ICSA

Irish Cattle and Sheep Farmers' Association

ICSA Submission on the Rural Development Programme 2014 – 2020 Consultation Paper

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Contact Details:

Patrick Kent, President
Billy Gray, Rural Development Chairman
Eddie Punch, General Secretary (eddie.punch@icsaireland.com)
Geoff Hamilton, Policy Officer (geoff.hamilton@icsaireland.com)

Mail: ICSA, Unit 3, Gandon Court, The Fairgreen, Portlaoise, Co. Laois
Web: www.icsaireland.com
Phone: 057-8662120

Context

ICSA welcomes this opportunity to make a submission to the Department of Agriculture, Fisheries and Food in relation to the draft measures proposed for the 2014 - 2020 Rural Development Programme.

In its submissions during 2013, ICSA advocated that the Government must commit to maximising drawdown of European funding through ambitious planning and budgeting for the 2014 - 2020 Rural Development Programme. ICSA made it clear that anything less than 50/50 co-funding for Pillar 2 payments would be unacceptable as it would hit the lowest-income farm families the hardest. Such farms already had seen their small incomes reduced through cuts to vital schemes like the Disadvantaged Area Scheme and REPS, while AEOS proved to be extremely restricted in economic value to farmers.

In this context, ICSA expressed its disappointment following January's announcement of 46% co-funding. It is arguable that this shortfall in Government funding for the vital Pillar 2 schemes could damage farm incomes and thwart the delivery of the results they seek to achieve. Such budgetary limitations are regrettable and every effort must now be made as part of the RDP drafting process to ensure the most effective and targeted use of funds. Pillar 2 resources should be focused upon delivering the objectives of the RDP whilst simultaneously supporting the most vulnerable sectors which contribute disproportionately in a positive manner to the environment and their local economies.

ICSA Proposals

In this document, ICSA sets out a series of proposals in the context of the seven proposed over-arching Rural Development measures, namely:

1. **Agri-Environment Climate Measures**
2. **Areas of Natural Constraint**
3. **On Farm Capital Investments**
4. **Knowledge Transfer Measures**
5. **Support for Collaborative and Quality Focused Measures**
6. **Targeted Support**
7. **LEADER**

Where applicable, the document highlights the relationship of each proposal to the Rural Development priority areas, namely:

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.

RD Scheme Integration and Simplification

In its 2013 submissions, ICSA highlighted concerns regarding the potential of increased bureaucracy for scheme applicants in the new RDP. It is worth reiterating at this point that 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 once again advocate a more streamlined and integrated approach to Rural Development funding applications. ICSA's proposed solution to this would be to utilise a unified application system 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. Agri-Environment Climate Measures

The Agri-Environment Climate Scheme (GLAS)

ICSA welcomes the fact that the proposed GLAS scheme appears to be more comprehensive and ambitious than AEOS. AEOS was too restrictive in its approach and lacked a holistic approach which could accrue more environmental benefits when applied across an entire farm holding. ICSA also welcomes the proposed core measures, particularly the farm-wide Nutrient Management Plan. It is felt that this measure alone should reduce the risk of over-subscription to the scheme. However, ICSA wishes to highlight a number of concerns surrounding certain aspects of the scheme; it is hoped that the Department can address these as part of the ongoing consultation and RDP drafting process.

Primarily, there is minor concern over another core measure, namely the record-keeping requirement. ICSA are advocating that any bureaucracy required as part of the scheme should be kept to a feasible minimum. In relation to consultancy required for drafting up nutrient plans and environment measures, ICSA's internal consultation has noted concerns regarding possible Teagasc-centric advisory services. The Department must ensure that private farm advisors are not discriminated against by the structuring of advisory requirements for GLAS. Furthermore, the overall cost to farmers requiring advisory services for GLAS must not be perceived as prohibitive. ICSA also advocate that farmers should be able to make GLAS applications electronically when feasible.

