convergence

Internal convergence will increase from the current 60% to the future minimum 85% required by the EU law by the end of the programming period (i.e. 2026). This can sound very ambitious if one neglects the fact that the process of full convergence (100%) was supposed to be completed already by 2023. Irish farmers need to meet the same conditionality rules regardless of their location, while the decision of maintaining differences in the levels of historical entitlements still leaves the distribution of direct payments unfair.

As Ireland will not implement full convergence in the new CAP 2023-2027, the setting up of a max unit amount for the entitlement payment is needed to avoid the possibility that some hectares will still benefit from high payment values. In Ireland, 700 € was the max unit amount set in 2019[2] for both the basic payment scheme and greening. As the 30% greening payment will be replaced by the 25% eco-scheme payment, there may be the intention to reduce this max amount from 700 € to 320 €, although the details are still not confirmed in the draft plan (e.g. exact amount, initial year of application).

Capping

Among the steps towards fairness, Ireland introduced a mandatory 100% reduction of payments for large CAP beneficiaries receiving amounts of Basic Income Support for Sustainability (BISS) exceeding 66.000 €. It is still

[2] Page 19 of the DAFM report "Basic Payment Scheme Payment Entitlements Overview" retrievable here: https://assets.gov.ie/88608/48124d0b-8301-47aa-b6fe-e4a91e0b3a39.pdf

unclear if labour costs will be deducted or not from this reduction. This can be seen as a positive proposal, especially if compared to countries like France or Germany who are firmly opposing against any capping to protect the concentration of large amount of public money in the hands of a few large beneficiaries.

Although capping at 66.000 € is a good step, it must be noted that capping, based on the EU legislation, will be applied only on one component of CAP direct payments (i.e. BISS). Other components like eco-schemes, CRISS, and young farmers payments have been excluded from capping. This is because the 2018 Commission proposal (Article 15) was amended during the Council's negotiations. Therefore, farmers can still receive higher amounts from any other CAP interventions they are eligible for, to enhance their farm incomes. Moreover, a few farmers might be subject to these reductions.

To have an idea on the real effectiveness of Ireland's capping, some examples are needed. The Irish average farm size is 32.5 hectares (80 acres) according to the Farm Structure Survey 2013. If this average size is multiplied by the expected average BISS value by 2026 (i.e. 165 €/ha), the results gives 5,362.5 € (= 32.5ha * 165 €/ha). This shows that the average Irish farm is far from the max threshold set up by the Irish Department of Agriculture (i.e. 66 000€). If the calculation is done on the other way around, the farms who can be subject to reductions are those who can afford to apply for more than 400 eligible hectares (= 66000€ / 165 €/ha).

Furthermore, the possibility of deducting labour costs can have two effects: on one hand, it can ensure that agricultural workers are regularised and declared to the competent authorities to ensure that their salary is deducted from the BISS reduction. On the other, it can neutralise the redistributive capacity of capping and be used as strategy to circumvent any possible reduction of payments.

The low redistributive capacity associated to capping exist in Ireland, as well as in other countries. For instance, according to the Italian Paying Agency's AGEA portal, the 2020 biggest beneficiary of basic income support in Italy was a farm holding located in Tuscany (Siena province), with 2830 hectares (according to the farm website). It received **989 084 Euro only of basic income support** in 2020. Why so high considering that Italy introduced a 100% reduction for any amounts exceeding 500 000 EURO? Because in this programming period 2014-2020, Italy allowed applicants to claim labour costs as deduction from this reduction.

The deduction of labour costs from reductions of CAP direct payments is a privilege granted only to large CAP beneficiaries. With a view of moving CAP support from large landowners to agricultural labour, Member States could explore the granting of this privilege also to small and medium size farm holdings.

In other words, the effectiveness of this capping to move money away from large beneficiaries might be limited in the Irish context, yet very important, at least politically. The Irish decision can push other Member States in the EU to take a similar step, or simply avoid arguments like '*nobody does it*'. Moreover, the rewarding of labour costs is a positive element in the direction of the specific objectives set up in the Treaty on the Functioning of the European Union (Article 39 TFEU) namely, to ensure a fair standard of living for farmers. However, Member States could explore the possibility of granting a similar deduction also to other farmers, to be fair and better link direct payments with a social conditionality.

