IRISH CATTLE AND SHEEP FARMERS' ASSOCIATION

ICSA Submission on the Rural Development Programme 2014-2020

Revised July 2013

Executive Summary

As part of the 2014-2020 Rural Development Programme, ICSA advocates:

- That the Government commits to maximising drawdown of European funding through ambitious planning and budgeting for the 2014-2020 Rural Development Programme.
- A more streamlined and integrated approach is taken to Rural Development funding applications and monitoring to reduce the duplication of labour and lessen the administrative burden on both the Department and applicants.
- That the existing model for BTAP and STAP should be significantly expanded under the 2014-2020 RDP
- That top-up payments of maximum €1,000 per scheme be paid on specific Rural Development schemes (Agri-environment, Suckler and Disadvantaged Area) to farms classed as 'Low Income Holdings'.
- That a new suckler scheme be set up within the framework of the Rural Development Programme, requiring farmers to supply breeding info to ICBF, together with selected additional information.
- That a greater focus be put on farmers on marginal land, with high rainfall, non-arable land or at higher elevation in relation to Disadvantaged Area funding
- That the Department fund a new expanded farm investment scheme targeting practical innovation aimed at making farm systems more competitive.
- That the sheep grassland scheme should be part of the RD programme.
- That young farmers receive 25% extra on Agri-environment, Disadvantaged Area or Suckler Scheme payments provided they also fulfil the Low Income Holding criteria limits.
- That there should be continuing support for developing the organic sector in Ireland through a separate Organic Support Scheme.
- That the Department develop and implement a new agri-environment scheme that is more comprehensive and ambitious than AEOS; any new scheme should be developed in consultation with farmers.
- That the Department should instate a separate agri-environment scheme for uplands
- That farm forestry planting continues to be supported with planting aid and farm forestry premia.
- That more cooperation between Local Action Groups and farmers form a key element of any new LEADER schemes, with a review of how to ensure that LEADER supports farming.

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Context

ICSA welcomes this opportunity to make a revised submission (July 2013) to the Department of Agriculture, Fisheries and Food in relation to the drafting of the 2014 - 2020 Rural Development Programme.

Given the agreements made in relation to the reform of the Common Agricultural Policy and the scale of the Multi-Annual Financial Framework, we are now aware of the somewhat reduced scale of the Pillar 2 budget. This revised submission therefore advocates allocating funding where resources are limited. This is based on the proposition that Rural Development payments should be more targeted at the more disadvantaged farmers, small to medium in scale or who are in a development phase, as it is through these channels that the best returns for the rural economy can be delivered. Furthermore, the Government must commit to maximising drawdown of European funding through ambitious planning and budgeting for the 2014-2020 Rural Development Programme.

Supporting Agriculture - the case for a substantial RD programme

Farming forms the foundations of the Irish agri-food sector, which is seen by many as a key part of the fiscal recovery strategy, with Food Harvest 2020 forming the roadmap to securing and expanding the sector. It is crucial to note that the targets of FH2020 are deeply intertwined with the sustainability of Irish family farms and are therefore dependent on the implementation of a strong Rural Development Programme.

Given the very different fiscal situation compared to when the current RDP was originally drafted, a new RDP may have to be more targeted in its approach than previously; marginal communities and farming enterprises must be more clearly identified and measures designed with these in mind.

In this context, ICSA wishes to highlight the commitment made in the Government Comprehensive Expenditure Report 2012-14 that the Minister for Agriculture, Food and the Marine is committed to ***"attempting to ensure that the more vulnerable farm families continue to receive support and that scarce resources are directed towards developing the potential for growth and expansion identified in Food Harvest 2020 and the Government Programme."***

The impact of progressive cuts to 2007 – 2013 RDP schemes:

While it can be argued that some of the 2007-2013 was ambitious, albeit in a context of a very positive economic environment, it is equally the case that the RD programme has been hit with savage cutbacks far in excess of almost any other programme or sector. These can be summarised as:

- Closure of the Farm Improvement Scheme (Measure 121) to new applicants from October 2007
- Suspension of the Young Farmers Installation Scheme (Measure 112) and the related Early Retirement Scheme (Measure 113) to new applicants from October 2008
- Reduction in the maximum hectares limit supported under the Less Favoured Area scheme (Measure 212) in October 2008 from 45 to 34 ha.
- Reduction in the rate of the Rural Environment Protection Scheme (REPS) (Measure 214) in 2009 and the subsequent closure of the scheme to new entrants from July 2009.
- Further cuts to the LFA payments in budgets 2012 and 2013, with a maximum payment area now set at 30 ha.