A number of listed GLAS tier measures have also been focused upon as being potentially problematic. There is a concern that a number of measures are tied to specialist contractor work that is beyond the capacity of many farmers to carry out themselves; as such, large proportions of GLAS funding will flow to third parties as opposed to into the farm holding. The measure relating to full fencing of watercourses where fields are in grass has been identified as being a particularly serious issue for sheep farms and would prove to be prohibitively expensive. ICSA propose that this mandatory requirement should be limited to cattle farms, with a pragmatic approach being taken where fields are grazed by mixed livestock. Clarity is also required with regards to what will define a watercourse for the purposes of the GLAS fencing measure; blue lines on Ordnance Survey should be considered as an option.

In relation to the Commonage measure, the required formation of a grazing association with 80% shareholder involvement is also seen as highly problematic. Dormant and non-active shareholders remain a significant issue on Irish commonages, so it remains very difficult to see how this measure can be made to work. Furthermore, given the predominance of commonages towards of the west of the country, it is feasible to suggest that this mandatory grazing association requirement would fall upon a disproportionate number of farmers in this region.

With reference to targeting of funding, ICSA strongly rejects the proposed concept of prioritising GLAS access for intensive farmers with stocking rates above 140kg N. By contrast, ICSA is advocating that access should be prioritised for farms at slightly lower stocking rates, specifically between 100 and 140 Kg N; analysis of the 2010 SPS Modelling Database provided by the Department shows that the majority of farms with middle-range payments fall into this cohort. Furthermore, Nitrates derogation farms (>170kg N) should be excluded from GLAS Tier 1 access, but allowed in via Tier 2 if there is surplus capacity at this stage.

A review of the listed GLAS measures (Tier 1 & 2) indicates that there will be a mix of works-based and area-based measures; as such, some ICSA members are concerned that larger farms will more easily draw down funds as a result of larger areas over which to carry out area-based measures. To ensure equitable distribution of funds through the various GLAS measures, ICSA are proposing that all participant farms should be able to draw down the maximum €5,000 payment within a specific farm area; in this case, it is proposed that the national average farm size of 32 hectares should be used. Additionally, where measures involve creating or managing a specific area of farmland for wildlife (essentially taking land out of production), the Department must ensure that such land maintains SFP eligibility on the LPIS; a GLAS payment for the management of scrub should also be considered.

Finally, ICSA propose that the GLAS budget needs to ring-fenced; i.e. unused GLAS funds should be used to supplement GLAS payments as opposed to being transferred elsewhere within the RDP. Additionally, if GLAS becomes over-subscribed then a bigger budget would be made available if the overall Department budget allows.

Despite the 'Low Carbon' aspect of the GLAS title, there appears to be lack of specific emission measures in the consultation document. ICSA have previously advocated the introduction of a nitrogen-reducing aspect to any new agri-environment scheme which could reduce the dependency on industrially made fertiliser. 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.

GLAS+

In this submission, ICSA is calling for more clarity regarding the mechanism of the GLAS+ payment. ICSA members have queried whether GLAS+ is simply a measure to offset additional costs for particularly constrained farmers looking to participate in GLAS. If this is the case, it will be hard to demonstrate any additional financial incentive to GLAS+. Alternatively, does GLAS+ merely replace the Natura payment, as farmers in the current Natura scheme must undertake 'particularly challenging actions' as part of their daily farming activities?

If the GLAS+ payment is effectively a measure to offset costs, it could for example be of value to specific farming regions, particularly along the western seaboard, where watercourses are very frequent. These farms could be at a disadvantage as they will have to undertake the mandatory watercourse measure in GLAS, but may have a higher degree of watercourses to manage. GLAS+ monies could be used to cover this additional cost.

As part of GLAS+, ICSA proposes there should be a specific payment for designated mountain breeds to reflect the fact that this system of sheep farming is under threat and operates in particularly challenging habitats. This would be implemented via a proposed payment of €5/ewe to a maximum 200 ewes. This specific support for mountain breed flocks has the potential to contribute significantly to issues surrounding commonage and upland management. Additional challenging measures which may be considered for GLAS+ funding include land phosphorus re-balancing and specifically designed animal welfare measures during housing.

Organic Farming Scheme

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. It is of key importance that the existing levels of financial support for organics are maintained, both during conversion and when full organic certification has been maintained, if not increased. Only by doing so will the now-outdated Irish objective of 5% of agricultural area in organic production be realised.