Another limitation to capping came from the weakening of proposals during trilogues negotiations. Indeed, capping might have given more significant results if applied on the sum of all direct payments (as proposed by the 2018 Commission Proposal, Art. 15). Instead, agri-ministers agreed to narrow it down only to BISS, which represent around 60-65% of direct payments.

Complementary Redistributive Income Support (CRISS)

CRISS is called 'front loading' in Ireland for a very simple reason. A minimum of 10% of the total national ceiling for direct payments should be taken away from all farms and re-allocated only to the 30 first hectares of every farm in Ireland. It is a way to redistribute budget from bigger to smaller beneficiaries.

According to DAFM's modelling published in August 2021 (page 22), approximately 75% of farmers would benefit from the inclusion of CRISS and 25% would not.

Overall, the majority of farmers in Ireland will see their farm income increased with additional €44 per hectare thanks to CRISS set at 10%, the modelling concludes. The sectors most negatively affected by CRISS are those correlated with larger farm size, e.g. dairy and tillage. However, other CAP interventions are available to support the incomes of dairy and tillage farmers (e.g. Protein Aid, Dairy Beef Welfare Scheme

Unfortunately, the modelling scenarios conducted by DAFM did not explore additional scenarios, like:

- CRISS at higher shares, like 12%, 15% or higher.
- CRISS allocated exclusively to small and medium farms (below the national average)
- CRISS allocated with different levels of payments, e.g. a payment level X for the first 10 hectares (threshold 1), and payment level Y for the hectares between 10 and 35 hectares (threshold 2).

Nowhere it is stated in the EU regulation that redistributive payments (CRISS) had to be allocated to every farm. On the contrary, the EU legislation established that CRISS shall be allocated to small and medium size farms. Other more ambitious scenarios where CRISS was allocated differently from the min 10% to the first 30 hectares were not presented in the modelling. The point to make here is that Ireland could have prioritised small and medium size farms by allocating higher share of CRISS (e.g. 15%) or creating different thresholds to differentiate the level of redistributive payments, and ensure that more substantial budget is moved away from large CAP beneficiaries. Instead, a minimum approach was followed. Finally, the draft plan lacks a target set for the result indicator R.6 Redistribution to Small Farms yet.

Young Farmer Payment

As regards the payment for young farmers, Ireland will meet the EU minimum requirement to earmark 3% of the national ceiling for direct payments to young farmers income support. To avoid the situation where these payments are concentrating in the hands of a few large young farmers, the Irish CAP plan included a maximum number of eligible hectare (50 ha).

Small Farmer Scheme

An attractive Small Farmer Scheme (SFS) is missing in Ireland's draft CAP plan. There have been different views on this intervention. Among the negatives, some commentators disagree on the idea of exempting small scale farmers from cross-compliance checks. Others argue that the budget allocated for this scheme is derisory. As matter of fact, small-scale farmers are part of a broad and diverse category. It is hard to generalise their labour inputs or sustainability of farming methods, but they are intrinsically disadvantaged by the actual per-hectare system of CAP payments.

For instance, some small organic horticultural producers are high-labour intensive. They produce healthy, local, and fresh foods for thousands of Irish consumers. Yet, there is no scheme devised for them to offer a substantial contribution to their labour, production, and profitability in a market dominated by the logics of reducing prices and increasing marginal profits.

The problem could not have been solved simply with the inclusion of any small farmer scheme in the CAP plan. An attractive package of tools was needed to support local food policies more holistically, e.g. in terms of income support, investments, training and advisory, tax incentives, public procurement rules, digital equipment for small scale producers providing food locally. The proposal to reduce the minimum selection criteria for Pillar II's organic farming support to 1 hectare in the exceptional case of horticultural (including fruit) producers, is however a good proposal in this direction.

Social conditionality

Ireland's draft CAP plan presents no commitment to implement social conditionality already in 2023. The words social conditionality' are not even mentioned. While this commitment is voluntary for the calendar year 2023 and 2024, Ireland has completely omitted this important element of the CAP reform post-2022.

