#Budget2027

Budget 2027 Submission

Protecting our Indigenous Agriculture Sector Amid Economic Uncertainty - June 2026

Budget 2027 Submission

Protecting our Indigenous Agriculture Sector Amid Economic Uncertainty - June 2026

Introduction

The Irish and world economies in which we operate have become accustomed to unprecedented challenges and uncertainty. The disruption caused by Brexit, COVID-19 restrictions and subsequent supply chain disruptions, volatile inflation caused by the Russian invasion of Ukraine and unforeseen trade tariffs movements from the USA, all had a disruptive effect on the Irish economy, but they have been successfully navigated.

The ongoing conflict in the Middle East has led to higher energy costs, with the many inputs reliant on energy most impacted. While the destination for the majority of oil, gas and fertilisers produced in the Middle East region is primarily the southern hemisphere, the supply restriction of a high volume of energy and fertilisers commodities is impacting on global prices. The medium and long term effects remain unknown, particularly as the damage to refinery processing and storage infrastructure remains to be fully assessed.

Farmers' margins squeezed from both sides

What is clear for farmers here is that the cost of production has increased significantly as a result of the conflict in the Middle East. Fuel, particularly marked gas oil (MGO), or green diesel, has seen prices increase by over 50%, since the onset of the conflict in late February. Fertilisers have also increased significantly - up 35-50% since early 2026, largely due to the restrictions of global supplies from the Middle East.

While the EU's Carbon Border Adjustment Mechanism (CBAM) tax measure is the reason for some of this cost increase, the restriction from the Middle East is the primary cause. These price fluctuations remain extremely volatile with fuel prices in Ireland linked to global oil markets and fertiliser prices. Nitrogen and urea-based fertiliser in particular is heavily dependent on the supply and price of natural gas. With the supply routes and production capacity of these commodities currently curtailed due to the restrictions on freight passage through the Strait of Hormuz, there has been a major impact on the global commodity prices for oil, gas, and fertilisers.

At the same time as input costs rise, Irish farmers face difficult output commodity markets, with dairy and beef prices seeing significant declines compared with 2025 prices while the outlook for global grain markets remains uncertain. Energy and fertiliser cost increases are contributing to overall higher production costs in 2026. This combined with the lower output prices will result in severely reduced on-farm margins and heavy reliance on direct payments, particularly in the livestock and grain sectors.

The Irish agricultural sector is vulnerable against a backdrop of heightened global instability, volatile input costs, and increasing environmental and regulatory obligations. The need for a robust and strategic response to support Ireland's indigenous farming and rural economy has never been more urgent. Budget 2027 must prioritise the viability, resilience, and sustainability of family farms, recognising their central role in economic activity, food security, and rural cohesion.

Annual Progress Report 2026

The publication of the Government's Annual Progress Report 2026 underscores the scale of the challenges facing the Irish economy. The report highlights a period of "considerable global uncertainty", driven in large part by the ongoing conflict in the Middle East and its consequences for global energy markets. These geopolitical developments are directly impacting farm families through rising costs, supply disruptions, and increased income volatility.

The conflict in the Middle East has already led to significant upward pressure on fuel costs, with scenarios outlined in the Annual Progress Report suggesting oil prices could reach as high as $130 per barrel. This has direct implications for Irish agriculture, a sector heavily dependent on diesel, transport, and other energy-intensive processes. While diversification away from fossil fuels and adoption of new technologies is ongoing, alternatives to diesel-powered farm machinery remain very limited. The promotion of new technologies rather than the taxation of necessary inputs through the carbon tax should be adopted by the Government in Budget 2027.

The macroeconomic outlook presented in the Annual Progress Report further reinforces the urgency of targeted intervention for the agricultural sector. The report sets out multiple scenarios, including a worst-case projection involving higher inflation, weaker growth, and potential fiscal pressures. In this most severe case, inflation could accelerate significantly, driven primarily by energy price shocks, causing substantial input cost increases across the agricultural sector. Such conditions would place additional strain on farm incomes and leave a greater number of Irish family farms unviable in 2026.

Ireland's Resilient Economic Outlook

The fiscal outlook for the Irish economy remains resilient with a forecast Budget surplus of €9 billion for 2026 reported in the Annual Progress Report. There is unquestionably a major challenge to the economy caused by the conflict in the Middle East and shocks in energy prices, however the strong financial position and Budgetary surpluses strengthen the Government's ability to support our indigenous sectors, including agriculture during this period of instability.

It certainly does not support the suggested 1.3% levy on DAFM for next year because of overspend within the Department of Education. As noted, farmers will need increased support in prevailing market conditions not less, most especially those within the vulnerable farm sectors. Anything less is unacceptable.

While based in the rural economy, agriculture's economic reach contributes to villages and towns in rural Ireland and also extends to major urban centres. Investment in farming delivers multiplier effects across rural communities, sustains employment, and supports Ireland's export-driven agri-food sector.

Agriculture remains the dominant land use in Ireland and a cornerstone of rural life, underpinning thousands of family farms and local enterprises. It contributes not only to economic output but also to environmental stewardship, cultural heritage, and balanced regional development. The sector's role in maintaining vibrant rural communities cannot be overstated, particularly in more marginal areas where alternative economic opportunities may be limited.

In this context, Budget 2027 must deliver a strong, coherent package of supports that addresses both immediate cost pressures facing farmers and long-term structural challenges. The volatility arising from global geopolitical developments, particularly in energy and fertiliser markets, necessitates targeted measures to stabilise farm incomes and ensure continuity of production. This includes maintaining and enhancing direct income supports, investing in on-farm efficiency and energy resilience, and ensuring that agri-environment schemes are adequately funded and accessible. Additional scheme participants must also be factored into budgetary allocations to avoid the unacceptable cuts experienced last year by our beef and sheep farmers.

IFA urges Government to use Budget 2027 as an opportunity to reaffirm its commitment to the agricultural sector. The challenges outlined in the Annual Progress Report 2026 - from global energy shocks to inflationary pressures - highlight the need for decisive and targeted action. By investing in Ireland's indigenous farming systems and rural communities, the Government can ensure that the sector remains resilient, competitive, and capable of meeting the demands of a rapidly changing world.

Primary agriculture and the associated agri-food sector are Ireland's largest indigenous economic sector, operating across the country and exporting to over 180 countries worldwide. In 2022, the sector directly employed 164,900 people, representing 6.5% of the total workforce across 135,000 farms, 2,000 fishing vessels, and aquaculture sites, as well as approximately 2,000 food production enterprises. The sector provides between 10% and 14% of employment outside Dublin and the mid-east region. The sector is responsible for 4.5m hectares of agricultural land, over 800,000 hectares of forestry, and produces 9% of Ireland's exports each year.

Despite operating within increasingly volatile global markets, the agricultural sector continually proves its resilience and represents the foundation for economic activity and employment (both upstream & downstream). At an aggregate level, some 135,000 farms produce over €11.2bn in output. Beyond direct employment and agricultural value, the sector also plays a key role in the broader rural and local economy.

DAFM estimates that output multipliers range from around 2.5 for beef, 2.0 for dairy and food processing, and 1.75 for seafood. This compares with an average output multiplier of 1.4 for the rest of the economy and 1.2 for foreign-owned firms. While the integral role and importance of Foreign Direct Investment (FDI) to the national economy are well understood, the value of Indigenous industries requires more focus. Department of Public Expenditure and Reform (DPER) data suggests that aggregate direct expenditure from Irish-owned firms is comparable with foreign-owned firms (€27.6bn vs €29.8bn), with significantly higher proportions of food, drink, and primary production sales consumed locally relative to foreign-owned firms – 75% vs 9.7% respectively.

The shortfall in housing supply to the market is hindering our economy and population growth. From a development perspective, there is undoubtedly a need for a holistic approach to address the housing supply problem. Residential Zoned Land Tax (RZLT) on affected landowners and farmers will do little to solve the housing shortage. Many industry experts have commented that RZLT is a barrier to land transfers and an additional cost to the housing supply rather than encouraging landowners to sell zoned land to potential housing developers.

Planning, labour availability, and overall affordability are the core housing supply issues, not land availability or land cost. RZLT is trying to rectify a problem that never existed. Land availability was never the bottleneck in the adequate housing supply in Ireland. IFA's position remains that all actively farmed lands must be removed from the scope of RZLT.

The Infrastructure, Climate and Nature Fund will oversee a cumulative drawdown of €3.15 billion from 2026 to 2030. Farmers must receive funding to support improvements

in nutrient storage on farm, measures to ensure the maintenance and improvements in water quality, on-farm energy diversification and decarbonisation.

