



IFA

Campaign against CAP Cuts

Your Association. Your Voice.



The Taoiseach Leo Varadkar told the IFA AGM that he has farmers' backs. Now is the time to prove it. He must insist the real value of the CAP Budget is protected and that farmers are properly rewarded for any additional requirements imposed on them.

Joe Healy, IFA President

The priority for CAP 2020 is the Budget - Political Action is Needed

Government

The Irish Government, led by the Taoiseach Leo Varadkar and Minister for Agriculture Michael Creed, must insist that the CAP Budget for Ireland is increased to cover the cost of inflation and to pay for any additional requirements placed on farmers.

MEPs

Under the current EU Commission proposal, the EU Budget shortfall due to Brexit has been made up, but the proportion of the Budget going to CAP has been reduced from 38% to 28%. IFA is calling on all Irish MEPs to support the proposal by the European Parliament Budget Committee for Member State contributions to be increased to 1.3% of Gross National Income (GNI). The proportion of the Budget going to CAP has to be increased.

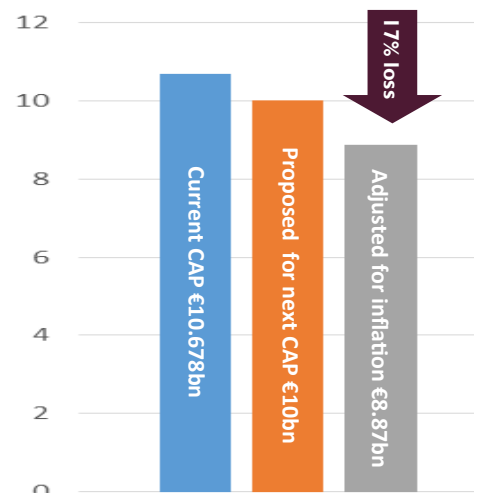
What is the actual impact of the proposal for Ireland's CAP Budget?

The EU Commission has said the proposed cut to the CAP Budget is 5%. In fact, with the 2% EU proxy rate of inflation applied, it actually amounts to a **potential 17% loss**.

As illustrated, the proposal is to cut Ireland's CAP budget by €678m - from €10.678bn to €10bn. This amounts to a **cut of €97m each year before inflation**.

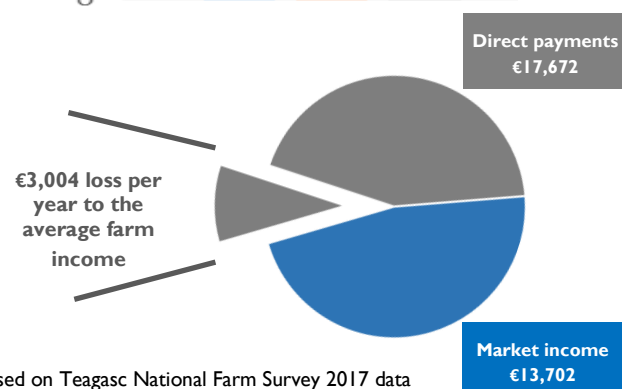
When inflation is factored in at the EU's proxy rate of 2% per annum, **the real impact on Ireland's CAP Budget amounts to a loss of €1,792m** or €256m pa over the period 2021 to 2027.

Impact on Ireland's CAP Budget



What would the EU proposal mean for farm incomes?

Direct payments make up a significant part of farm incomes – any cut to the CAP Budget would have a major impact on already low farm incomes. **A 17% impact on direct payments would mean a reduction of €3,004 to the average income of €31,374, reducing it to €28,370.**



Based on Teagasc National Farm Survey 2017 data

EU Commission Proposals on the EU Budget (MFF) and CAP Budget

	Current CAP 2014-2020	Proposed CAP 2021-2027	Total Difference	Annual Difference	% Change
MFF (EU Budget)	€1,087.1bn	€1,279.4bn	+ €192bn	+27.4bn	+17.6%
CAP Budget	€408bn	€365bn	- €43bn	-€6.14bn	-10.5%
% of MFF	38%	28.5%			
CAP - Ireland	€10.678bn	€10 bn	-€678m	- €97m	-6.34%
Pillar 1	€8.489bn	€8.147bn	-€342m	-€49m	-4.0%
Pillar 2	€2.189bn	€1.853bn	-€336m	-€48m	-15.3%
CAP - Ireland adjusted for inflation*	€10.678bn	€8.87bn	-€1,792m	-€256m	-16.8%

Source data: EU Commission *Based on EU Commission proxy of 2% per annum for future inflation

Why the CAP Budget must be increased

- To ensure proposed cuts are reversed and farmers' payments are not reduced
- To cover the effects of inflation
- To close the widening income gap between farmers and other sectors in society
- To pay for any additional requirements imposed on farmers in the new CAP proposals
- To keep rural areas alive

The CAP is critically important for ...

Irish farmers

The CAP brings €1.5bn in EU funds to rural Ireland each year. Direct payments make up over 100% of incomes on many farms, especially in the livestock, sheep and tillage sectors.

Ireland's economy and jobs

Agriculture & the food sector is Ireland's largest indigenous industry. It supports 300,000 jobs and contributes €26bn in turnover to the Irish economy. Because the sector sources 74% of raw materials and services from Irish suppliers and is regionally-based, its contribution to the economy is all the more significant.

The environment

The CAP is very focused on protecting the environment. All farmers have to adhere to high standards of environmental protection under CAP rules. 87% of CAP Pillar 2 payments contribute to environmental protection and combatting climate change.

Consumers

The CAP provides consumers with a secure supply of top quality safe food, produced to the highest standards at affordable prices.

Did you know: A 2017 Eurobarometer survey found that over 60% of respondents believe CAP benefits all citizens, not just farmers.

IFA key principles on CAP 2020 proposals

Budget	The CAP Budget must be increased
Farm incomes	Direct payments must be protected
Farm schemes	Strongly funded farm schemes are essential
Simplification	Bureaucracy and inspections must be reduced
Market supports	EU Market supports must be maintained
Young farmers	We need to encourage generational renewal
Active farmers	Direct payments should go only to active farmers

What next?

These are EU Commission proposals. Member States now have the opportunity to respond prior to further negotiations between the EU Commission, Council & Parliament.

It is intended that the Budget will be finalised at the EU Council on May 9, 2019, before the European Parliament elections