While the significant challenges faced by the Irish exchequer were a key factor here, it is also felt that the programme lacked focus and targeting when it came to allocation of funds. For instance, widening of access to REPS4 to many intensive dairy enterprises led to a spike in applications and effectively led to a broad dilution in funding to all applicant farmers. The ICSA view is that it was a mistake to extend REPS 4 to cover Nitrates derogation farmers at, ultimately, the expense of existing REPS 2 and REPS 3 participants who, arguably, were more dependent on and deserving of a REPS payment.

AEOS, the replacement for REPS (provided for by additional funding made available under the CAP Health Check modulation agreement of €146.3 million) provided significantly lower levels of funding.

ICSA is also concerned at the impact of ongoing cuts to the LFA budget from an allocation of €257 million to €190 million in a relatively short timeframe. While all cuts are regrettable, there is no acknowledgement that the impact of these cuts is particularly severe on low income drystock farms - typically sucklers and sheep - especially but not exclusively on very marginal land in the west of Ireland.

ICSA submits that consideration needs to be given to making the LFA payments more focused rather than spread over some 100,000 farmers with a view to ensuring worthwhile payments to those most accurately described as disadvantaged.

In this regard, ICSA would refer to recent Teagasc National Farm Surveys (Figure 1) which show huge discrepancies in terms of Family Farm Income and per hectare profitability and suggests that LFA payments should be more targeted. ICSA notes that the original LFA scheme was almost exclusively focused on suckler and sheep enterprises. The broadening of the scheme, in the change to an area payment, needs to be reviewed in terms of assessing whether high income, large scale dairy farmers or tillage farmers who, by definition, are farming good quality land should qualify at all for LFA payments. There is also a need to consider whether those with substantial off-farm income should qualify.

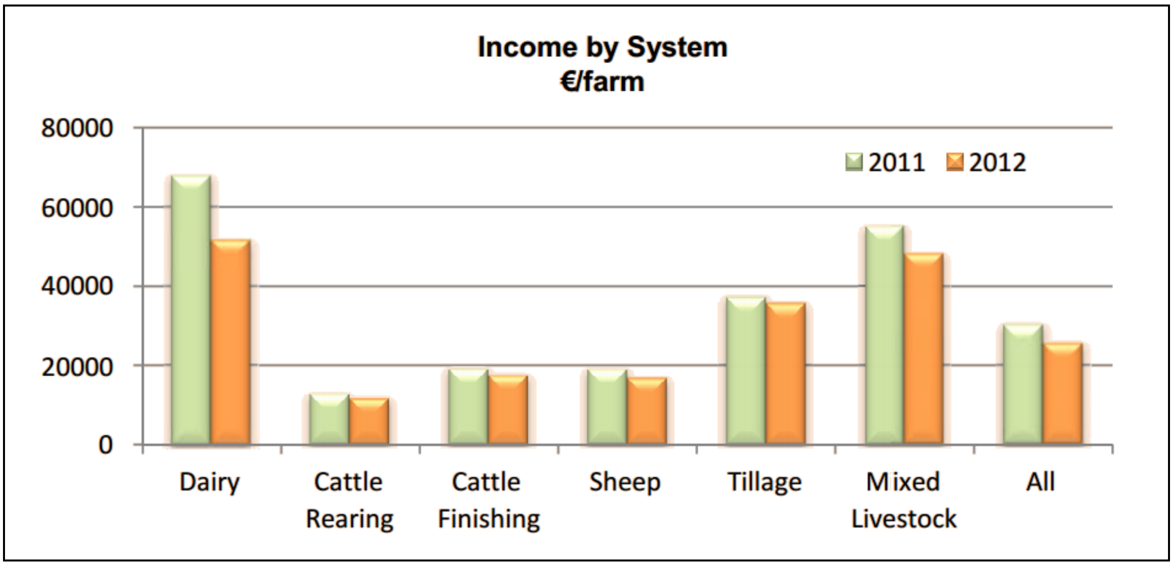

Figure 1: Family Farm Income (€) by Enterprise
(from 2012 Teagasc National Farm Survey, Preliminary Estimates)

ICSA Proposals

ICSA sets out its proposals in line with the six priorities for Rural Development, as defined by the EU Commissions draft proposals:

1. Fostering knowledge transfer and innovation
2. Enhancing competitiveness of all types of agriculture and enhancing farm viability
3. Promoting food and non-food chain organisation and risk management
4. Restoring, preserving and enhancing ecosystems
5. Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy
6. Promoting social inclusion, poverty reduction and economic development in rural areas.