Government must ensure that farmers, as key stockholders in the delivery of Ireland's climate, biodiversity and water quality objectives, are significant recipients from this fund.

In addition to the requirement for a new source of funding for the agricultural sector, it is vital that Budget 2027 continues to adequately support the key agriculture schemes. Areas of Natural Constraints (ANCs), the Agri-Climate Rural Environment Scheme (ACRES), the Targeted Agricultural Modernisation Scheme (TAMS), the Suckler Carbon Efficiency Programme (SCEP), the Beef Welfare Scheme, the Sheep Improvement Scheme, the Sheep Welfare Scheme and the Organic Farming Scheme must also be adequately funded in Budget 2027.

This commitment is vital to deliver €300 per suckler cow and €35 per ewe in targeted payments, which will minimise the impact of significant cuts in Basic Payments that many will encounter in 2026 as convergence with the CAP programme continues. The overall complexity and bureaucratic burden surrounding existing farm payment schemes must be reviewed and simplified. The same extends to supports from Europe, and the Government must take advantage of the EU Presidency in the coming months to advocate for a properly funded and simplified CAP which reflects the interests and needs of Irish farmers and rural communities.

The Government and the Minister for Agriculture must fully support Irish farmers and rural Ireland. Within this submission, IFA sets out our proposed support measures spanning the following sections:

- Support for the sustainable growth of farm businesses in the face of increasingly volatile geopolitical change.
- Long-term funding commitments to support farm enterprises.
- Ring-fenced climate funding independent of the CAP.
- Promotion of competitiveness and natural advantages.
- Measures to support generational renewal.

Francie Gorman

Francie Gorman
IFA President

1. IFA proposal to Address the Cost of Business on Farms

The cost of operating a farming enterprise in recent years has been under severe financial pressure, mainly due to the increase in input costs. IFA reported in 2024 that costs on-farm had increased by 73% across all sectors for the period 2017-2023. We are now facing input costs inflating in 2026 at rate that is completely eroding any profit margins on farms. While some costs are very farm focused such as feed and fertiliser, many costs of operating a farm are universal to all Irish business.

1.1 Cost of Business Advisory Forum

IFA have participated in the *Cost of Business Advisory Forum* and made a number of submissions related to costs on farms. This forum, initiated by the Minister for Enterprise, Tourism and Employment, Peter Burke, will present a report outlining agreed stakeholder recommendations to address some of the most common issues that are leading to the high cost of doing business in Ireland today, including on farms.

Costs that were addressed in the work of the forum included energy costs and supply, insurance, regulatory burden, water services, legal costs, and compliance costs.

It is important that this report is seriously considered by the Government and recommendations implemented that will result in reduced overall costs for all businesses including farmers, and improvements in Ireland's competitiveness as a food exporting country.

1.2 Farm income impact analysis

Any regulatory changes imposed on farmers, either national or European policy changes, must have a prior income impact assessment completed. Major policy decisions, such as CAP, must have an income impact analysis completed before being implemented. Similarly, the Department of Agriculture did not conduct an impact analysis of the changes to nitrates regulations.

1.3 Stable regulatory environment

Regulations related to farming have been in a state of constant flux over the past five years. This is creating enormous uncertainty among farmers, making medium-term planning very difficult, which in turn has a knock-on impact on farm efficiencies and generational renewal. A period of stability is now required, with a pause on any further regulatory changes.

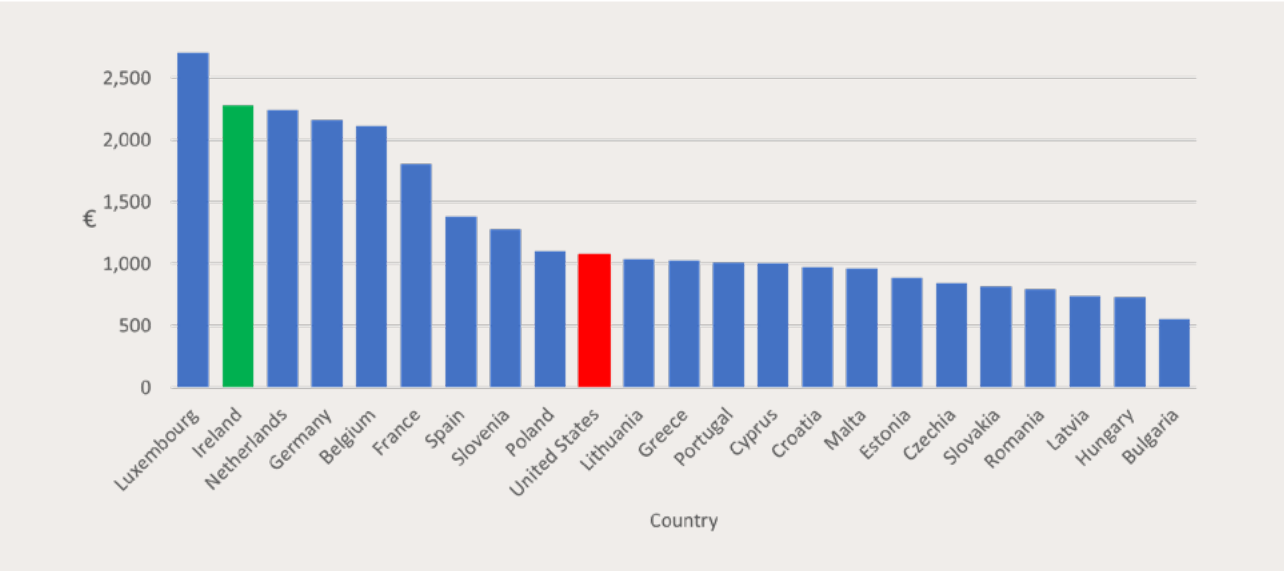
1.4 Additional support for vulnerable sectors

Farm incomes have experienced extreme volatility in recent years, particularly among vulnerable sectors. The Government must intensify its support for these sectors in Budget 2027 to ensure their long-term viability. It is also vital that any support schemes provided to small businesses do not exclude farmers as outlined later in this submission.

1.5 Support for agricultural employment

IFA make several proposals on employment costs in this submission to assist agricultural employment, particularly the horticulture sector, where labour can constitute up to 50% of total costs. Our high labour costs in comparison with other EU Member States is a major disadvantage for Ireland as a food-exporting country.

Figure 1 Monthly Minimum Wage Comparison



Source: Eurostat

1.6 Benchmarking of farm incomes to industrial wage

Farm incomes should be benchmarked to the average industrial wage on an ongoing basis. This would enable a proper comparative analysis of farm incomes to average wages in the broader Irish economy.

1.7 Income Stability Scheme for all agricultural sectors

Ireland's main agri-food exports are exposed to the volatility of world markets. This exposure results in instability in many farmers' ability to support medium to long term investment necessary to comply with ongoing regulations, for growth of family farm businesses and support generational renewal.

A commitment was made to introduce a volatility mechanism to assist farmers in dealing with income volatility in Budget 2026.

This voluntary mechanism must be open to all farmers and should permit them to defer a percentage of their annual receipts.

IFA Propose:

- The introduction of an agricultural Rainy Day Fund, which allows farmers across all sectors to put aside a small percentage of their gross receipts, whether in their co-op, a specially assigned bank account, or a State Farm Volatility Fund.
- The deferred funds could subsequently be drawn down within the following five years, and the tax due would be paid in the year of withdrawal.

2. Middle East Conflict

The conflict in the Middle East and disruption to trade has disrupted supply chains and caused a sharp rise in energy and fertiliser prices. Irish agriculture has been greatly affected due to its heavy reliance on green diesel (Marked Gas Oil (MGO)) and imported fertilisers required for crop and grass production.

2.1 IFA Proposal for Budget 2027 on Energy and Fertiliser prices

- **Removal/Suspension of carbon tax on green diesel**
  - Currently 17.2 cent/litre excl. VAT
  - Irish farmers have already directly paid well over €1bn in carbon tax on green diesel since its introduction
  - No alternative fuel other than diesel can be used in agricultural machinery
- Extension/Reinstatement of current fuel support schemes if fuel prices do not return to pre-middle east conflict levels.
- Long-term expansion of the farm diesel carbon tax relief scheme to enable agricultural contractors to qualify. The scheme should also be simplified to encourage a more widespread uptake of the relief.
- **Removal of the EU CBAM on imported nitrogen fertilisers**
  - EU Commission needs to immediately step in and exclude nitrogen fertiliser from CBAM tariffs
  - Ireland is particularly vulnerable due to reliance on Urea fertiliser from non-EU countries.