While a clear distinction must be made between organic farming and agri-environment measures, it is critical that organic farmers receive priority access to GLAS, as their farming activities by their nature have a lower impact upon the environment. ICSA further advocates that while payments under the Organic Farm Scheme should continue in their current form, that the Department should consider adding an organic component to GLAS+ in recognition of the constraints experienced by organic growers.

It is hoped that the payment levels would match or improve upon 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.

Targeted output-based local agri-environment projects

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 discrete targeted agri-environment scheme for community-managed uplands. Payments would be made on top of any measures implemented under GLAS, and farmers will be able to join both schemes without any compromise on payment levels. As described in the Department's consultation document, this would establish a competitive fund to which project proposals would be submitted and evaluated. A model for such community-led projects directly relating to upland management is the Boleybrack Red Grouse project. While the Commonage measure contained within GLAS may assist in addressing the issues of over and undergrazing on such habitats, more targeted projects such as these may facilitate the output-led and monitored delivery of specific species, habitat and ecosystem recovery, an objective under RDP Priority 4.

Such a community-based approach would also 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 Priority 2, as it enhances upland farm viability and prevents potential land abandonment, thus maintaining custodial management of land in rural Ireland. Given the proposed expanded budget of €5million, ICSA advocate that the Burren Farming for Conservation Programme would be continued utilising its current framework and budget, with surplus funds being allocated to new community-led projects as described above.

2. Areas of Natural Constraint

ICSA has previously highlighted its concern at the impact of cuts to the Less Favoured Areas budget from an allocation of €257 million to €190 million in a relatively short timeframe. While all cuts are regrettable, 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. There is potential for this imbalanced impact to continue through the next RDP, as the provisional budget for the ANCs remains below €200 million. ICSA propose that within this more constrained budget, efforts need to be made to restore individual farm payments to levels closer to those utilised during the early stages of the 2007-2013 RDP. Therefore, 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.

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. A key aspect of the new CAP agreement relates to drafting of the boundaries of the new *Areas of Natural Constraint*, according to a series of biophysical criteria.

While this is not to be in place until 2018, ICSA advocate that the Department must immediately undertake studies to investigate the most appropriate model for re-drawing the ANC boundaries. 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 Areas of Natural Constraint as a means of providing more targeted funding distribution.

ICSA believes that there will have to be greater focus on farmers on marginal land, with high rainfall, non-arable land or at higher elevation. Ultimately, this may mean fewer beneficiaries but as a general principle, the current maximum rates are too low for those who need the payments the most.

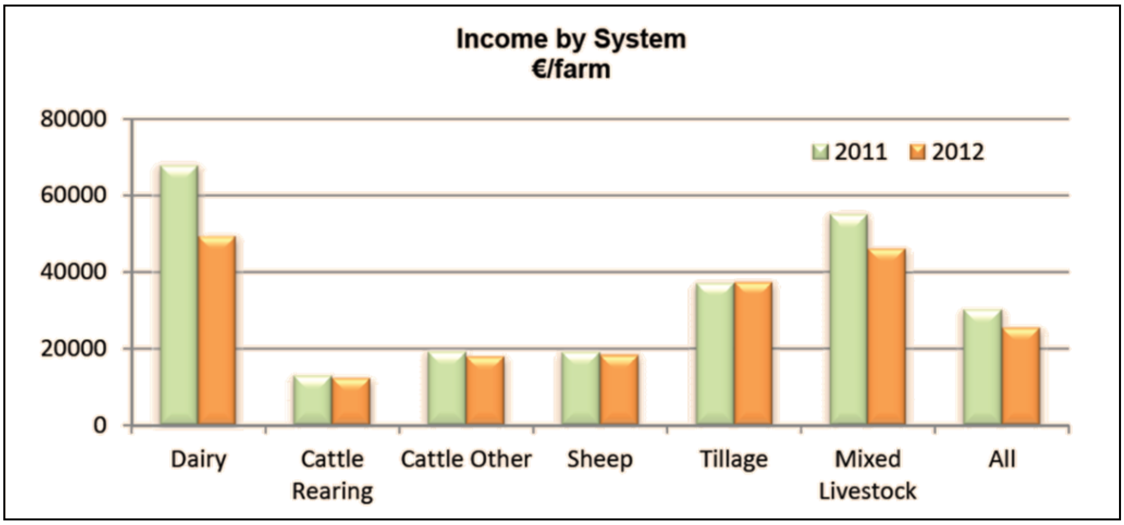

Figure 1: Family Farm Income (€) by Enterprise
(2012 Teagasc National Farm Survey)

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.