The contents of this document are by no means exhaustive, and it is hoped that ICSA will be able to expand upon these concepts as part of ongoing consultation with the Department over the coming months.

RD Scheme Integration and Simplification:

ICSA primarily wishes to highlight a concern regarding the potential of increased bureaucracy for scheme applicants in any new RDP. Given that there will be six priorities as opposed to four axes, there is likely that there will be an increase in the number of discrete RD measures which farmers may sign up to. Furthermore, the European Commission is advocating a more holistic approach to funding allocation, where cross-cutting between the six priorities is seen as a key deliverable. In this context, ICSA wishes to advocate a more streamlined and integrated approach to Rural Development funding applications; one solution to this would be to have a single application document which would facilitate a farmer in signing up to a multi-annual suite of measures across the scope of the whole RDP. This would then be followed through during the course of the programme in that any monitoring or inspection required would cover at least two measures at once. This would reduce the duplication of labour, minimise travel costs and lessen the administrative burden on both the Department and applicants.

1: Fostering knowledge transfer and innovation

Summary:	Discussion Groups

Discussion Groups

ICSA submits that the Discussion group format (BTAP, STAP) captures the precise objectives of this priority. The use of facilitated discussion groups to drive information exchange between farmers is clearly an optimal solution to delivering real and practical knowledge transfer. Such exchange of information can readily improve farm profitability through better financial organisation, land management, breeding, and cost control; this in turn will assist in delivering the targets of Food Harvest 2020.

Therefore the current strategy whereby farmers are paid a sum which reflects the opportunity cost of participation should be continued as an integral part of the RD programme.

Moreover, ICSA submits **that participants should be prioritised in terms of other RD schemes.** ICSA also believes that participants should be entitled to **top up payments or higher payments under certain other RD schemes.** This is to reflect the fact that we need a much greater **targeting of scarce funds** towards active and committed farmers who have the potential and the desire to improve the efficiency of their farm enterprises.

Furthermore, it may be valid for the Department to investigate the potential of proactively involving the more experienced farmer demographic in the context of knowledge transfer and farm viability. This demographic is a reservoir of significant experience and expertise which should be utilised to the overall benefit of Irish agriculture.

Ideally this would be inside the framework of the Discussion Groups, and would provide a small income for semi-retired farmers (i.e. Discussion Group Payment) who may be without an identified heir while at the same time ensuring that important skills and local knowledge is not lost to the agricultural population. This would deliver significant cross-cutting with RDP Priority 6.

2: Enhancing competitiveness of all types of agriculture and enhancing farm viability

Summary:	Low Income Holding Top-Up Suckler Improvement Scheme Disadvantaged Area Scheme Farm Competitiveness Scheme Young Farmer Incentive Top-up Farm Viability Programme Sheep Grassland Scheme Organic Supports

Low Income Holding Top-Up:

Farm viability is a key issue. Low Single Farm Payments combined with poor opportunities for off-farm employment result in many farm holding earning less than the national wage average, particularly in the drystock sector. The unequal nature of EU supports has been highlighted under the CAP reform proposals but the proposals relating to Pillar 1 are almost exclusively focused on the per hectare payment. Very little effort has gone into analysing the whole farm level of support.

Consequently, the CAP reform proposals do little or nothing to address the anomaly of many farms with relatively low Single Payments and a tiny minority with very large payments. This is not to say that all farms should get equal levels of support, but it is necessary to reflect on how to ameliorate the very severe impact caused by cuts in RD payments in recent budgets. It is also necessary to reflect on the fact that both the current CAP and the Ciolos proposals both create the same problem that a minority of farms have very high Pillar 1 payments but many farms will continue to have Pillar 1 payments at a level that does not suggest long term viability.

In this context, ICSA proposes that top-up payments of maximum €1,000 per scheme be paid on specific Rural Development schemes (Agri-environment, Suckler and Disadvantaged Area) to farms classed as **'Low Income Holdings'**, to better target payments. Table 2.1 below outlines ICSA's proposed top-up qualification requirements and payment levels.