2.2 Fertiliser support scheme

The recent middle east crisis has led to a substantial escalation in fertiliser prices with Irish nitrogen fertiliser prices increasing by well over 50% since the start of 2026. In June, the European Commission announced CAP crisis reserve funding of €540m to support EU farmers in dealing with escalating fertiliser prices with Ireland expected to receive c. €15m of this fund. The Commission also granted Member States the capacity to top up its EU funding allocation by up to 200% from National funds.

It is now imperative that the Minister for Agriculture, Food and the Marine introduces a fertiliser scheme on the following basis:

- Additional 200% national funding is delivered in addition to EU funding allocation
- Scheme designed to ensure funding is delivered to farmers rapidly and with a minimal administrative requirement.
- Advance funding in current fiscal year may be required depending on conditionality of EU crisis reserve allocation.

2.3 Recent Government fuel supports for Farmers/ Contractors

- Initial €250m Fuel Support Package (24th March)
- IFA estimate that only c. €6m or 2.4% of the initial €250m package benefited farmers/contractors
- Additional €505m Fuel Support Package (12th April)
- €100m to farming and fishing sectors – Fuel Subsidy Support Scheme
- Almost 20% of the additional package to farming/fishing sectors
- Total €755m Fuel Supports
- Approximately 14% to farming/contracting and fishing sectors.

3. Need for ongoing Support to Agricultural Sectors in Budget 2027

High costs, combined with volatile and decreasing output prices, all point to a difficult financial year for farms in 2026 and the need for increased targeted supports for farm families (directly & indirectly) in Budget 2027.

An increasing cost of production trend has been evident for much of the past decade. In the period from 2016 to 2024 (see Table 1), data from Teagasc National Farm Survey, cost increases by sector ranging from 62% to 64% as the table below illustrates.

Table 1: Relative change in on-farm costs of production 2024 vs. 2016

Dairy	Sucklers	Cattle Finishing	Sheep	Cereal (S. Barley)
Cost per litre: +64% 2016: 21.6c 2024: 35.5c	**Costs/ha: +22% 2016: €933/ha 2024: €1,139/ha**	**Costs/ha: +16% 2016: €1,145/ha 2024: €1,331/ha**	**Costs/ha: +13% 2016: €1,012/ha 2024: 1,146/ha**	**Cost per tonne: +62% 2016: €174 2024: €283**
Feed: +91% [4.6 to 8.8cpl] Energy: +58% [1.9 to 3cpl] Pasture & Forage costs: +55% [4.2 to 6.5cpl] Fixed costs (incl land rental): +60% [6.7 to 10.7cpl]	Feed: +51% [€196 v 130/ha] Energy: €110 v 111/ha Pasture + Forage: +28% [€317 v €248/ha]	Feed: €391 v €293/ha Electricity & Fuel: €125 v €129/ha Pasture & Forage Costs: €308 v €250/ha Other Direct Costs: €125 v €82/ha Other Fixed Costs: €382 v €390/ha	Concentrates: €281 v 232/ha Pasture & Forage: €169 v 139/ha Other Direct Costs: €189 v 141/ha Total Fixed Costs: €508 v 501	Yield held c7T/ha for much of past decade. 2023/2024 below average at c.6T/ha

(Source: Teagasc National Farm Survey)

The current conflict in the Middle East and the subsequent disruption to energy and fertiliser supplies are exacerbating cost increases in 2026. IFA estimates a significant increase in production costs due to the surge in green diesel and fertiliser prices (Table 2). This will have considerable impact on already low farm incomes for most.

To give some perspective, over half (53%) of Irish farmers had a farm income of less than €20,000 in 2024, while three-quarters earned less than €50,000. The Teagasc National Farm Survey clearly showed the need for support in order to sustain the cattle, sheep, and tillage sectors.

Table 2: Estimated potential impact of Middle East conflict on on-farm production costs

Farming Sector	Estimated increase vs. 2024 levels
Dairy	+4.6 cent/litre
Tillage	+€22/tonne of Spring Barley
Suckler	+€193/cow
Other Livestock	+€121/Livestock Unit
Sheep	+€36/ewe

(Source: IFA estimates)

Table 3: Distribution of Farms by Average Family Farm Income (FFI), 2024

FFI (€)	Dairy % of farms	Cattle Rearing % of farms	Cattle Other % of farms	Sheep % of farms	Tillage % of farms	All Farms % of farms
<€5,000	0	34	20	0	24	18
€5-€10,000	0	17	23	0	0	15
€10-€20,000	0	22	24	30	0	20
€20-€30,000	5	13	15	22	0	13
€30-€50,000	13	10	9	12	22	11
€50-€70,000	13	0	5	12	14	8
€70-€100,000	16	0	0	0	0	5
>€100,000	46	0	3	0	0	10

(Source: Teagasc National Farm Survey, 2025)

4. General Farm Schemes

Despite consistently delivering a wide range of the highest quality food ingredients globally, most farmers struggle to obtain a positive market return for their endeavours.

It explains why there remains a huge dependence on EU direct payments to remain viable, most particularly among the vulnerable drystock sectors, but also why it's imperative that all our elected representatives, both here and in Brussels, work collectively to deliver a strong, dedicated and enhanced Common Agricultural Programme (CAP) budget as part of the upcoming Multi-Annual Financial Framework (MFF) and CAP negotiations.

Current Commission CAP proposals, particularly in relation to the reduced budgetary allocation to the next CAP program will threaten the viability of many farms in Ireland. DAFM must take lead responsibility in the development of the National & Regional Partnership plans (NRPP) and ensure maximum provision of unallocated NRPP funding & co-financing from National Exchequer funding to mitigate any deficit in required funding secured.

For both the existing and next farming generation, it is imperative, at a minimum, this is achieved.

IFA CAP Priorities:

I	ncreased CAP Budget
R	eward Active farmers
I	ndependent and coherent CAP Regulation, controlled by Ag Ministries
S	implification evident at farm level
H	ave transitionary arrangements in place to preserve key farm supports.

Table 4: Relative importance of Direct Payments as % of Farm Income by Farm Sector (Av. 2023/24)

Av. 2023/2024	CAP payments as % of Farm Income
Dairy	30
Cattle Rearing	165
Cattle Other	98
Sheep	123
Tillage	111
All Farms	73

(Source: Teagasc National Farm Survey)

IFA Propose:

- Targeted sectoral support: sucklers (€300/cow), sheep (€35/ewe), tillage (€400/ha for additional land planted; €250/ha for cereal land retained), calf rearing (€100/dairy beef calf); beef sustainability (€100 per dairy and suckling yearling).
- Strong measures to support committed young farmers, female farmers & new entrants across all schemes.

4.1 Areas of Natural Constraints (ANCs)

The ANC payment is the first direct payment typically received by farmers annually, and represents an integral revenue stream, particularly for the more vulnerable farm sectors. It offers support to farmers who face significant hardship from factors such as remoteness, difficult topography, climatic problems and poor soil conditions Currently, it is worth €250m to nearly 100,000 farmers annually. ANC's allocation where reduced following the financial crisis in 2008 and subsequent austerity measures but never fully re-instated.

IFA Propose:

- Increased funding should be allocated to the ANC scheme with existing payment rates adjusted for inflation (offering maximum payments of c.€5,500 for Category 1 lands and c.€4,000 for Category 2 lands at existing thresholds) and eligible area increased. This will help better preserve and protect the unique uplands eco-system; avoid land abandonment; and sustain the economic viability of a dwindling cohort of farmers. In 2024, €242.5m was spent on ANC, covering c.2.23m eligible hectares. However, an additional 1.24m ANC hectares was unpaid because of prevailing thresholds set.

4.2 Agri Climate Rural Environment Scheme (ACRES)

Farmers are fully committed to the enhancement of the environment along with maintaining the economic vibrancy and amenity value of the countryside and rural Ireland. This is demonstrated by the phenomenal uptake and actions taken by farmers in the beleaguered Agri Climate Rural Environment Scheme (ACRES) and the fact that 97% of BISS applicants also committed to undertake voluntary eco-scheme actions.

IFA Propose:

- All farmers seeking to participate in an agri-environmental scheme must be accommodated. Farmers (most especially young farmers/new entrants) cannot be left without an agri-environmental scheme for the remaining term of the existing CAP programme.
- There are a number of short-term changes required of the current ACRES scheme:
  - All outstanding payments should be issued to farmers as a matter of priority.
  - The 'Landscape Bonus Payment' should be issued by way of a lump-sum payment end 2026.
  - The ceiling of €7,000 for results-based payments must be lifted to better recognize the exceptional scale and quality (biodiversity) on farm holdings where applicable.
  - There needs to be simpler, clearer communication as to payment receipts so that the farmer knows what they are being paid for, and also how much budget they have remaining toward possible Non-Productive Investments/Landscape Actions.