Starting a scoping exercise to identify the bottlenecks and conditions to implement this new rule in due time was the minimum expected step but so far neglected in the draft CAP plan. Furthermore, to avoid the situation where farmers become the sole actors of the food value chain to bear the risks and higher costs of labour (in a context where labour is shrinking), the Irish DAFM could investigate how mechanisms by which the food manufacturing, delivery and selling industry can bear the burden of ensuring fair working conditions and standards for salaried and non-salaried agricultural workers in Ireland.

Producer Organisations

When it comes to sectorial support like financing producer organisations, there have not been major ambitious proposals in Ireland compared to the status quo and the flexibility offered by the EU regulation. Ireland proposed to support new sectors besides Fruit and Vegetables or Beef. For instance, the honey sector can be eligible to this support. Rural Development funds will be made available for early stage support to organisations interested in forming and applying for new producer organisations: beef and sheep sector, as well as the tillage, amenity (flowers, gardening) and potato sector. However, the problems in reaching out to more cooperatives and farmers than the current period might remain unsolved.

Multiannual operational programmes of producer organisations are directly funded by the Union finance. A total indicative financial allocation of €39m for sectorial support has been allocated for the period 2023-2027. On this money, Ireland has the power to set more specific criteria to grant union financial support to producer organisations. Ireland set €2,500,000 of minimum Volume of Marketed Product as criteria to recognise (or exclude) applicants as producer organisations eligible to this EU money. This high selection criteria might exclude all those agricultural cooperatives or smaller consumer-producers groups that operate on smaller economies.

Lower eligibility criteria to recognise producer organisations were set for the beef and sheep sector (have a minimum of 20 members) and for tillage, amenity and potato sector (minimum 5 members and a combined VMP of more than €1.5 million). However, these criteria concern the Early Stage support for Producer Organisations funded by EAFRD, rather than the sectorial support funded by EAGF.

Moreover, the draft plan still fails to provide evidence of the number of existing agricultural cooperatives potentially eligible for sectorial support in Ireland. The low target (4.2%) set for R.10: Better supply chain organisation[3] must be seen in relation to this existing structure of agricultural cooperatives. The planned target can signal the lack of ambition that Ireland has regarding supporting the organisation of fairer food supply chains, increasing the position of farmers vis-á-vis food processing and selling. Instead, much of the hope and responsibility is put on LEADER and RDP investments, which however absorbs a small CAP budget and have already multiple territorial objectives to deliver on.

Ireland could revise these criteria more strategically towards the existing structure of Irish agricultural cooperatives and consumer/producers groups. Larger producer organisations are not per se a problem if they are own, governed, and profited by farmers. Reaching economies of scale and scope through cooperatives owned by the Irish farmers and citizens can be a tool towards a socialized food system in Ireland. But excluding a targeted CAP sectorial support towards small scale cooperatives is a loss opportunity for the Irish rural economy and farm resilience.

Different criteria and support rates can be envisaged for "Producer Organisations" and "Associations of Producer Organisations" to adapt the CAP sectoral intervention to different size and economies of scales. Different selection weight criteria can also incentivise the recognition of more ambitious producer organisations, like those committed to include consumers on-board, producing organic food, performing social farming, or pursuing strategies to add and capture added value (e.g. quality schemes like protected designations).

Gender considerations

When it comes to fairness, the gender aspects must be considered, especially in a country recording 71,700 women working on farms, of which less than one quarter (16,100) were farm holders (CSO's 2016 Farm Structure Survey). 19,850 individual herd numbers were in the name of women with 51% of women being over the age of 60 (2020, DAFM stats below). Ireland's draft CAP plan is written in a gender-neutral language, which might not be the case in many EU countries. Ireland's DAFM consulted the 'Women in Agriculture Stakeholders Group' set up to tackle inclusivity & gender balance in Irish farming in the next CAP. This group is made up of representatives from leading farm stakeholder organisations.