Such support of low income holdings will serve to protect the family farm, which forms the basis of Irish agriculture and delivers significant cross-cutting with RDP Priority 6 in relation to promoting social inclusion, poverty reduction and economic development in rural areas through supporting marginal agricultural enterprises where other employment opportunities are minimal. Further cross-cutting is achieved in relation to Priority 4, as potential land abandonment will be prevented, thus maintaining custodial management of land in rural Ireland, which contributes to restoring, preserving and enhancing ecosystems.

Table 2.1 – Suggested Details of Low Income Holding Top-Up

Definition of a Low Income Holding	Qualifying for:
• Have an SFP of less than €25,000 • <u>AND</u> Have an off-farm income of less than €25,000 • <u>AND</u> Sell less than 250,000L of milk in a calendar year • Limited to participants in BTAP or STAP schemes	• €1000 max top-up on Disadvantaged Area Payment *(€33/ha up to max of 30ha)* • €1000 max top-up on Agri-Environment Payment • €1000 max top-up on Suckler Payment *(€20/cow up to max 50 cows)*
* Potential total combined top-up of <u>€3000</u>	

The figures suggested in Table 2.1 are examples and may have to be adjusted depending on available funds. However, the point is that **efforts should be made to re-direct scarce funds towards those farmers who are more dependent on RD funding for overall income and where the viability of the farm is under threat.**

It is clear that hard choices will have to be made in the context of decreasing resources and ICSA submits that there will have to be **much greater efforts made to target these resources rather than simply reducing the maximum eligible hectares for LFA payments** on a regular basis, or by eliminating a successful and vital scheme like REPS and replacing it with a scheme like AEOS which is not fit for purpose.

Suckler Improvement Scheme:

The Suckler Cow Welfare Scheme has proven to be very effective in delivering benefits to animal welfare and to cattle breeding, ensuring optimum health in cows and weanlings, which has helped to secure vital export markets such as Italy and Spain for calves. The suckler sector is currently under severe pressure due to cutbacks to schemes and low farm margins.

In addition, applicants have already contributed significant valuable data to the Irish Cattle Breeding Federation, which uses the information to build up a database which will form the basis of a much more scientific approach to breeding with a view to much more efficient and economically viable cattle breeding.

In turn, this will contribute to the application of the Economic Breeding Index in Irish cattle, which has been highlighted by Teagasc as being a key approach to dealing with Ireland's climate change targets. Given the success of this measure which has to date been funded from the National Exchequer, it is proposed that a new suckler scheme be set up within the framework of the Rural Development Programme.

A '**Suckler Improvement Scheme**' would require farmers to supply breeding info to ICBF, together with selected additional information. Table 2.2 below outlines ICSA's proposed scheme entry requirements and payment levels.

Table 2.2 – Details of suggested Suckler Improvement Scheme:

Requirement	Payments
Supply calving details and qualitative info such as docility, calving difficulty & calf quality to ICBF *AND* Ensure that at least 10% of calves born are A.I. bred *OR* Supply weights to ICBF for all calves	€30/cow basic to a max 50 cows
	€10/cow to a max 50 cows for BTAP participants
	€20/cow to a max 50 cows for farmers who are under the relevant '**Low Income Holding**' Thresholds (See Table 2.1)

Improving targeting of Disadvantaged Area funds:

ICSA submits that the current LFA scheme is becoming less and less useful for those farmers who really need it because it is spread too thinly across some 100,000 farmers. The EU is proposing changes to eligibility criteria, which is understandably a matter of concern for farmers. However, it is likely that changes to criteria may have to be dealt with by Ireland and this will necessitate a review of who qualifies and how.

ICSA believes that **there will have to be greater focus on farmers on marginal land, with high rainfall, non-arable land or higher elevation.** Ultimately, this may mean fewer beneficiaries but as a general principle, **the current maximum rates are far too low for those who need the payments the most.** Consideration should also be given to the substantial disparities in terms of family farm income highlighted annually by the Teagasc National Farm Survey (see Figure 1, page 6).

It is worth emphasising that the LFA payments were originally strongly oriented towards suckler and sheep farmers and this, in ICSA's view, will have to be re-considered, especially in the context of the disparities in Pillar 1 payments.

Given the large amounts of higher resolution sampling data gathered over recent years from both field testing and remote sensing, it is felt that it is now possible for the Department to ascertain a more accurate representation of Ireland's 'Disadvantaged Areas' as a means of providing more equitable funding distribution.