- Greater direct and ongoing communication involving farmers and ACRES CP Teams is required, with more flexibility and responsibility afforded to ACRES CP Teams to streamline existing processes and funding to farmers.
- Finally, farmers invested in ACRES need reassurance now as to what happens when their current contract ends. Consideration should be given to priority access and 'loyalty bonus' payments in future Agri-Environmental schemes.

- Maximum flexibility must be afforded, and no penalty applied, to farmers who, because of supply constraints nationally and/or weather challenges, are unable to fulfil contracted scheme requirements – e.g. native hedging; trees, fencing etc. Planting requirements should span the lifetime of the scheme to allow national suppliers build necessary native stocks rather importing plants and expose native species to greater risk of disease.

4.3 Targeted Agricultural Modernisation Scheme (TAMS)

TAMS has contributed to the upgrading and modernisation of Irish farms, as well as the purchase of new / innovative equipment / technology for many years now, helping improve on-farm efficiencies.

Its benefit has been significantly curtailed more recently by Rank & Selection and underlying budgetary constraints, together with delays in issuing payment claims, causing real frustration among farmers. These need to be rectified. Additional national financing, together with further prioritisation of key investment items (i.e. investments re nutrient management storage; animal welfare; water quality; etc) is required.

Given further upward price pressure, certain TAMS reference costs, even post review, remain out of kilter with prevailing market prices. To keep in line with current upward trends, investment ceilings must be increased further and costings (most especially key materials most exposed) must be index linked and/or updated at least annually.

IFA Propose:

- Provide at least €100m in funding for TAMS in 2027.
- To keep in line with prevailing prices, investment ceilings should be revised upwards and costings updated.
- Additional items should be added to include grant aid for dribble bars; rubber mats, ATVs, UTVs, virtual collars/ fencing and quad gates.
- Increased TAMS grant aid of 70% for slurry storage investment to be made available to all farmers regardless of their Nitrates status and/or current levels of on-farm slurry storage.
- All farm safety; nutrient management; animal welfare & water quality investment items to be prioritised in Rank & Selection criteria.
- Re the Young Farmer Capital Investment Scheme and the Women Capital Investment Scheme, there needs to be established a clear and simplified activity demonstration process, with no farmer disadvantaged from previous DAFM guidance – e.g. a reduction in names being listed to a holdings herd number.
- For the Women Capital Investment Scheme, a rolling base reference year should apply, otherwise new entrants since 2022 will be disadvantaged. An independent ceiling should also apply and similar priority as afforded to Young Farmers.
- Need for a significant upward revision of TAMS 3 for the pig sector to facilitate the significant investment required at farm level and consideration of funding this through a separate mechanism to TAMS 3.

4.4 Forgotten Farmer Scheme

The long awaited 'Long Established Young Farmer Scheme' launched in 2025. Despite a lower than required allocation per Budget 2025, less than half of the €5m ring-fenced was actually drawn down from the scheme – a factor of the restrictive eligibility criteria applied and limited application window.

Consequently, there remains a significant cohort of 'Forgotten Farmers' still without support – i.e. farmers who lost out following the removal of young farmer supports (Installation Aid) in 2008 due to cuts in public expenditure by the Government following the last recession, unable to qualify for the young farmers supports introduced under CAP 2015 because in many cases they had been farming for five years or more.

This needs to be addressed and adequately resourced to provide comparable financial support for this cohort of farmer.

IFA define a Forgotten Farmer (Old Young Farmer) as the following:

- A Basic Payment Scheme recipient before 1st January 2015;
- Was ineligible for the Young Farmer's Installation Scheme under the RDP 2007-2013 because they started farming after 14th October 2008, the date which applications to the scheme were suspended;
- Was ineligible for the Young Farmer's Scheme under CAP 2014-2020 because they had set up their holding more than five years preceding the first submission of Basic Payment Scheme.

IFA Propose:

- A Forgotten Farmer scheme be introduced, with all farmers meeting the above parameters eligible to apply for a one-off payment, equivalent to what they would have received under the Installation Aid scheme, together with the following and/or equivalent schemes:
    - Complementary Income Support for Young Farmers;
    - National Reserve;
    - TAMS/Young Farmers' Capital Investment Scheme (Access to increased level of 60% grant aid).

5. Climate & Nature Fund – Delivering a Just Transition for Agriculture

The Infrastructure, Climate and Nature Fund was announced as part of Budget 2024 and is financed through annual contributions of €2 billion from windfall corporation tax receipts.

Up to €3.15 billion may be drawn down between 2026 and 2030 to support projects that assist Ireland's transition to climate neutrality and address nature restoration, water quality and biodiversity challenges.

Given agriculture's central role in delivering Ireland's climate, biodiversity and water quality objectives, it is deeply concerning that only a limited proportion of the Fund has been directed towards practical on-farm measures, while significant allocations have been made to other Government priorities. Farmers are being asked to deliver substantial emissions reductions and environmental improvements, yet there is little evidence that the scale of funding available reflects either the contribution expected from the sector or the level of investment required at farm level.

IFA believes that a substantial proportion of the Climate and Nature Fund, together with revenues generated through carbon taxation, must be ring-fenced for agriculture. Farmers need certainty that additional climate and environmental obligations will be matched by dedicated financial supports and that Government is committed to delivering a genuine Just Transition for farm families.

IFA Propose:

- Additional financing under the Climate and Nature Fund must be allocated and ring fenced to support the following measures and provide farmers with the long-term certainty required to invest in climate action and environmental improvements.
- Introduce a **targeted grant aid scheme, alongside Accelerated Capital Allowance (ACA)** supports, to accelerate farmer investment in proven measures delivering measurable climate, biodiversity and water quality outcomes. The scheme should prioritise nutrient management technologies, low-emission slurry spreading equipment, water protection infrastructure and biodiversity enhancement measures, and complement existing TAMS by addressing current gaps in eligible investments.
- Establish a dedicated **Watercourse Fencing Scheme** providing 100% grant aid for fencing adjoining watercourses on Natura 2000 and other designated lands, and 75% grant aid on all other farmlands. The scheme should also support alternative drinking water systems and associated infrastructure where required.
- Introduce scheme to provide all farmers with a bespoke **Rainwater and Nutrient Management Plan**, free of charge, supported by one-to-one on-farm consultation with a suitably qualified adviser to maximise nutrient efficiency, improve water quality and reduce emissions.
- Introduce a dedicated **Nature and Nutrient Management Scheme**, open from 2027-2030, providing a minimum grant aid rate of 60% for investments that deliver climate, biodiversity and water quality benefits. The scheme should be available to farmers not eligible for TAMS and should support items currently outside the scope of TAMS, including dribble bars and other emerging technologies.
- Re-establish and significantly expand the **National Liming Programme**, with increased eligible area limits and enhanced grant aid rates that reflect inflation, rising input costs and strong farmer demand. Improving soil fertility through liming remains one of the most cost-effective measures available to improve nutrient efficiency, reduce chemical fertiliser requirements and lower agricultural emissions.
- Introduce a new **Farming for Habitat and Species payment** to reward farmers delivering biodiversity and habitat outcomes and provide continuity of support for participants in EIP schemes, including the Hen Harrier, Pearl Mussel and Burren Programmes. Farmers in hill, upland and designated areas must be fully eligible.
- Expand and enhance the **NPWS Farm Plan Scheme** for all farmers with designated lands. Payment rates should reflect the additional costs, restrictions and income foregone associated with designation, while sufficient resources must be allocated to ensure timely approvals and payments.
- **No further land designations or restrictions on designated lands** should be introduced until existing designations are adequately compensated and current administrative shortcomings are addressed. Any future designation proposals must involve meaningful engagement with affected landowners and include an independent appeals process.
- Establish an **Active Predator Management Scheme** under the National Biodiversity Action Plan to address biodiversity losses arising from predator pressures and increased recreational activity in sensitive habitats.
- Introduce a **Historic Hedgerow Rejuvenation Scheme** to restore and strengthen Ireland's hedgerow network, improve biodiversity and enhance carbon sequestration. Additional supports should be provided for beekeeping and pollinator-friendly actions.
- To accelerate the delivery of Ireland's Biomethane Strategy:
  - A **dedicated support package for farm-scale and community-scale anaerobic digestion (AD) projects** should be introduced, this should include e capital grant aid for the construction of on-farm AD plants and associated digestate storage infrastructure.