In general, fairness when it comes to women in agriculture covers many areas and cross cutting issues. Gender mainstreaming is a tool for delivering gender equality and is about assessing all programmes and schemes' impact on gender. Gender mainstreaming should be exercised on <u>all</u> proposed interventions to show how the proposals can and will deliver gender equality or at least steps towards gender equality.

Three specific proposals were made to meet the cross-cutting objective of gender equality in the new Common Agriculture Policy (CAP) 2023-2027.

1. A higher co-financing rate (e.g. 60%) for women aged 41-55 years under Pillar II's on-farm capital investment scheme, i.e. the Targeted Agriculture Modernisation Schemes (TAMS);
2. Women-only Knowledge Transfer (KT) Groups;
3. A call under the European Innovation Partnerships (EIP) initiative for proposals to examine women's participation in agriculture.

It is proposed that these three interventions are examined under gender mainstreaming to assess specifically how they contribute towards gender equality.

[3] Share of farmers participating in supported Producer Groups, Producer Organisations, local markets, short supply chain circuits and quality schemes supported by the CAP

A specific comment in relation to the first proposal above is that a 60% TAMS grant is meaningless where women are unable to access credit or micro-credit as TAMS is a pay first and claim back later scheme. The age cut-off is unfair and discriminatory; women will farm to retirement age at least (over 51% of women farmers are over 60) and any structural investments made on the farm will pass to the next generation farmer so will not be 'wasted'.

Women in Agriculture Ireland

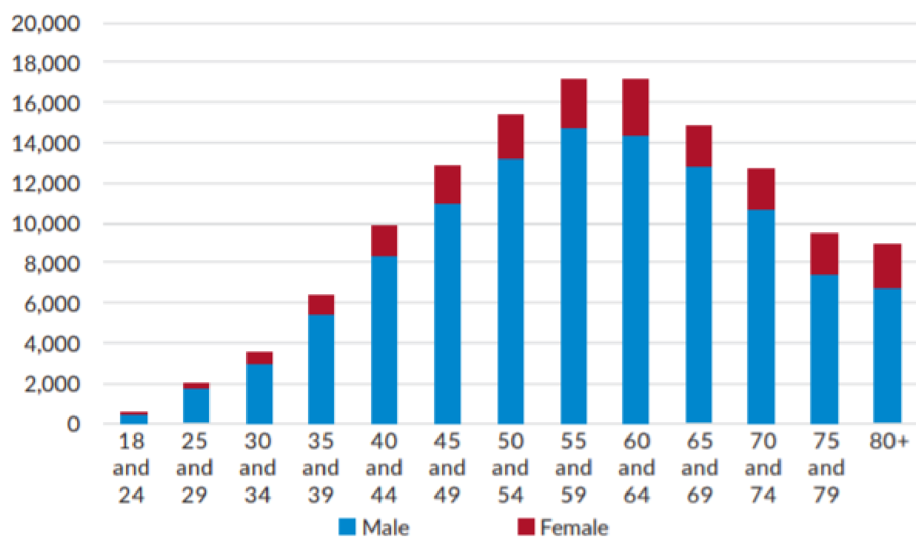
The CSO Labour Force Survey 2020 showed that 15% of workers in the primary agriculture, forestry and fishing sector were female. The trend since 2000 is increasing slightly, with the proportion rising from an average of 12% between 2000 and 2009 to 14% over the period 2010 to 2020.

Quality and Qualifications Ireland data (Annual Statistics Report - 2014 key data) indicate that nationally, 51% of recipients of all QQI further education awards were female. In contrast about 11% of the 14,588 QQI further education awards made for Teagasc programmes in the period 2012-2016, were to female graduates (Teagasc Education Vision Report 2018).

According to the Department's client database 15% or 19,850 of active individual herd owners in 2020 were women. Nine percent of the women were under the age of 40, compared to 10% of men, while 51% of women were over the age of 60, compared to 47% of men. However, when looking to those over the age of 70, there is a larger proportion of women in this age group at 28% compared to men at 23%. The gender gap increases further when considering those over 80 years old, with 11% of females over this age compared to 6% of males. According to the CSO Farm Structure Survey 2016, over a quarter or 71,700 of those working on farms were female. However, less than one in eight were holders of the farms on which they worked.

