



IFA SUBMISSION ON EU STRATEGY 2020 – INITIAL PROPOSALS

INTRODUCTION – MACRO-ECONOMIC CONTEXT

Agriculture is an important sector within the Irish and overall EU economy, with 40 million employed in farming and agri-food activities throughout the EU. In Ireland, agriculture and the agri-food sector comprise 8% of GDP, double the EU average. Ireland's exporting agri-food sector has the potential to grow in response to increasing demand for high quality sustainable food, and will contribute to Ireland's economic recovery and growth.

The land area of Ireland is 6.9 million hectares; of which 4.2 million hectares is used for agriculture and a further 737,000 hectares for forestry. Almost 80% of agricultural area is devoted to pasture, hay and grass silage.

Ireland's grass based production systems ensure that Irish agriculture is more environmentally sustainable compared with other key exporting nations and has a low carbon model of food production. The requirement for sustainable food production is rising, with global demand projected to increase by 50% by 2030. Irish agriculture is well placed to meet this challenge.

Ireland faces a significant challenge to meet our environmental commitments on renewable energy generation and emission reductions. Renewable energy, in particular bioenergy, is inextricably bound up with farmers and farming activities. Through the effective utilisation and management of our natural resources, the agriculture and forestry sectors have a pivotal role to play if the renewable energy and emission reduction targets are to be achieved.

Irish agriculture provides many non-market environmental public goods including biodiversity and water quality, in addition to general landscape amenities. These are important for the development of rural tourism. Agriculture also has a significant socio-economic role, as agricultural production is undertaken across all of Ireland. A viable agriculture sector is critical to the wellbeing of rural economies and communities.

Given its economic, environmental and social role, it is important that growth targets for agriculture are built into Ireland's National Reform Programme for EU 2020. The projected growth for agriculture outlined in the *Food Harvest 2020* report should be reflected in the National Targets for the EU 2020. Outlined below are IFA's proposals for relevant sub-targets for agriculture for each of the EU headline targets.

Target 1 – Employment

EU Target: Bring to 75% the employment rate for women and men aged 20-64, including through the greater participation of youth, older workers and low skilled workers and the better integration of legal migrants

Sub-target

- Full employment for farmers, including off-farm employment, where appropriate
- Increased participation in farming by young entrants
- 75% target to be achieved across all regions of Ireland

Key measures to reach the target

- Government investment in modernisation and efficiency programmes to support the maximum number of viable full-time farms
- Restructuring measures to encourage older farmers to retire and younger farmers to enter the sector
- Regional labour market activation and training programmes to ensure off-farm employment for low-income or underemployed farmers
- Regional development planning and investment in infrastructure to develop employment opportunities across rural Ireland including its coastal regions

Target 2 – Research and Development

EU Target: Improving the conditions for research and development, in particular with the aim of bringing combined public and private investment levels in this sector to 3% of GDP.

Sub-target

- Investment in research in agriculture and food to be increased to a level consistent with the contribution of the sector to the economy and to maximise its contribution to economic growth
- Measurable knowledge transfer targets to ensure a commercial return for agriculture on investment in research

Key measures to reach the target

- Mechanisms to transfer technological and research outputs to end users (primary producer and processor), e.g. discussion groups, investment and training programmes

Target 3 – Climate Change/ Renewable/s Energy Efficiency

EU Target: reducing greenhouse gas emissions by 20% compared to 1990 levels, increasing the share of renewables in final energy consumption to 20%; and moving towards a 20% increase in energy efficiency

Sub-target

- Targets for reductions in greenhouse gas emissions for agriculture must support the productive base and growth potential of the sector
- Carbon sequestration from forestry and grassland to be included in emission reduction measurement for agriculture sector
- Increased adoption of farm-scale renewable energy technologies, to improve efficiency and reduce dependence on fossil fuels

Key measures to reach the target

- Progressive research to determine and demonstrate how agricultural output can be increased by environmentally sustainable means
- Enhanced agri-environment measures, including Natura areas, to increase carbon sequestration potential
- A minimum afforestation programme of 10,000 ha per annum
- Introduction of viable REFIT tariffs
- Increased investment across the entire biomass value chain – including establishment, conversion and utilisation programmes
- Reduced and standardisation of costs associated with the planning and delivery of renewable energy projects
- Amendment of the Strategic Infrastructure Act (2006) to include all renewable projects subject to planning

Target 4 – Education

EU Target: Reduce school drop out rates to 10% and increase the share of the population aged 30-34 having completed tertiary or equivalent education to at least 40% by 2020

Sub-target

- Increase tertiary education levels of farmers aged 20-34 to 40% by 2020

- Increase education levels of older farmers to reach level of general population¹

Key measures to reach the target

- Government investment in undergraduate training programmes to meet the growing demand for agricultural training and education
- Training and up-skilling opportunities for farmers appropriate to their employment situation and location, including online and part-time learning programmes

Target 5 – Social Inclusion through the reduction of poverty

EU Target: Promoting social inclusion, in particular through the reduction of poverty.

Sub-target

- Eliminate the gap in poverty levels between rural and urban households

Key measures to reach the target

- Investment in service and infrastructure provision in peripheral and remote rural areas, including the continuation of the CLAR programme, Rural Transport and Rural Social Schemes

¹ 70% of farmers with less than second-level education, Behan, J. and O'Brien M. (2008) *Assessing the availability of off-farm employment and farmers' training needs* Rural Economy Research Centre,