Such improved targeting of funds delivers deep cross-cutting with RDP Priority 6, in relation to promoting social inclusion, poverty reduction and economic development in rural areas. Further cross-cutting is achieved in relation to Priority 4, as potential land abandonment will be prevented, thus maintaining custodial management of land in rural Ireland, which contributes to restoring, preserving and enhancing ecosystems.

Farm Competitiveness Scheme:

ICSA proposes a new expanded farm investment scheme targeting practical innovation aimed at making farm systems more competitive; the measures within the current TAMS would also be rolled over into the next RDP. Examples of new grant funding which should be given strong consideration by the Department include:

- Grant for capital costs for paddocking systems, and associated farm roadways and water
- Grant for capital costs for on-farm weighing equipment
- Grant for water pumps
- Grant for upgrading cattle water troughs and feed bins which minimise badger access
- Grant for installation of calving cameras
- Grant for drainage infrastructure for farms with large or frequent soil moisture excess
- Grant for spreading of lime where soil sampling indicates a need for the rebalancing of soil pH

Such improved targeting of funds delivers significant cross-cutting with RDP Priority 1 in relation to innovation, Priority 5 in relation to promoting resource efficiency, and with Priority 6 in relation to promoting social inclusion, poverty reduction and economic development in rural areas through supporting small businesses and farm diversification.

A critical aspect of any such modernisation scheme is appropriate levels of grant aid. The publicised lower-than-expected uptake of the current TAMS grant-aid means that the scheme may not achieve its maximum potential as the farm holdings which may benefit most from such measures may have very little working capital to initially invest so as to draw down grant funding.

On the other hand, if the grant rate is high, there is a significant risk of grant chasing by farmers, which in turn can lead to price inflation, thus negating the value of the grant. Also, this leads to a scheme becoming too costly with the invariable need to close the scheme prematurely. **For that reason, ICSA proposes a relatively modest grant rate of 25% but with a further 10% for qualified young farmers.**

ICSA also proposes that eligibility would be restricted to participants in either the BTAP or STAP schemes, where there is a risk of an investment scheme being over-subscribed.

Young Farmer Incentive Top-Up:

The potential identified in the Food Harvest 2020 report to increase exports by a possible €4 billion cannot be achieved without an influx of trained, motivated young farmers. YFIS (Young Farmer Installation Scheme) was a measure for young farmers that was suspended due to financial constraints.

ICSA proposes that instead of front-loading payments for capital investments, that young farmers receive 25% extra on Agri-environment, Disadvantaged Area or Suckler Scheme payments provided they also fulfil the *Low Income Holding* criteria limits. Such payments would only be payable for a maximum of 5 years, for qualified young farmers under 35.

Farm Viability Programme

Dealing with the increasing age demographic of Irish farmers and increased farm fragmentation in Ireland must also be considered in parallel with incentives for young farmers; many older farmers have no identified successor for their farm. The closure of the Early Retirement Scheme in 2008 has exacerbated this problem in the intervening years. As a result, a new scheme aimed at facilitating planned farm operation handover needs to be put in place as part of a new Rural Development Programme.

Proposals made by Teagasc in its Rural Development Submission in January 2013 relating to the Farmland Restructuring Scheme and the Phased Transfer Scheme are supported by ICSA, and it is advocated that these should form part of an overall 'Farm Viability Programme'. It is believed that the proposed farm consolidation database and incentivised farm partnership approaches can deliver measurable improvements to the long-term viability of many Irish farms. The Department of Agriculture must ensure that no unnecessary administrative or financial barriers are made to implementing such a programme (such as a potential loss of Disadvantaged Area payments to members of a new farm partnership etc).

Sheep Grassland Scheme

ICSA favours a new sheep grassland scheme in line with the previous scheme which was an effective way of supporting sheep farms which typically had lower than average SFP payments.

ICSA believes that there should be a top-up payment for designated mountain breeds to reflect the fact that this system of sheep farming is under threat. (€5/ewe to a maximum 200 ewes)

Organic Sector Supports:

The new Rural Development Programme should provide continuing support for developing the organic sector in Ireland. The development grants for both farmers and processors for new equipment and facilities for production, preparation, grading, packing, storage, distribution and sale of organic products (as approved under the 2007-2013 RDP) should be continued through the 2014-2020 period.

