

CAP Pillar II Co-financing

**Discussion Document presented to IFA Council
September 7th 2021**



Pillar II Co-financing

- Based on our initial analysis on Pillar II Co-financing:
 - New CAP agreement permits Member States to exceed 57% default co-financing rate
- This is based on analysis of provisional agreement – final legal text awaited to confirm above is final outcome
- Rebate mechanism on eco-schemes must be factored into how carbon tax funding is treated from co-financing perspective



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Estimated National/EU Agri Expenditure 2020

Measure/Scheme	Total	National	EU
Agri-Environment	€228m	€100m	€128m
Areas of Natural Constraint	€247m	€116m	€131m
TAMS & related	€81m	€38m	€43m
Beef Schemes	€130m	€83m	€47m
Sheep Welfare	€17m	€8m	€9m
Other	€29m	€14m	€15m
Total	€732m	€359m	€373m

- Based on IFA Estimates using info from DAFM and other relevant sources
- Excludes Leader funding

Annual allocations of Annual Carbon Tax Yield (€m) required to meet €1.5bn agri-environmental scheme commitment

Year	Estimated Carbon Tax Yield	Agri-Environment Scheme Budget
2021	571	66.68
2022	730	85.25
2023	889	103.82
2024	1,048	122.39
2025	1,207	140.96
2026	1,366	159.53
2027	1,525	178.10
2028	1,684	196.67
2029	1,843	215.24
2030	1,981	231.35
Total	12,844	1,500

Carbon tax income over 2023-2030 period annualised to c. €174m (incl 2021 underspend)



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Pillar II Schemes: Annual Targets 2023-2027

Primary Schemes	
Suckler Cow	€300/cow
Calf or Cattle Rearing / Finishing	€50/head
Sheep Welfare	€30/ewe
Tillage	€100/ha
ANCs	€300m
REPS-2 / Agri-Environment	Up to €10,000/farmer
TAMS	€80m

**Pillar II Schemes: Proposed Annual Budget 2023-2027
DRAFT – FOR DISCUSSION PURPOSES ONLY**

Scheme	Funding based on Full Uptake (€m)	Workings	Funding based on Current Uptake (€m)	Workings
Suckler Cow Scheme(s)	270	€300/cow * 900k cows	180	€300/cow * 600k cows
Calf Rearing/Cattle Rearing/Finishing	150	€100/head * 1.5m cattle	100	€100/head * 1m cattle
Sheep Welfare	80	€30/ewe * 2.64m ewes	50	€30/ewe * 1.7m ewes
Tillage	28	280k ha * €100/ha	18	180k ha * €100/ha
ANC	300		300	
TAMS	80		80	

Pillar II Schemes: Proposed Annual Budget 2023-2027
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Scheme	Funding based on Full Uptake (€m)	Workings	Funding based on Current Uptake (€m)	Workings
REPS-2/Agri-Environment	1,200	€10k/farmer * 120k farmers	552	Payment up to €10k/farmer with average payment of €8.5k/farmer * 65k farmers
Organics	48	Target 6% organic land	48	
KT	30		30	
POs	5		5	
LEADER	30		30	
Total	2,099		1,393	