- Establish **Government-backed low-cost finance,** similar to SBCI lending products, to support investment in AD facilities.
- Introduce a **Biomass Mobilisation Scheme** to support the development of sustainable feedstock supply chains. Agricultural feedstocks supplied to AD plants must not be classified as waste.
- **Streamline planning, licensing and regulatory processes** for AD developments through statutory decision timelines and nationally consistent assessment criteria.
- **Prioritise the use of livestock slurry and farmyard manure as feedstocks** in AD plants to maximise emissions reductions and nutrient recycling.
- Establish a **transparent and independent pricing mechanism** to ensure a sustainable return for farmers supplying feedstocks to AD plants.
- Ensure **all existing agricultural taxation measures, reliefs and exemptions** continue to apply to farmers participating in AD projects.
- Support the **reclassification of digestate under the Nitrates Directive,** in line with scientific evidence, so that it does not count towards a farm's organic nitrogen loading and can support more circular agricultural systems.
- Ensure **digestate from AD plants is eligible for use on organic farms,** subject to compliance with organic standards.
- **Safeguard animal welfare and food production** by ensuring grass and other feed products remain prioritised for livestock. In periods of fodder shortage, feedstocks suitable for animal consumption should be diverted from AD production for use as livestock feed.

5.1 Energy Efficient on Farm equipment

A dedicated energy efficient scheme to assist farmers to take measures to adopt emerging technologies that will decarbonise and reduce dependency on fossil fuels should be introduced with direct funding from the Climate & Nature Fund. Initial purchase of this machinery and equipment are often expensive. Grant funding will promote adoption by farmers and reduce emissions and carbon use in their lifetime use on farm.

IFA Propose:

Funding for:

- Electrical equipment replacing Internal combustion engines – EV Quads, Loaders, slurry collectors, feeding systems, cubicle bedding machines.
- GPS equipment
- Liquid fertiliser infrastructure and equipment on farms

5.2 National Liming Scheme

The correct pH of the soil is essential to maximise the uptake of available plant nutrients.

IFA Propose:

- The reintroduction of the Liming Scheme for 2027-2028 with increased payment of €20 per tonne. In light of increasing fertiliser prices, this is a scheme which will deliver returns for the full farming sector and improve efficiency of fertiliser usage.

5.3 Protein crop supports

To encourage farmers to grow protein crops such as peas, beans, lupins and combi-crops, rates up to €600/ha for beans/peas/lupins should be offered; 50% for combi-crops.

5.4 Multi-Species Sward (MSS) Scheme, including support for red clover

Under review per Budget 2026, with applications since suspended, this scheme should be re-instated and adequately financed, particularly given ongoing market pressures.
The scheme was introduced to promote environmentally sustainable methods of farming, and greatly reduce nitrogen fertiliser usage, while maintaining forage yields. It has proven particularly popular among farmers and should be re-instated, with increased eligible area and financial incentives offered. More than 1,600 farmers were paid over €2.1m for the 2025 Red Clover scheme, with 847 farmers paid €0.75m per the 2025 MSS scheme.

5.5 Over-Wintering Support Scheme

With significant uplift in fertiliser prices to date, and more expected, fodder and straw supplies may be below previous levels. While many may have available stocks, there may be some farms who still hold less than required. The Fodder Transport Scheme introduced by Government in 2024 was welcome but proved overly restrictive with limited uptake as a result. A new Over-Wintering Support Scheme should be introduced, spanning fodder & bedding, with applications open to all farmers. Increased allocations should be afforded to farmers in uplands and Natura 2000 sites.

5.6 Proposals from the IFA Energy from Farms Project Team

Under the Climate Action Plan, Ireland has committed to ambitious renewable energy targets, including the production of 5.7 TWh of biomethane by 2030 through Anaerobic Digestion (AD), alongside a major expansion of small-scale renewable electricity and renewable heat generation on farms. These targets present a real opportunity for the farming sector to be at the forefront of the expansion of renewable energy generation in Ireland. High capital costs, poor rural grid infrastructure, restrictive tariffs and planning systems are holding back progress and making it extremely difficult for farmers to advance renewable energy projects. The IFA Energy from Farms Project Team has developed a comprehensive set of practical proposals to address the barriers farmers face and unlock the full potential of farm-scale renewable energy, across biomethane, wind, solar and renewable heat.

- Introduction of a min 50% capital grant for development of farmer owned farm scale biogas plants – financed through Infrastructure and Climate and Nature Fund (ICNF) and or/ feed in tariff
- Immediate introduction of Renewable Heat Obligation (RHO). The RHO is necessary to make the Biomethane sector financially viable.
- Introduction of renewable energy finance scheme that provides state-supported low-cost finance.
- Establish a dedicated farmer category within the SmallScale Renewable Electricity Support Scheme (SRESS) with scaled support to protect the viability of small and medium scale projects.
- Support Scheme for Renewable Heat (SSRH) has an increased budget allocation in Budget 2027.
- Renewable taxation reliefs for solar farms extended to farmer invested wind turbines.
- Maintain all existing taxation reliefs and exemptions for farmers involved in AD and any other renewable activities.
- Solar- incentive/allow farmers to install systems beyond their own usage and export surplus electricity to the grid.

5.7 Funding for Roof-Top Solar

Farmers can make a significant contribution to Ireland's renewable energy and climate targets by utilising existing farm buildings to generate clean electricity. To allow for further investment by farmers in roof-top solar a multi-year fully funding commitment is required for predictability and confidence.

- Increase in the grant value for farms under the Non-Domestic Microgen Grant (NDMG) administered by Sustainable Energy Authority of Ireland (SEAI).
- Battery storage should be included in the SEAI grant scheme and allow a second application where battery funding was not allowed previously.

Scan the QR code for full PDF document

6. Measures to Support Farm Enterprises

6.1 Knowledge Transfer Scheme

Knowledge Transfer (KT) schemes are Department of Agriculture (DAFM) funded programs offering farmers up to €750 annually for participation in group meetings and one-to-one advisory sessions focused on profitability, environmental sustainability, and safety. These KT schemes initiatives cover dairying, drystock, and tillage. While the KT programme has delivered clear benefits across these farming sectors through peer learning, expert guidance, and structured farm planning, pig and poultry farmers have been excluded in the most recent KT programme.

Adequate, targeted knowledge transfer and advisory support must be in place to assist farmers in improving on-farm efficiency and/or sustainability.

Farmers must receive the maximum possible payment from participation in mandatory KT events. **All sectors must be included in the KT Scheme.**

6.2 Suckler and Beef

Introduction

Ireland's suckler and beef sector is the country's largest farming enterprise generating over €3.4bn in export value in 2025 sustaining more than 80,000 family farms across rural Ireland.

Beyond its economic contribution, the sector is crucial to maintaining overall agricultural output while supporting Ireland's climate commitments.

It also has an important role in providing the systems, skills and capacity required to rear dairy beef calves in a way that is both sustainable and viable in the long-term providing sufficient supports are in place.

Despite its scale and importance, the sector is increasingly under strain and in measurable decline. Over the past decade the national suckler herd has fallen by approximately 250,000 head representing a reduction of almost 25%.

Financial pressure is a central factor driving this decline. Suckler and beef farming is one of the lowest income enterprises in Irish agriculture, with many farms' dependent on direct support for over 100% of their family farm income.

Recent changes to the Common Agricultural Policy have had a significant negative impact on the most productive farmers within the suckler and beef sector. The transition away from production-based supports towards environmental payments has affected these farmers, effectively reducing their income potential.

As direct supports linked to food production have been removed farmers are now required to meet higher production and environmental standards which in many cases has reduced efficiency and overall farm output.

The combination of declining incomes and increased operational pressures has heightened the vulnerability of the sector. This is contributing to the ongoing exit of farmers from suckler and beef production.

The suckler herd is fundamental to the social, economic and environmental sustainability of rural Ireland. Given its contribution to both local communities and national export performance, the sector must be recognised as a strategic national resource. Ensuring its future viability will require meaningful and targeted direct supports that address both income stability and long-term sustainability.

There must be no linear cuts to payments under the National Beef Welfare Scheme or the National Dairy Beef Weighing Scheme in 2026. Any additional funding required to ensure farmers are paid in full for all actions undertaken in the scheme must be provided by the exchequer. Farmers who have delivered on scheme requirements cannot be expected to absorb funding shortfalls.

6.2.1 Suckler Cow Supports

Direct supports for suckler farmers must be increased to a minimum of **€300/cow** to ensure economic viability, long term sustainability and generation renewal within the sector. This is essential to maintain the sectors positive contribution to climate targets and its role in supporting the socio-economic, environmental and biodiversity of rural Ireland. The current National exchequer scheme which provides €75/cow for up to 45 cows must be extended to 2027 with funding increased to deliver **€300/cow in combination with SCEP.** The scheme must be available for all suckler cows on the farm and eligibility criteria should ensure there is no leakage of this funding from suckler farms.