Chapter TWO

Figure 2.33 *Individual Active Herd Owners by Age and Gender, 2020*



Source: DAFM

Source: [Annual Review and Outlook for Agriculture, Food, and the Marine 2021]

Young farmers (male and female) were determined a vulnerable category when starting out in farming and were thus allocated installation aid, entitlement value at the national average, a top-up on the average entitlement value payment and access to higher TAMS grants. Women farming on their own, especially where there is no access to credit due to their single status, are arguably as or more disadvantaged than a young farmer starting out. This is especially true when the young farmer is in partnership with a parent or sibling or inherits a fully operational farm (not starting from scratch). Fairness dictates that the vulnerable category of women farming on their own should receive the same supports as the young farmer for the very same reason they are extended to young farmers. At the very least, those who are on 60% of the national average entitlement value should be fast-tracked to the national average i.e. start the new CAP on the national average entitlement value. This would be in line with the Sustainable Development Goals 5 (Gender Equality) and 2 (Zero Hunger). The latter specifically intends by 2030, so within the timeframe of this next CAP, to double the agricultural productivity and incomes of small-scale food producers, **in particular women**, indigenous peoples, family farmers, pastoralists and fishers, **including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.**

Finally, looking at the draft plan, more ideas could have been explored in terms of designing gender-responsive CAP interventions, for instance by prioritising women in the allocation of the "granting collaborative farm" or the "direct payments entitlements available in the national reserve", especially widows, single mothers, or other women with socio-physical disadvantages (e.g. farms located in remote rural areas, disabilities in family members).

Definition of active farmer

Ireland's draft CAP plan gives a definition of active farmer, but does not provide a justification for not having added a negative list of potential recipients to be excluded from CAP direct payment support, such as airports, waterworks, real estate services, railway services, permanent sport and recreational grounds.

The draft definition of active farmer is an attempt to target CAP direct payments only towards farmers who engage in a minimum level of agricultural activity. However, it remains quite broad and arbitrary to exclude what Irish media call 'armchair farmers'. The provision of evidence demonstrating the means by which agricultural activity is carried out can be a way to raise the level of expectations from CAP recipients. As stated in Pag. 522 of Ireland draft CAP plan, 100% of applicants will be subject to administrative checks on their compliance with active farmer definition.

Draft definition of active farmer in Ireland's CAP plan

Describe an Active Farmer in terms of a minimum level of agricultural activity; Support shall only be granted to those farmers engaged in a minimum level of agricultural activity. ***This*** *agricultural activity will be assessed on a holding basis and will require applicants to demonstrate the means by which the agricultural activity is carried out on their holding. For an applicant to be deemed active they must demonstrate how they bear the economic and agricultural risk with regard to the agricultural activity being undertaken.*

For grassland farmers in the first instance, a minimum stocking rate of 0.15 LU/Ha will be required. However, where farmers can't meet this minimum due to grazing restrictions a lower stocking rate will be acceptable. For those grassland farmers who maintain the land by non-grazing means they will have to indicate how the land is maintained and evidence may be requested to support this declaration, for example evidence of making hay/silage.

For farmers involved in tillage and / or permanent crops, a sample of herds will be checked administratively. This will involve applicants being requested to provide evidence of activity on their part. For tillage farmers this would likely be receipts for seed, fertiliser, pesticides etc. in the applicant's name. A valid share farming agreement is a legitimate means of demonstrating an activity on the part of the applicant.

This can be considered an ambitious attempt towards a fairer distribution of CAP direct payments, if the proposal is maintained until the end of negotiations with the European Commission. However, the **definition of agricultural activity** provided by Ireland could have included more examples of conservation agriculture (FAO definition here), in addition to those very much oriented to a productivist agriculture (spraying, controlled burning, mulching, topping). It remains unclear whether bees can be recognised as a livestock unit, as well as seed conservation and distribution, especially to meet the new demand for multi species swards etc. The inclusion on non-productive activities like maintenance of landscape features in the definition of agricultural activity is welcomed.