3. On Farm Capital Investments

Equitable division of sectoral budgets

A key concern raised by ICSA members relates to the equitable distribution of capital investment funding amongst the main Irish agricultural sectors. ICSA therefore proposes that the overall TAMS II budget should be delineated into sectoral sub-budgets at the initial stage, which should then be maintained according to their relative proportions throughout the entire period of the RDP. Doing so will ensure that the overall budget is not depleted by any single sector, to the disadvantage of other sectors.

There is a specific concern that the abolition of dairy quotas in 2015 will lead to a significant demand for milking, storage and cooling infrastructure which could lead to a disproportionate number of dairy producers applying for grant funding under TAMS II. Through the proposed ring-fencing of sectoral budgets, there will be less risk that such increased demand in one sector can impact funding being made available to others.

ICSA proposes that the new TAMS II should target practical innovation aimed at making farm systems more competitive, but also reinforce existing farm infrastructure which is not yet at end-of-life. Examples of grant-funded RDP measures which have been advocated by ICSA in submissions during 2013 include:

- Funding for drainage infrastructure for farms with large or frequent soil moisture excess
- Funding for capital costs for paddocking systems, associated farm roadways and water conservation
- Funding for spreading of lime where soil sampling indicates a need for the rebalancing of soil pH

ICSA advocates that the above measures continue to be taken into consideration by the Department.

Farm safety & welfare standards

It has come to the attention of the ICSA through consultation with its membership that there is increasing concern regarding the safety aspects of handling livestock. HSA data shows that 18% of farm fatalities in Ireland in 2012 were reported as being as a result of loss of control of an animal. Suckler cows can be more unpredictable during stressful periods such as calving and weaning. These animals, which are handled less frequently, are known to pose a greater risk to people than dairy cows. Cows are very protective of their calves, and several farmers have been killed in recent years by cows during or immediately after calving.

The HSA state that "*well designed and maintained handling facilities are essential for the safe handling of cattle and prevention of injury to handlers*". Many accidents involving cattle could easily be eliminated with better handling facilities. It is clear therefore, that even a small degree of investment into handling facilities can deliver significant benefits from the perspective of working with unpredictable and powerful animals. Additionally, disturbance to calving cows can be minimised through the use of calving cameras. There is obviously a wide range of suppliers and diversity of handling infrastructure; ICSA have proposed some examples of some basic equipment below.

- Crush equipment with optional head scoop for safer inspection and dosing of animals
- Smaller dedicated crates for calf dehorning
- Crush extensions for increased safety at rear animal
- Mobile crush units for use in field situations
- Wired or wireless cameras for installation in calving sheds

High-quality static handling equipment that is appropriately installed will deliver more years of service than machinery-based investments, and will deliver measureable financial savings and significant improvements to farmer safety and animal welfare. Installation and proper use of such facilities can form a core part of the training and information exchange which occurs as part of BTAP or subsequent discussion group programmes for the suckler sector. Better handling facilities and remote monitoring technology all have the potential to improve farm efficiency, which is desirable in increasing much-needed profitability on suckler farms.

Animal health & genetic improvement

Modernisation of suckler enterprises can also deliver benefits in relation to improving individual animal health and therefore cumulative benefits to the overall health of the herd. Through the installation of weighing equipment, several aspects of animal health & genetic improvement can be addressed:

- A regular weighing regime of calves would facilitate a farmer in identifying their most productive cows (i.e. those with the highest quality milk). Cows which suckle calves that gain weight at a better rate than others can be retained within the herd. Ongoing observation allows the overall herd productivity to be increased over sequential generations. This in turn can feed into improving the overall breeding index of the national herd.
- Regular weighing of calves can also contribute to the early identification of an animal's failure to thrive. This then facilitates timely dietary or veterinary intervention which can prevent unnecessary losses to the herd.
- From an economic standpoint, weighing equipment would allow a farmer to maximise their return on weanlings, by only selecting animals for sale at marts that have reached a target weight (e.g. 350kg).

