July 2025

Importance of CAP Pillar 2 Supports to Irish Farmers and Rural Areas

1.2 Social Sustainability

Pillar 2 supports have supported generational renewal and economic development in rural areas.

LEADER 2014-2022

- Supported over 5,800 projects
- Created over 4,000 jobs (FTE)
- Sustained over 12,500 jobs
- C.46,000 participants completed training

Generational Renewal: Alongside 6,800 CIS-Young Farmer payments

- 265 received Farm Partnership / Succession Planning advice through the Collaborative Farming Grant
- C.2,600 applications received for Young Farmer Capital Investment Scheme (Tranche 1-6) to support on-farm investment, improved efficiencies and resilience.

(Source: DAFM & DCRD)

2. POSSIBLE THREAT TO CONTINUATION OF PILLAR 2 PAYMENTS

- The European Commission is preparing for the next multiannual financial framework (MFF), the EU's long-term budget, which will start in 2028. Initial proposals are expected from July 16th, unlike in previous years, to be submitted in tandem for the next Common Agricultural Policy (CAP).
- While meaningful engagement and clarity have been absent to date, the Commission have stated that the 'status quo' is not an option given budgetary pressures and new priorities (defence, security, migration). Suggestions have been made regarding the creation of a Single Fund, along with the possible merging of Pillar 2 supports within Other Funds (e.g., Cohesion).
- Loss of Pillar 2 supports would contradict Commission priorities within the 'EU Vision for Agriculture & Food report to 2040'. It would undermine the traditional CAP as we know it (a cornerstone of Europe's competitiveness and food sovereignty); increase complexity and financial uncertainty at the farm level; and negatively impact EU rural areas and the appeal of farming for both existing and future generations.

3. COHESION FUND – WHAT IS IT

- The Cohesion policy accounts for one-third of the existing MFF (2021-2027) - c.€378bn, of which the Cohesion Fund is one instrument, alongside the European Social Fund +, the European Regional Development Fund and the Just Transition Fund.
- The Cohesion Fund provides support to Member States with a gross national income (GNI) per capita below 90% EU-27 average to strengthen the economic, social and territorial cohesion of the EU.
- For the 2021-2027 period, the Cohesion Fund concerns Bulgaria, Czechia, Estonia, Greece, Croatia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.
- It funds specific areas (infrastructure, innovation, education, and social programmes) to reduce the disparities and imbalances (economic, social & territorial) between different regions within the EU.
- It also supports the green transition - renewable energy, energy efficiency, transport infrastructure, and environmental protection, as well as seeking to boost employment and economic growth, again predominantly for those lagging.
- In simple terms, the Cohesion Policy seeks to support less developed regions catch up with more prosperous ones. Given that Ireland is among the EU's most developed nations, it receives low levels of funding from the Cohesion policy. Ireland will benefit from €1.4 billion in Cohesion Policy funding between 2021 and 2027.

4. IFA POSITION

- Europe needs a stronger, simpler & dedicated (inflation-adjusted) CAP, underpinned by a traditional two-pillar (EAGF & EAFRD) funding model. New priorities should not dampen the fundamental importance of existing ones. Agriculture, food security, and rural development remain as important strategically as ever before.
- With continued and prolonged operational challenges from multiple sources, at a minimum, and in whatever format necessary, Irish and EU farmers need the full complement of targeted Pillar 1 and Pillar 2 interventions (fully funded) currently available.
- The problems in rural areas will not be solved by moving financial support away from farmers.