Supports for farms during conversion to organic systems and for those having received full organic certification should also be implemented. Any scheme should ideally be separate from any implemented agri-environment scheme to improve clarity of scheme objectives and improve organic produce visibility. Farmers in receipt of such payments should also be fully entitled to apply for any respective agri-environment schemes without reduction in any relevant payments.

It is hoped that the payment levels would broadly reflect those of the previous programme. The promotion of the organic sector should contribute to several of the other priorities under cross-cutting, namely Priority 4 with reference to preserving ecosystems and Priority 5 with reference to promoting resource efficiency.

3: Promoting food and non-food chain organisation and risk management

ICSA is dubious about the role of risk management options in the form of mutual insurance funds or similar schemes. Insuring against sudden loss of income for agricultural sectors due to climate or disease impacts may be applicable in large countries where such losses may be localised or can be contained.

However, in a small country such as Ireland, it is likely that any such significant impacts would be felt across broad swathes of the island simultaneously. This has the potential to put extreme strain on any insurance fund as all claims would be submitted at the same time. It is felt that funding would be better used to allow farmers to develop more robust enterprises.

4: Restoring, preserving and enhancing ecosystems

Summary:	New Agri Environment Scheme Upland Agri Environment Scheme

New Agri-Environment Scheme:

ICSA is of the opinion that the new AEOS scheme is too restrictive in its approach and lacks the 'joined-up' approach which would accrue more environmental benefits when applied across an entire farm holding. It is therefore recommended that the Department develop and implement a new agri-environment scheme that is more comprehensive and ambitious than AEOS. Any new scheme should be developed in consultation with farmers.

ICSA argues that **an upper rate stocking limit should be applied which would make Nitrates Derogation farmers ineligible** for the agri-environment scheme.

It is clear that climate change mitigation strategies will be part of agri-environment schemes in the next CAP. ICSA believes that a new scheme will incorporate an element of farmers following Teagasc advice on how to improve carbon efficiency both in terms of sequestration and reduced emissions relative to each kg of output. For this, ICSA believes that a whole farm payment (ie based on each hectare farmed) is warranted.

Key points will include more efficient use of organic and inorganic fertilisers and optional reseeding with clovers.

Maintenance of habitats and low input lands (e.g. species rich grassland, traditional meadow etc) should continue to be an option. Support should also be available for maintenance of hedgerows and establishment of new hedgerows and tree plantings so as to deliver better connectivity of these important farmland habitats.

ICSA also envisages that Natura areas should be supported but the rate will have to be much **higher than the €75/ha paid under AEOS**.

ICSA also favours support for native breeds of sheep and cattle as an option under agri-environment in the interests of genetic conservation.

Upland Agri-Environment Scheme:

Ireland's upland habitats have suffered in recent years owing to ongoing changes in policy that have led to national combinations of undergrazing and overgrazing. Natura 2000 designations and overly prescriptive agri-environment schemes have lacked the requisite flexibility for local conditions that can have major implications for upland management. As an example, the loss of upland cattle grazing has led to *Molinia* (purple moor grass), becoming dominant in upland areas, which has led to an associated loss of biodiversity in upland areas and increased the risk of fires.

In this context, ICSA proposes a separate AE scheme for uplands, as opposed to an option within a new basic agri-environment scheme. Payments should be made on top of any measures implemented under the basic scheme, and farmers will be able to join both schemes without any compromise on payment levels.

Such a scheme would deliver deep cross-cutting with RDP Priority 6, in relation to promoting social inclusion, poverty reduction and economic development in rural areas. Further cross-cutting is achieved in relation to Priorities 2 and 4, as it enhances upland farm viability and prevents potential land abandonment, thus maintaining custodial management of land in rural Ireland, which contributes to restoring, preserving and enhancing ecosystems.

Such a scheme would require farmers to meet minimum and maximum stocking rates; maintain breeds appropriate to the hill ground and farm in accordance with designated best agricultural and environmental targets.

5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy

Summary:	New Agri-Environment Scheme Forestry & Agro-forestry

Many of the objectives of Priority 5 can be delivered under proposals already made in this document. An agri-environment scheme will be a key part of this. A nitrogen-reducing aspect to any new agri-environment scheme has the potential to reduce the dependency on industrially made fertiliser which can have a large carbon footprint during production.