A unique beneficiary code

So far, we explored the various elements to be considered when analysing a fairer distribution of CAP resources among recipients. The 2021 national negotiations and debates on these elements have been contentious and divisive. Unfortunately, the debate around fairness was and might continue to be based on poor evidence regarding the current distribution of CAP resources among beneficiaries. Moreover, the debate on fairness in Ireland was polarised on specific elements like internal convergence, eco-scheme ringfencing, or the share of CRISS payments. However, poor credits and account was given to the broader set of interventions in Pillar I (including market support) and Pillar II, and how they are fairly distributed across the territory, sectors, the farmers, and delivery of public goods.

I believe that the creation of a **unique beneficiary code**, and accompanying visualisation maps, can facilitate the decision-making process, as well as the societal involvement, dialogue, and understanding of how much each farmer receives as total sum of all CAP available interventions. This proposal was already investigated by a study of the European Parliament's Think Tank on "The Largest 50 Beneficiaries in each EU Member State of CAP and Cohesion Funds". The Unique Beneficiary Code could become an accessible and interoperable tool that might better capture the many variables determining fairness in relation to CAP interventions. Figure 1 shows a fictious example to illustrate.

Figure 1: A unique beneficiary code to track and visualise the sum of all CAP support received by each farmer

Example of Farmer X

Pillar I support
- Basic Income Support for Sustainability
- Eco-scheme payment

Pillar II support
- Organic farming
- Straw Incorporation Measure

Example of Farmer Y

Pillar I support
- Basic Income Support for Sustainability
- Eco-scheme payment
- CRISS payment
- Young farmer payment
- Coupled income support (protein aid)

Pillar II support
- Dairy Beef Welfare Scheme
- Capital Investment

It is recommended that Ireland work in this direction to increase both the transparency and evidence-base for a more accountable fair and democratic food system.

Photo credits: Finbarr O'Rourke. Retrieved from Farming Independent. Local farmer from Carlow venting his frustration toward Minister for Agriculture Charlie McConalogue as he met IFA members and farmers at Tullow Mart to hear about their deep concerns at the CAP proposals.

Comments on the green elements

Ireland's draft CAP plan presents numerous proposals also on the green elements ranging from eco-schemes, organic farming support, knowledge exchange and training provision. Here below some preliminary observations:

Good Agricultural and Environmental Conditions (GAECs)

One of the novelties of the CAP reform post-2022 is the introduction of a new **GAEC 2 Protection of wetland and peatland** at the latest by 2025. The definition of eligible hectare proposed in Ireland's draft CAP plan will have to accommodate this new requirement and include direct payment support for peatland or wetland used for paludiculture or carbon sinking.

GAEC 7 Crop rotation in arable land is another novelty compared to the crop diversification requirement of the CAP 2014-2020 greening. Ireland will try to convince the Commission that crop diversification can be considered equal to crop rotation, although the practices are quite different. If crop diversification will be allowed under GAEC 7, the risk is to fund farmers who could plant maize or wheat for two consecutive years. It is important to get this conditionality right and avoid emptying out this rule because crop rotations are important for disrupting pest cycles, improving nutrient efficiency, and restoring soil fertility.

On GAEC 8 Minimum share of agricultural area devoted to non-productive areas, Ireland's proposal to cover all agricultural areas instead of only arable land is laudable. However, this means committing to the minimum share of 4% even though most of Irish farms, including more intensively managed ones, easily reach and surpass this level.

Eco-schemes

Ireland proposes to ringfence 25% of the national ceiling for direct payments to eco-schemes annual payments. An initial list of five eco-scheme practices was reinforced with an additional list at the end of November. An in-depth analysis about the ambition of Ireland's eco-scheme must pay attention to the **delivery method** (number of actions to be fulfilled to receive the full payment?), **payment method** (flat rate or score system?), **targeting of eco-schemes** (e.g. targeting the uptake of certain practices where they are most needed?), **design of the practices** (i.e. whether they consist of actions with clear results), and finally their audit, monitoring and evaluation. Some of these aspects are under development for undertaking a comprehensive analysis here.