5. ADDITIONAL SUGGESTED AMENDMENTS TO PILLAR II INTERVENTIONS IN THE NEXT CAP

- Pillar II measures retained (with max. national co-financing) for vulnerable sectors & strategic priorities (YF; Organics, etc).
- The 'costs incurred/income foregone' approach should be changed, reflecting the min, not the maximum, payment possible.
- Agri-environmental schemes should be available to all; practical and encompass evidence-based environmental measures that work alongside output and efficiency, with more attractive payments provided (incl. loyalty bonus).
- Organics - Organic Farm Scheme (& participation maintenance) retained with continued support for market developments.
- Forestry – revisions re planting depth on peat soils (<50cm); mandatory broadleaf requirements; State Aid to support farmers with ash dieback required.
- ANC – essential to avoid land abandonment. Increased budget & return to past eligible land thresholds required.
- Producer Organisations – should be available across all sectors; be adequately resourced, & farmer friendly.
- TAMS - All farm-related items returned, with a few additions (dribble bar, ATV, UTV, virtual collars/fencing, quad gates, etc.) and herd size restrictions removed. Reduce the supporting and certification requirements, and increase investment ceilings and reference costings to reflect market realities better.
- LEADER Programme - a sustainable budget should be provided for future LEADER Programmes
- Natura 2000 sites – economic impact needs to be better realised. A 'no compensation, no designation' policy should apply.
- EIPs - locally led schemes, audited and proven to deliver environmental benefits, should be reinstated in the next CAP.
- Risk Management – the primary objective should be to keep farmers productive to ensure food security. Toolbox of interventions required, retaining the voluntary nature of establishing a risk management system within/outside the CAP.

APPENDIX: POTENTIAL FINANCIAL LOSS OF PILLAR 2 RECEIPTS BY REGION, COUNTY & FARM SCHEME

Financial Impact - Loss of Pillar 2 supports (Entire)				Total Av. 2023/24 payments per County
Regional Impact		County Impact		
	€m/yr		€m/yr[1]	
SOUTH-EAST	76.16	Carlow	14.51	35.9
		Kilkenny	21.52	61.4
		Waterford	14.44	43.5
		Wexford	25.69	74.9
BORDER	178.31	Cavan	34.23	67.2
		Donegal	64.29	127.1
		Leitrim	30.55	55.1
		Monaghan	20.98	45.8
		Sligo	28.26	55.3
MID-WEST	125.99	Clare	47.77	95.8
		Limerick	31.43	78.2
		Tipperary	46.79	126.6
SOUTH-WEST	149.12	Cork	86.16	221.9
		Kerry	62.96	133.4
DUBLIN & MID-EAST	67.69	Dublin	8.95	18.9
		Kildare	11.42	38.3
		Louth	8.5	24.8
		Meath	19.92	60.9
		Wicklow	18.9	43.4
WEST	202.02	Galway	83.72	170.8
		Mayo	76.93	153.8
		Roscommon	41.37	78.6
MIDLANDS	75.51	Laois	15.7	43.1
		Longford	20.09	38.2
		Offaly	16.96	44.5
		Westmeath	22.76	54

1 IFA estimate based on average 2023/24 Total Payments and 2023 Pillar 1 receipts per 2024 DAFM Annual Review & Outlook report & Parliamentary Questions

Farm Scheme	EU contributions (€) (Spanning 2023-2027)
ACRES	611,759,067
AREA NATURAL CONSTRAINT	502,625,000
COLLABORATIVE FARMING GRANT	804,200
CPD-ADVISORS	763,990
DAIRY BEEF WELFARE SCHEME	10,052,500
EARLY-STAGE SUPPORT FOR POS	597,119
EIPS	14,523,852
KT PROGRAMME	28,589,310
LEADER	77,940,000
ORGANIC FARMING SCHEME	103,005,902
SCEP TRAINING	1,608,400
SHEEP IMPROVEMENT SCHEME	40,210,000
STRAW INCORPORATION SCHEME	20,105,000
SUCKLER CARBON EFFICIENCY PROGRAMME	102,937,600
TAMS (EXCL. RDP EXPENDITURE)	40,210,000
	1,555,764,940

(Source: DAFM CAP Strategic Plan)

Completed: June 2025. Further details and up-to-date news on IFA's CAP post-2027 Principles are available on IFA.ie

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