Farmers would receive payments for sowing a percentage of their land with clover or legumes for grazing or silage production. Such pasture would have the benefit of reducing the overall farm requirement for fertilizers, which by association reduces greenhouse gas emissions in the production of such products and reduces the risk of waterbody eutrophication. As red clover swards in particular tend to lose vigour after three years on average, such a measure should allow participants to re-seed or over-seed to maintain productivity levels.

In relation to forestry, the Government's ambitious target of achieving forest cover of 17% by 2030 is under threat as planting rates have recently declined. Forestry can deliver a forestry sector that will provide jobs, particularly in rural Ireland, while simultaneously providing a renewable resource of wood product for energy generation.

Therefore, a planting grant to cover the costs of planting, fencing and follow-up maintenance is essential. The **forestry premium should also be maintained and payable over 20 years** in line with the current payment. Small-scale farm forestry planting should also be incentivised in the form of shelter belts which can improve productivity in livestock and crops. Furthermore, ICSA advocates that the Department should now actively engage in developing an incentivised programme of agro-forestry in Ireland, particularly *silvopastoral agro-forestry*, which may be of particular interest to sheep farmers who are looking to diversify.

Farm forestry and farmer diversification can play a key role in this regard, assuming adequate provision of Government support. Planting must be accompanied by investment in the necessary infrastructure to get product to market; this should include investment in harvesting infrastructure and in forest roads.

On a smaller scale, the implementation of a scheme for domestic energy production through on-farm coppicing should also be considered. ICSA advocates that forest premia should continue to be implemented on a 20-year basis. Land planted under RDP forestry measures should continue to qualify for the Single Farm Payment. ICSA notes that limits on the degree of high-quality productive land being planted up for farm forestry should be implemented as part of any incentive.

Funding for training of farmers in the utilisation of the Teagasc Carbon Navigator (currently at final development stage) should also form part of the RDP 2014-2020, as this important tool will be able to contribute significantly to the cross-cutting objectives of innovation, environment and climate change mitigation and adaptation.

6: Promoting social inclusion, poverty reduction and economic development in rural areas

A significant amount of the objectives of Priority 6 can be delivered under proposals already made in this document. Irish family farms form the core economic basis of rural communities and providing them with adequate support ensures employment, reduces poverty and delivers more equitable economic development with perfect geographic spread. ICSA favours a continuation of the LEADER programme but there needs to be a substantial review of its objectives and methods.

Local Action Groups have a part to play in driving more sustainable economic development in rural communities, but in line with the rest of this document, it is felt that better targeting of funds and labour could produce significantly better results during the timespan of the next RDP. However, ICSA does not believe that LEADER should be subsumed into the local authority system.

While the Local Authorities may provide for a more integrated approach, there is also a long-term liability created in terms of pension rights, additional permanent employees etc whereas local action groups have tended to be more efficient both in terms of keeping staff costs low, utilising a significant amount of voluntary input and interacting in a very proactive way with local communities and, in some cases, very effectively with marginalized groups.

In this context, ICSA advocates a thorough review of the LEADER schemes before the end of the current programme to identify areas where better channelling of funding could be implemented; more specific deliverables for a new Local Action Group approach is also recommended. There is also an urgent need for a more proactive engagement with the EU in order to overcome the difficulties in using LEADER to support agricultural projects. LEADER has lost some credibility at local level because it is seen as failing to support real worthwhile projects because they are assessed as mainstream agriculture while having much less stringent controls over other projects.

Conclusion

ICSA notes the significant potential that a well thought-out and implemented Rural Development Programme has for ensuring agricultural competitiveness, sustainably managing natural resources and providing balanced territorial and economic development in rural areas.

Availability of funding is a key problem. Yet the levels of funding available under schemes such as AEOS and LFA are unacceptably low because of Government cutbacks but also because they have been diluted through widespread availability. ICSA has suggested some ways of better targeting funds such as top-ups to more deserving lower income holdings/ young farmers or by restricting payments to committed farmers who take the time to participate in discussion groups. These ideas need to be part of the review of the Rural Development Programme with a view to ensuring that worthwhile payments are made to the most committed farmers whose viability is contingent on realistic levels of support under Pillar 2.

ICSA believes that the proposals presented in this document can significantly contribute to delivering upon these objectives. ICSA wishes to reiterate its expectation that the future drafting of the 2014-2020 RDP will involve significant ongoing consultation and interaction with all relevant stakeholders, so that these proposals may be developed into workable solutions.