Farm modernisation

Several ICSA members have noted that as part of the previous farm modernisation scheme, over-specification of animal housing, storage infrastructure etc led to increased costs, thus diluting the financial merit of the scheme overall. Numerous Irish farm holdings features buildings or other infrastructure that does not as yet need to be fully replaced (e.g. animal sheds in need of roof repair, but with sound walls and foundations).

Given that two measures to be prioritised as part of the initial funding are Animal Housing and Slurry Storage, ICSA propose that a discrete proportion of the capital investment budget be allocated to *rehabilitation of existing farm infrastructure*. This will facilitate remedial works to such structures, at an overall lower cost to both the farmer and the Department when compared to the cost of entirely new builds. Such targeted funding has beneficial implications from an overall budgetary perspective, and can deliver a better spread of money into the local economy, as a broader range of labour expertise may be required in various rehabilitation projects.

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.

ICSA also proposes that access to livestock-related measures in TAMS II would be prioritised for participants in the relevant Technology Adoption Programmes, where there is the potential for an investment scheme becoming over-subscribed.

Sheep farming measures

ICSA is also calling for the continuation of the Sheep Fencing/Mobile Handling Scheme, which could be of significant value to many sheep farmers when working remotely from farm buildings. However, these benefits need to be better communicated to farmers as part of the RDP to ensure maximised uptake. The existing measures are seen as relatively comprehensive, namely:

- mesh fencing with barbed or electric wire options
- gateways as part of sheep fencing
- portable basic sheep handling race
- portable sheep handling race with wheels
- mobile weighing facilities
- mobile rollover crates
- mobile batch footbaths
- mobile penning up to a maximum of 75m
- mobile ad-lib meal feeder
- mobile fodder feeder
- mobile hay rack
- mobile adoption unit front
- mobile adoption unit front with penning
- mobile specialised sheep spraying equipment
- EID tag reader and software
- PDA EID tag reader and software package

Young farmers

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. The Young Farmer Installation Scheme (YFIS) was a measure for young farmers that was suspended due to financial constraints, so ICSA is strongly welcoming the re-introduction of a specific support for young farmers in the form of the separate TAMS II strand at a higher aid intensity than that available under the general on-farm capital investment scheme above (60% as opposed to 40%).

However, a key concern has been raised by a number of ICSA members in relation to individuals who did not qualify for YFIS during its brief operational period (or who were not farming at the time). These farmers will now find themselves unable to apply for the TAMS II measure as they are now outside the 'young farmer' definition by virtue of their age demographic or time spent actively farming. ICSA strongly advocate that this relatively small cohort of farmers must not again find themselves disadvantaged in the new RDP by not qualifying for the higher level of aid.

4. Knowledge Transfer Measures

ICSA welcomes the continuation of the knowledge transfer framework. 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 knowledge transfer participants should be prioritised in terms of access to other RD schemes. This is to reflect the fact that we need improved targeting of scarce funds towards active and committed farmers who have the potential and the desire to improve the efficiency of their farm enterprises. ICSA advocates that key education and training measures for other RD measures, particularly GLAS, should form a core aspect of the RD Knowledge Transfer Programme.

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 and has the potential to be intertwined with the collaborative measures proposed later in this document.

ICSA must however introduce a caveat at this point. There is a perception that the vast majority of Knowledge Transfer funding will be redirected into Teagasc, almost to the degree of a monopoly. The Department must ensure that private farm advisors are also in a position to openly compete for knowledge transfer funding for training courses and discussion group coordination.

5. Support for Collaborative and Quality Focused Measures

Farm Viability Partnerships

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 DAS/ANC payments to members of a new farm partnership etc).