6.2.2 Beef Calf from Dairy herds Rearing Scheme

There must be a Dairy Beef Calf Welfare Scheme that provides meaningful incentives for farmers to rear calves from the dairy herd. The scheme should reflect the costs, labour and standards required to maximise performance and viability of this livestock production system. Farmers who follow best practice in this area and who focus on rearing high commercial beef value (CBV) calves should be supported with a payment of **€100 per calf** for the rearing phase of these animals.

6.2.3 Beef Sustainability Scheme

Farmers feeding animals for the second year of beef production will be required to play a pivotal role in achieving the climate target ambition for the sector. The sector is a low-income vulnerable sector that has had a significant reduction in CAP direct payments. The resources are not available on these farms to deliver the changes required to achieve the climate ambition for the sector. Farmers rearing and finishing weanling and store cattle born in suckler and dairy herds must be directly supported for this phase of the process with a minimum of **€100/animal** to support measures that maximise the performance of these animals. **Young Bull finishers** have the potential to positively impact on the average age of slaughter of all prime cattle and must be supported in addition to the **€100 payment** reflecting this high-cost specialist production system.

6.2.4 Straw Incorporation Scheme for livestock and Sheep farmers

Livestock farmers who utilise straw for the bedding of cattle and sheep are providing optimum animal welfare conditions in the management of their animals over the winter months at, in the majority of cases, an extremely high cost. The majority of suckler and sheep farmers are small scale farm enterprise's situated long distances from the area's tillage crops are grown in the country and where straw is most available. Transport costs for these farmers regularly exceeds the actual cost of the straw.

To support these farm enterprise's and support optimum animal management practices on these farms, cattle and sheep farmers purchasing straw for animal bedding should be directly supported for this action also recognising the environmental benefits of this practise.

The benefits of incorporating straw into soils is recognised in the CAP Strategic Plans and tillage farmers are rightly supported for this action.

The level of supports provided to tillage farmers in the Straw Incorporation Scheme should be provided in a separate national scheme with **new funding to livestock and sheep farmers who utilise the straw for bedding their animals and then incorporate it back into the soil** on their farms.

6.3 Sheep

Introduction

The sheep sector in terms of farmer numbers, is the second largest farm sector in Ireland, carried out on almost 34,000 farms often on some of the most challenging farming lands in the country. It plays a vital role in sustaining rural communities, supporting local economies and maintaining environmental integrity and biodiversity in large areas across the country.

In 2025 sheep meat exports were valued at approximately €360m accounting for over 51,000 tonnes representing a 15% decline compared to 2024 which reflects a significant reduction in production. The national flock has contracted sharply with the loss of over 200,000 ewes in the last 2 years, and for the third year running national sheep numbers have declined.

The decline is further evident in processing figures with sheep factory throughput back over 800,000 head in the past two years. This trend places the sector at a critical point in terms of its long-term sustainability, its ability to retain key export markets and the viability of processing capacity.

Meaningful long-term actions and firm commitments are urgently required to stabilise and rebuild the sector.

Sheep farming remains an extremely low-income sector with family farm income heavily reliant on direct supports exceeding 100% of farm income on sheep farms.

The average size flock is just over 100 sheep with average ewe numbers per farm of c.70 ewes. NFS 2024 has Av Ewe 154. Total Sheep 290. This small-scale structure combined with low-income levels present serious challenges to the sustainability of the sector and to generational renewal.

The hill sheep sector faces particular challenges, including lower market returns for store lambs and more difficult operating conditions. These farms make a critical contribution to biodiversity and the sustainability of upland areas. This contribution must be properly recognised through targeted supports to ensure the viability of farms in these regions.

Dog attacks on sheep remains a serious and escalating issue causing significant financial losses, animal welfare issues and emotional strain for farm families. Stronger enforcement of dog legislation, increased resources for dog warden services and greater accountability for dog owners are urgently required to address this growing problem.

6.3.1 Direct supports

With sheep numbers and processing continuing to decline there is an urgent need to strengthen and target direct support to stabilise the sector and rebuilt the national flock.

There must be no linear cut to the Sheep Welfare Scheme payments in 2026. Any additional funding required to pay farmers in full for the actions carried out on farms in the scheme must be provided.

Targeted payments for sheep farmers must be increased in the National exchequer sheep scheme for 2027. The existing scheme must be continued and enhanced with additional funding and stronger support for farmers lambing ewes.

Payments in the scheme must be increased to €23/ewe to bring total direct support to **€35/ewe** when combined with the Sheep Improvement Scheme (SIS), with an **additional €10 for hill sheep** farmers.

There must be **increased financial supports** for sheep farmers investing in labour saving equipment and infrastructure on farms.

6.3.2 Dog Control

Government must provide **appropriate resources and funding** to allow an effective operational Dog Warden service in every county with staffing levels that **ensure enforcement** of the obligations of dog owners.

6.4 Animal Health

Irish farmers continue to lead the way in maintaining high standards of animal health and welfare, delivering significant benefits to the wider agri-food sector. However, the costs of these efforts should be shared more fairly among all who benefit.

The TB eradication programme is costing farmers over €150 million annually. Strengthening the current programme is essential to bring the disease under control. IFA has identified key measures targeting the main drivers of infection, but implementing these, alongside adequate financial supports for affected farms, will require significant government resources.

Irish farmers have significantly reduced antibiotic usage and are committed to the *"One Health"* approach. However, further progress requires stronger Industry and Government support, including enhanced regional veterinary laboratory service, reliable vaccine supplies, and reduced costs for essential animal health tools.

6.4.1 TB

TB continues to be a significant burden with a cost in excess of €150 million per year borne directly by Irish farmers. This direct cost does not include loss due to under compensation because of arbitrary ceilings placed On Farm Live Valuations.

6.4.2 Compensation

The On Farm Market Valuation (OFMV) scheme is a long-standing agreement between farmers and Government to provide farmers with the full market value of animals removed under disease eradication/control schemes. The Department of Agriculture's Farmer information Booklet states that 'For purposes of Livestock Valuations "Market Value" will be the equivalent price which might reasonably have been obtained for the animal at the time of determination of Compensation from a purchaser in the open market. The inclusion of arbitrary ceilings in the scheme contravenes this and is unfairly taking animals from farmers below their actual market value. The welcome increase in value of livestock in the past 12 months has resulted in significant numbers of ordinary commercial animals not now receiving their market value. These arbitrary **ceilings must be removed from the scheme and full compensation must be paid** for all animals removed as TB reactors.

6.4.3 Wildlife

Wildlife plays a key role in the spread of TB and as a reservoir of disease. The TB Action plan has measures in place to reduce this spread, but they are reliant on staffing levels and resources being available. The Department must ensure that there is a **fully staffed and funded wildlife control programme.**

6.4.4 Deer Management

Government must **build on the funding allocation** provided to the Deer Management Strategy Group and provide a financial incentive to encourage the removal of young female deer while markets are being developed.

6.4.5 Farmer liability in payment for TB Testing

Farmers have a long-standing agreement with Government in relation to payment for TB testing on their farms. The agreement requires farmers to pay for only one full herd test a year at no shorter interval than 10 months, all other legislatively required testing is paid for by the Department of Agriculture. **Government must honour the long-standing agreement in relation to payment for TB testing.**

6.4.6 VAT Rate on Vaccines

The current VAT rate on vaccines is 23%, with farmers spending over €40m on vaccines annually. **Reducing the rate to 0%** would result in over €10m in direct savings for farmers and promote increased usage of vaccines on farms. The VAT rate on vaccines and other associated important on farm medicines that are liable to VAT should also be reduced to 0% rate.

6.4.7 Regional Veterinary Laboratories

In 2019, €33.5m was allocated for a 10-year programme to enhance the RVL Network and associated services to farmers. It has been 7 years since the commitment was made and no infrastructural development or enhancement of services to farmers has been visible. The **€33.5m allocation for the upgrading of the RVL network must be utilised** and the enhancements to the services to farmers from the RVL network provided.

6.4.8 Herd Health Plans

Government should provide **funding to directly support farmers to develop and implement herd health plans** to ensure antibiotic usage on farms is minimised and the most effective parasite control programme for the farm is employed in line with the EU's one health approach.

6.4.9 Biosecurity

Biosecurity has a role to play in herd health. Government should provide a **targeted advisory service** delivered through the farmer's own PVP to support farmers in implementing biosecurity on their farms. There should be funding made available through TAMS grant aid to fund these biosecurity measures.

6.4.10 AHI Programmes

Animal Health Ireland was given a mandate to carry out disease eradication and disease control programmes for non-statutory diseases through a stakeholder lead model. If the Department of Agriculture are serious about this model, it must make the **necessary resources** available for the current range of programmes that AHI operate.