Organic farming support

Ireland's share of organic farming over the total national Utilised Agricultural Area was 2% in 2019, according to DG AGRI dashboard indicators. Eurostat data says that this share was even lower to 1.6%. Ireland's draft CAP plan proposed to allocate a total indicative budget of €256m for this intervention in the period 2023-2027. Although the proposed payments rates might remain relatively low to upturn the current situation (page 437 of the draft plan), this total allocation aims to increase the area under organics and reach the target 7.5% of UAA (337,500 ha) by 2027.

The question remains on whether this total budget, as well the specific breakdowns are attractive for farmers in terms of organic conversion vs organic maintenance payments, as well as across the different sectors. In the programming period 2014-2020, this study published by IFOAM in 2016 showed that Ireland was among the countries with the lowest rate of payments per hectares. On the contrary, DG AGRI dashboard indicators places Ireland among the countries with the average specific CAP support per ha (EUR/ha) in 2019. Ireland could clarify these statistics and demonstrate how organic farming support is designed to be more competitive with other agri-environmental and climate management schemes under Pillar II with a view of increase the level of uptake of this intervention.

Photo credits: Kieran Sullivan. Sheep on Kieran Sullivan's farm in the south east of Ireland. Photo retrieved on ARC2020, in April 2018: "A Message to CAP Bureaucrats & Vested Interests from a Man in Muddy Boots".

Conclusions and Recommendations

This study examined Ireland's draft CAP Strategic Plan 2023-2027 published on the 8th November 2021. It aimed to shed light on the flexibility granted by the CAP legislation to design fairer and green CAP Strategic Plans. The new three CAP legislations voted in Nov 2021 by the European Parliament are equally important, but more attention was paid on the flexibility offered by CAP Strategic Plan Regulation.

Overall, the study found that Ireland's draft CAP plan made some steps forward compared to the current programming period 2014-2020. For instance, the internal convergence rate will be increased from 60% to 85%, thus ensuring a more equal distribution of BISS entitlements across the Irish territory. The max unit amount will decrease from 700 to 320 euro/ha. A higher share of the national ceiling for direct payments will be allocated to young farmers. 10% of direct payments will be allocated to redistributive payment towards the first 30 hectares of every farm. A cap will be introduced to farmers receiving more than 66000 Euro, although it is still unclear if the deduction of labour costs will be allowed.

However, compared to the flexibility granted by the EU legislation, Ireland shows with minimal ambition. For instance, Ireland could have proposed a full internal convergence rate at 100%; explored higher scenarios for redistributive payments (e.g. 12%, 15%); designed and implemented an ambitious small farmer scheme; implemented social conditionality as of the 2023 programming period; or revised the criteria to recognise producer organisations under sectorial support. More observations are made in each section of this report.

Some recommendations for the European Commission, Ireland's decision makers, and policy analysts involved in the final design, appraisal and approval of Ireland's draft Plan:

- Complete the draft CAP SP with its mandatory ex-ante evaluation (Article 139 of the CAP SP regulation) and critically study the results bringing evidences on the quantitative and qualitative implications of each policy decisions (Table 1, fairness elements) made towards reversing unfair distribution of CAP agricultural subsidies and meeting structural inequities in agri-food system and rural areas. With this supporting material, national and European negotiators are expected to be effectively responsive to the findings, opinions, and recommendations offered by the Strategic Environmental Assessment and the Ex-ante evaluation - the latter is still missing in the annexes to the draft.
- Examine how Ireland's draft CAP plan meet the flexibility in other areas of the CAP legislations (e.g. Common Market Organisation), for instance on the quality schemes and any other initiatives aimed at increasing the added value captured by the farmers along the supply chain.
- Examine the extent to which Ireland's draft CAP plan meet the recommendations sent in December 2020 by the European Commission in the framework of the structured dialogue with the EU countries to guarantee that the new CAP strategic plans fully support the transition foreseen in the Green Deal and are aligned to the targets.

Finally, it is recommended that the DAFM work with the Paying Agency and other stakeholders on the creation of a unique beneficiary code to track and visualise maps on the distribution of CAP resources among the various recipients and across the Irish territory.

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