Quality schemes

ICSA are supportive of developing regionalised quality schemes for beef and lamb products which should hopefully improve the competitiveness of primary producers. The PGI status of Connemara hill lamb is an excellent example in this regard. ICSA believes that there are other niches in the market to develop such products, including hill lamb from other geographic parcels such as the Comeragh, Galtee and Donegal Bluestacks mountain ranges.

Similar frameworks should also be considered for rare Irish beef breeds such as Dexter and Irish Moiled cattle. Delivering further PDO/PGI/TSG certification for beef and lamb in Ireland is highly dependent on the processing sector, and RDP supports for primary producer groups must provide them with adequate tools and resources for engaging with processors at all stages of product development.

6. Targeted Support

Beef Data and Genomics Programme

ICSA welcomes the scope and objectives of the Beef Data and Genomics Programme. Despite having concerns over the proposed payment levels, it is at least an improvement on the underfunded suckler schemes operating over the past two years. A number of points have been raised by ICSA members in relation to the operation of the scheme.

Firstly, there have already been significant discrepancies in the quoted prices for genomic testing. These will need to be standardised to the lowest level possible prior to the initiation of the programme so that the calved cow payment will not be overly diluted through associated testing costs.

As in the case of GLAS, there is some concern amongst farmers that the BDGP may involve onerous record keeping in relation to calf events. ICSA is advocating that the Department ensure that the level of bureaucracy required as part of the programme be kept to an absolute minimum. ICSA also proposes that the BDGP budget is ring-fenced; i.e. unused BDGP funds should be used to supplement entrant numbers or BDGP payments as opposed to being transferred elsewhere within the RDP. Additionally, if the BDGP becomes over-subscribed then a bigger budget would be made available if the overall Department budget allows.

Sheep Farming

ICSA's consultation with its members has brought to light a consensus that sheep farming in Ireland has been generally overlooked as part of the CAP reform process. The incorporation of the Sheep Grassland Scheme payment into the Basic Payment is an additional significant concern. This change will immediately bring many sheep farmers towards or above the national average payment, thereby effectively eroding any benefit low payment farmers might have seen through internal convergence and minimum payment while their SGS payment remained as a discrete sum of money on top of their SFP. Farmers currently near the SFP average will be driven above it and as a consequence see their SGS payment effectively diminished as approximation comes into play over the coming years.

Island farming

In relation to the Island Farming measure, ICSA is supportive of putting in place a framework to conserve these threatened communities. As a simple measure to deliver such support, ICSA proposes that all island farmers would be made equivalent to young farmers, thereby entitling them to the relevant payment top-ups and higher levels of grant aid.

7. LEADER

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 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 current LEADER schemes 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.

A more targeted approach to funding will be required under the new programme round when we take into consideration the smaller budget available, estimated at the moment at €250m vs €425m under the last round. In this context, funding allocation across the country should be allocated based on actual needs. Means and data other than solely the ability of the local LEADER group to make a good application should be taken into consideration when allocating resources. The LEADER project application process needs to be radically overhauled, simplified and standardised. By doing so, resources at local level can be saved and the management and control of the programme can be simplified; in turn, ease of access to recipients of support can be improved. The evaluation and assessment of projects also needs to be standardised. Recent audits identified differing approaches and inconsistency in interpretation of the rules.

ICSA are advocating that a dedicated farm diversification measure be included in the new programme which is open to farmers and farm family members wishing to diversify their income. With reference to project animation, drivers were historically contracted in from the private sector to primarily identify project opportunities; ICSA proposes that such groups or individuals should have extended roles in the new LEADER programme to maintain coherence of projects throughout their entire lifespan.

As for previous RDPs, the LEADER element will be coordinated by a different Government department to the remainder of the RDP measures. It has been noted by ICSA representatives that historically there has been very limited collaboration or synergy created in programmes roll out. For example, the farm diversification measures of the RDP have not been publicised to a Department database of farmers or other scheme clients. Farmers under environmental schemes that have particular potential for part of their holding as amenity value have not been referred to the Rural Tourism measure etc. ICSA is therefore advocating that the new RDP needs to foster better levels of coordination between the Departments of Agriculture and Environment.

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.

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