These include

i. **BVD**

The Department of Agriculture must **fund the full cost of all remaining BVD testing** requirements and associated costs from 2027. The compensation for PI calves should come in line with market value.

ii. **Johnes**

The Department of Agriculture funding and resource commitment to the programme must be extended and built upon to ensure all positive herds have the **testing and advisory supports fully funded** in the programme.

iii. **IBR**

Government must **outline the level of funding** they are prepared to provide for a National IBR programme. The proposed IBR programme was costed at €40 million per year for 15 years.

6.4.11 Fallen Animals

The entire fallen animal disposal system requires review in order to deliver the most efficient system that guarantees collection of fallen animals to all farmers in the country at competitive rates provided. DAFM should **subsidise the cost** of collection to reduce the burden on farmers and ensure the fees charged to all farmers are competitive.

6.4.12 Exotic diseases

There have been cases of Exotic diseases in the European Union in recent years including Lumpy Skin Disease, Bluetongue and Foot and Mouth. The Government must **develop comprehensive plans** for managing these diseases should they enter the country. This should include the **establishment of a fund that supports farmers** for all associated costs and losses resulting from the disease, including trade impacts, animal losses, production losses on farms, and the cost of a vaccination programme should it be deemed necessary.

6.5 Dairy

Ireland's dairy sector remains one of the most dynamic and export-driven sector of the agri-food economy, delivering significant economic value, sustaining rural employment, and underpinning the wider agricultural supply chain. It is a cornerstone of Ireland's indigenous economy, with family farms at its core, contributing strongly to national exports while operating within a highly regulated and increasingly complex policy environment.

However, as Budget 2027 approaches, the sector is facing a period of heightened uncertainty and pressure. Global market volatility, driven in part by geopolitical instability and fluctuating commodity prices, continues to impact farmgate returns. At the same time, input costs—particularly fertiliser, feed, energy, and compliance-related investments—remain elevated, placing sustained pressure on farm incomes and cashflow. This volatility highlights the need for policy mechanisms that can provide stability and protect farm viability during cyclical downturns.

In parallel, Irish dairy farmers are operating within one of the most stringent environmental regulatory frameworks in Europe. The long term retention of Ireland's nitrates derogation is critical to the continued viability of the sector. This underscores the urgent need for a properly resourced and technically robust Nitrates Section within the Department of Agriculture Food and the Marine capable of undertaking the necessary assessments and justifying Ireland's current derogation at EU level.

Significant capital investment is also required at farm level to meet environmental, climate, and animal welfare standards. However, existing schemes such as TAMS have become largely inaccessible to many dairy farmers due to budget constraints and eligibility limitations. Without enhanced and more flexible supports, there is a real risk that farmers will be unable to deliver on policy objectives, undermining both environmental progress and economic sustainability.

Budget 2027 must deliver a targeted and practical package of measures that recognises the strategic importance of the dairy sector while addressing the financial and regulatory pressures facing farm families. Key priorities include the introduction of a volatility mechanism to stabilise incomes, targeted VAT reliefs on essential equipment and animal health investments, and enhanced supports for young farmers to encourage generational renewal.

In addition, increased funding of TAMS, alongside the development of a new national grant scheme for environmental investments such as slurry storage and solar infrastructure, is essential to ensure farmers can meet evolving regulatory requirements. Measures to improve cashflow and incentivise investment—such as accelerated capital allowances, fertiliser supports, and stamp duty relief for active farmers—will also be critical.

6.5.1 Fertiliser Support Scheme

Ireland has a favourable grass growing climate and this provides our grass based dairy system with a competitive edge. This system requires efficient use of fertilisers in combination with recycled animal nutrients. The surge in fertiliser cost because of the Middle East conflict has seen Urea process rise to €1000 per tonne. Nitrogen based fertilisers, phosphates and potassium are also affected by supply disruption and significant price volatility, with price increse of 35-50%. A previous support scheme in 2022 to combat the high cost of growing and preserving forage excluded dairy farms. Dairy farmers must be included in any support scheme to combat the high cost of fertiliser and preserving sufficient forage for winter 2026/2027. Such a support scheme is needed in addition to suspension of EU CBAM on fertilisers.

IFA Propose:

- **VAT refunds** on essential farm investments, including:
  - Calf feeders
  - Generators
  - Milk tanks
  - All investments that promote animal welfare
  - Introduction of **accelerated capital allowances** on key farm equipment such as milking parlours, scrapers, and feeders.
- Investment & Modernisation Supports
  - Increased Government **financing of TAMS** (Targeted Agricultural Modernisation Scheme) to improve accessibility. (remove the need for rank and selection)

6.6 Tillage

The tillage sector remains economically very vulnerable in 2026. This is primarily resulting from low global grain prices and very high costs of production.

The outbreak of conflict in the Middle East in February 2026 has caused diesel fuel and nitrogen fertiliser inputs to increase substantially which has further increased costs on top of an already very high base. Tillage farmers are particularly exposed to inflation in these inputs during the spring planting, fertiliser application and harvest periods. IFA analysis indicates that cost of producing a tonne of spring barley could increase by as much as €21/t due to the conflict and wider geopolitical instability. This cost of production increase will place many growers in a loss-making scenario, even on owned land.

6.6.1 Tillage Expansion and Sustainability Scheme (TESS)

IFA believe that a fund of €65 million for a tillage sustainability scheme must be provided by Government in Budget 2027. A separate, ring-fenced allocation of €3.2 million must be provided in the form tillage expansion scheme.

TESS must deliver:

- Expansion: **€400/ha** payment for new land converted into tillage, with €250/ha payment per annum thereafter for the remaining years.
- Sustainability: **€250/ha annually** for existing tillage farmers to reward existing and further adoption of measures.

IFA believe that the measures outlined above must be provided in Budget 2027 to ensure the tillage sector remains economically viable in the coming year and to a prevent a significant exodus of growers from the sector in the future. Unless the significant decline in tillage farm margins is addressed in 2026 and beyond the tillage area will continue to contract rather than increase which is in direct contradiction of Government policy.

6.6.2 Grain Statistics

The level of data currently available on supply, demand, and use of grain and feedstuffs in Ireland needs massive improvement. Accordingly, IFA is proposing the establishment of a unit within the Department of Agriculture dedicated to analysis of the production, demand and use of grain and feedstuffs within Ireland. This should include regular surveys on the consumption, demand and stocks of grains and feedstuffs which would be benefit to the wider tillage and feed industries.

IFA Tillage Proposals	Funding Required 2027
Tillage Sustainability Scheme	€65 million
Tillage Expansion Scheme	€3.2 million
Unit for Grain & Feed Analysis	€0.8million
Total	€69 million

6.7 Horticulture (including Mushrooms and potatoes)

6.7.1 Labour Cost Increases

According to Teagasc's Horticulture Crop Input Prices 2026 report, labour now constitutes up to 43% of total input costs.

The Teagasc report shows that labour increased by 5.1% - 7.2% in 2026, influenced by increases in the national minimum wage, auto enrolment and higher salary thresholds for General Employment Permit (GEP) holders. The national minimum wage has now increased to €14.15 per hour, while GEP salary requirements have risen further, continuing to impose significant financial strain on growers.

These changes have intensified the two-tier wage system, where new entrants under GEPs earn more than experienced local staff, creating operational and morale challenges.

Compounding these cost increases is the fact that the long promised seasonal work permit scheme was not rolled out this year, limiting the availability of labour for the sector.

IFA Propose:

- Immediate introduction of the seasonal work permit scheme aligned with the national minimum wage.
- A labour cost support scheme specifically for horticulture.
- Freezing the GEP salary roadmap for horticultural employers.
- Consideration given to a new initiative to allow workers to earn tax-incentivised additional income from seasonal and harvest periods.

6.7.2 Investment Aid for Commercial Horticulture

The Scheme of Investment Aid for the Development of Commercial Horticulture is critical to the sector's expansion. However, significant inflation in construction, machinery, and energy-related infrastructure has reduced the real value of existing grant supports.

IFA Propose:

- Increase funding to €15 million (from €8.5 million in 2024).
- Inclusion of specialised refurbished / second-hand equipment.
- Inclusion of BESS (Battery Energy Storage Systems) to be covered by any grant scheme. Many horticulture growers use large amounts of energy and storage for those with renewable sources is essential. Systems should not be limited in size and should be appropriate to the size and energy use of the enterprise.

6.7.3 Horticulture Land Rental Scheme

The IFA proposes a targeted land tax exemption for landowners who lease land for a minimum of two years to horticulture growers. This measure would incentivise the increased mobilisation of land, directly supporting national goals for increased horticultural output and crop diversification. Ireland's National Strategy for Horticulture 2023–2027 identifies access to suitable land as a key barrier to sector expansion, particularly for field vegetables, soft fruit, and other high-value crops. Despite rising demand and strong market potential, many horticulture growers face challenges securing secure, medium-term access to land.

