

Redistributive Payment Outline

1st June 2021

Presentation to CAP Project Team





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Background

- 2013 CAP Reform introduced the option of a ‘redistributive payment’ on a voluntary basis for Member States
- Redistributing direct support between farmers by granting all farmers an extra payment for the first hectares.
- Adopted by 9 current Member States under last CAP



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CRISS

- Redistributive payment renamed Complementary Redistribution Income Support for Sustainability (CRISS) under current CAP Reforms
- Mandatory under original Commission and Parliament proposals while Council sought it to be voluntary on member states
- Previous Trilogue proposal – Member States must adopt one of CRISS, Capping or Degressivity
- Ireland is highly likely to adopt Capping – therefore expectation was CRISS would be a voluntary option for Ireland
- At most recent Trilogue, Commissioner Wojciechowski is strongly advocating for CRISS as a mandatory measure with suggested redistribution levels of 7.5% - 12%
 - Level at which funds are deducted will influence size of redistribution (i.e. National Ceiling or BISS Ceiling)

Main Features under last CAP

- Member States set the number of hectares
 - Max 30 ha or average farm size in Member State if larger (Ireland c. 35 ha)
- Previously, only paid on hectares with active payment entitlements with option to apply at a regional level
- Funded by a linear reduction to National Ceiling
- Funds redistributed to all basic payment holders on ‘first hectares’ at a specified rate/hectare



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Implementation under CAP 2015-2020 (1)

Member States	Hectare threshold(s) supported under the redistributive payment		2015 Unit rate of the redistributive payment
Belgium - Wallonia	The first	30 ha	€127
Bulgaria	The first	30 ha	€77.11
Germany	The tranche of the first	30 ha	€49.64
	The following tranche of	31-46 ha	€29.78
France	The first	52 ha	€25
Croatia	The first	20 ha	€33.13
Lithuania	The first	30 ha	€48.80
Poland	The tranche of the first	3 ha	€0
	The following tranche of	4-30ha	€40.10
Portugal (since 2017)	The first	5ha	€50
Romania	The tranche of the first	5ha	€5
	The following tranche of	6-30ha	€51.08

Source: European Commission



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Implementation under CAP 2015-2020 (2)

Member States	Annual ceiling (% of DP envelope)					
	2015	2016	2017	2018	2019	2020
Belgium - Wallonia	9.30%	9.50%	9.50%	9.60%	9.60%	9.10%
Bulgaria	7.10%	7.05%	7.05%	7%	7%	7%
Germany	7%	7%	7%	7%	7%	7%
France	5%	10%	10%	20%	20%	20%
Croatia	10%	10%	10%	10%	10%	10%
Lithuania	15%	15%	15%	15%	15%	15%
Poland	8.30%	8.30%	8.50%	8.60%	8.60%	8.30%
Portugal	n/a	n/a	2.80%	2.70%	2.70%	2.70%
Romania	5.20%	5.30%	5.40%	5.30%	5.30%	5.50%

Source: European Commission

Introduction of **CRISS** on Ireland

- DAFM, to date, has not provided any modelling on the design, or impact of, **CRISS**
- IFA estimate the maximum number of ‘first hectares’ that could be eligible for **CRISS** in Ireland would be up to 35 hectares
- The final detail on the regulation governing **CRISS**, if agreed, will have a huge bearing on the design and implementation at National level

Preliminary Modelling Exercise

Assumptions

- Farm size data obtained from 2016 CSO Farm Structures Survey
 - Most up to date available
- Modelling based on 10% Redistribution of funds under CRISS
- Deduction for Redistribution made from National Ceiling
- 2 models used for max number of 'first hectares'
 - 35 hectares
 - 30 hectares
- **Given amount of assumptions, the modelling must be taken with a substantial degree of caution**



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Preliminary Modelling Exercise (2)

Estimated impact of CRISS - assumes 10% Redistribution Flat payment of c. €41 on first 35 ha				
Farm Size (Ha)	2019 Ent Value (€)	CRISS Contribution	CRISS Receipt	Net Impact
25	€160	-€400	€1,024	€624
25	€300	-€750	€1,024	€274
25	€400	-€1,000	€1,024	€24
35	€160	-€560	€1,434	€874
35	€300	-€1,050	€1,434	€384
35	€400	-€1,400	€1,434	€34
45	€160	-€720	€1,434	€714
45	€300	-€1,350	€1,434	€84
45	€400	-€1,800	€1,434	-€366
100	€160	-€1,600	€1,434	-€166
100	€300	-€3,000	€1,434	-€1,566
100	€400	-€4,000	€1,434	-€2,566

Warning: Modelling makes a number of assumptions and should be taken with a substantial degree of caution



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Preliminary Modelling Exercise (3)

Estimated impact of CRISS - assumes 10% Redistribution				
Flat payment of c. €45 on first 30 ha				
Farm Size (Ha)	2019 Ent Value	CRISS Contribution	CRISS Receipt	Net Impact
25	€160	-€400	€1,120	€720
25	€300	-€750	€1,120	€370
25	€400	-€1,000	€1,120	€120
35	€160	-€560	€1,344	€784
35	€300	-€1,050	€1,344	€294
35	€400	-€1,400	€1,344	-€56
45	€160	-€720	€1,344	€624
45	€300	-€1,350	€1,344	-€6
45	€400	-€1,800	€1,344	-€456
100	€160	-€1,600	€1,344	-€256
100	€300	-€3,000	€1,344	-€1,656
100	€400	-€4,000	€1,344	-€2,656

Warning: Modelling makes a number of assumptions and should be taken with a substantial degree of caution