IFA Propose:

- Full income tax relief for landowners leasing land to horticultural growers for at least two consecutive years.
- Clear eligibility criteria to ensure the scheme supports active, productive use by commercial growers.

6.7.4 Support for Automation in the Horticulture Sector

Given the longstanding challenges with the cost and availability of staff, support for the horticulture sector for the transition to automation is required. Automation is the only viable long-term solution to reduce labour dependency, safeguard production, and ensure food security. Technology for the mushroom industry is advanced and ready for adoption. The sector requires tailored capital support to adopt automation and robotics. This investment is crucial for enabling the Irish mushroom sector to remain competitive globally in the export-led, rural-based sector. The scale of investment required is far beyond the reach of existing support mechanisms. The mushroom industry is currently carrying out research, part funded though the DAFM Scheme of Investment Aid for Innovation and Diversification in Horticulture to ensure strategic planning is in place for this investment.

IFA Propose:

- **All sectors must be supported for the transition to automation as technology is advanced.**
- **For the mushroom sector where technology is ready for investment, a separate fund with an initial allocation of €10million. is required to invest in costly automation, thereby reducing the need for labour.**

6.7.5 Spent Mushroom Compost Scheme

A spent mushroom compost scheme, similar to the straw incorporation scheme, may hold significant potential for the agricultural and horticultural sectors. Spent mushroom compost is the by-product of mushroom cultivation composed of organic materials such as straw. Large volumes of this spent mushroom compost are used as low-volume soil conditioners. A scheme to incorporate spent mushroom compost into agricultural practices can bring about numerous benefits. Incorporating spent mushroom compost can enhance organic matter and structure, thus improving soil fertility. Like the straw incorporation measure, the scheme could contribute to sustainable agriculture and circular economy practices.

IFA Propose:

- **That a budget of €2million should be provided to initiate a pilot Spent Mushroom Compost scheme.**

6.7.6 Baling Assistance Payment

The baling assistance payment must be reinstated to help alleviate the cost of straw for sectors reliant on its use, including mushroom composter, carrot growers (for overwintering) and livestock farmers. Straw forms the bulk structure of the mushroom compost substrate, and no viable alternative exists at scale. With compost accounting for a significant share of total input costs in mushroom production, any increase in straw prices directly raises production costs and squeezes margins. Carrots are routinely overwintering in situ and require a heavy cover of straw to protect from frost. A significant acreage of 350 acres undergoes this strawing process annually and requires similar support.

6.7.7 Peat

Continued funding for research into alternatives to peat must be committed to, as well as other options. The Just Transition Fund should be used to cover the costs incurred by growers in this change.

6.7.8 Potatoes

Seed Potato

The Irish seed potato sector does not have the capacity to supply the full domestic market. There is funding for seed potato producers under the horticulture grant scheme, however this scheme is oversubscribed most years. The sector requires ring-fenced financing to facilitate the growth and development of our domestic potato seed production.

The recent announcement of the re-establishment o f trade relations between the EU and the UK is positive for the Irish seed potato market. Details on the timeframes on importation requirements for seed potatoes are still uncertain. It is vital that this UK source of seed potatoes remains available to supplement out domestic supply for the coming years.

IFA Propose:

- **The seed potato sector receives ringfenced financial support to encourage increased production.**

6.7.9 Reform of Standing Energy Charges for Horticulture

High standing energy charges are placing a disproportionate burden on energy-intensive horticultural enterprises, regardless of actual usage. For sectors such as protected crops, mushrooms and cold storage, these fixed costs add significantly to already elevated and volatile energy bills, reducing competitiveness and limiting viability.

While the UK has not fully restructured standing charges, it has introduced requirements for suppliers to offer lower standing charge tariffs and is actively trialling more flexible, usage-based models. This reflects a clear policy direction toward fairer cost structures for energy users.

IFA Propose:

- **Introduction of a reduced or rebated standing charge for energy-intensive horticulture.**
- **Exploration of a more usage-based or flexible charging model, reducing reliance on fixed costs.**

6.8 Organic Farming

The Organic Farm Scheme (OFS) payments assist farmers within organic farming. Enhanced OFS payment rates of recent years have seen an increase in the number of farmers participating in the OFS scheme. A total of 5,700 farmers are farming organically at the end of 2025 versus only 1,523 farmers at the end of 2020.

Despite these new entrants, organic production remains significantly below the European average. Ireland's Climate

Action Plan has a target of 10% of land area farmed organically by 2030. To achieve this target, funding and incentives must increase. There is a growing market consumer demand for organic products, and Ireland's green image in the international marketplace gives us a real opportunity to further develop the sector.

However organic farm gate prices are marginally higher than conventional prices. Price regulation is now necessary to ensure that a significant differential margin remains between organic and conventional prices to encourage new entrants into the OFS.

IFA Propose:

- Funding of the Organic Farm Scheme should be increased to incentivise and further develop the area of land under organic production.
- Farm practice incentives should be reopened for OFS such as The National Liming Programme and Multi-Species Sward Measure for example red clover.
- The participation payment should be maintained.
- An additional payment should be made on the first 3ha of organic horticulture land.
- Increased investment needs to be made towards developing suitable markets and outlets for the projected increase in organic produce coming onto the market in the coming years.
- TAMS should remain available on all eligible items for organic producers.
- Digestate from Anaerobic Digester plants should be eligible for spreading on organic farmland.
- Dual funding is an obstacle when considering the OFS or Environmental Schemes when already an organic farmer. Organic farming should revert to being a supplementary measure of an environmental scheme.

6.9 Poultry

The poultry sector is a vital and growing part of Ireland's agri-food industry, particularly concentrated in counties such as Cavan, Monaghan, Louth, Limerick and Cork. The sector supports 6,000 jobs directly and indirectly across the supply chain, including 770 commercial poultry farms that produce broilers for meat and layers, which produce table eggs. The sector is valued at approximately €700 million annually, reflecting its substantial contribution to rural economies and a high percentage of what is produced is consumed domestically. The Irish poultry sector saw a significant increase in production in 2025, with an estimated **120 million** processed at export meat plants. This represents an 8% increase in total throughput compared to 2024, when roughly 115 million birds were processed. As in previous years, chickens accounted for the majority of production, at 96%, followed by ducks and turkeys, which represented 3% and 1%, respectively.

IFA Propose:

- Establishment of a national disease culling team for poultry to be fully funded.
- Adequate Disease Compensation. The current compensation scheme for farmers affected by disease outbreaks only partially compensates farmers for loss of stock. Farmers in affected zones are prohibited from restocking houses with no loss of earning compensation. A support package to compensate affected farmers on the loss of income should be established.
- The cost of three-phase electricity upgrade should be eligible for Accelerated Capital Allowances similar to current nutrient storage scheme.
- Increased educational and research funding through Teagasc.
- Engagement with IFA on additional items for poultry producers under TAMS. Items such as wheel wash facilities, adding windows into older houses, the inclusion of UV light for water purification etc.

6.10 Pigs

The pig sector is Ireland's third-largest agricultural sector by output after dairy and beef, making a significant economic and regional contribution. There are 230 commercial pig farmers in Ireland, with the sector making a financial contribution of €1.5bn annually to the Irish economy. These 230 farmers produce 4 million pigs annually, which are processed in our primary and secondary processors. The industry directly employs 4,098 people and supports an additional 4,036 jobs indirectly, totalling over 8,134 jobs in total. This employment is significant in rural areas such as Cavan, Cork, and Tipperary, which account for nearly 50% of the national pig population. The value of primary pigmeat exports declined in 2025 by 3% to reach €475million, €405million of which was value-added pigmeat, reflecting resilience in a challenging world market.

IFA acknowledge the increase in investment limits of the Pig and Poultry Investment Scheme (PPIS) to €500,000 at 40% grant rate. However, for pig farmers particularly, this investment, while welcome, does not suffice to encourage them to invest in the required changes in specifications so that their farms meet the TAMS specifications. This would need to be revised significantly to facilitate farm-level investment.

IFA Propose:

- Increase the grant to 60% for PPIS.
- Inclusion of grant aid for slurry processing equipment under the PPIS.
- Additional items under tams should be included to improve biosecurity and animal welfare.
- Grant aid for slurry storage for all farmers at a rate of 70% from a ringfenced national fund.
- Inclusion in an Income volatility mechanism to help protect pig farmers from the volatile margins in the sector.

6.10.1 Knowledge Transfer for Pigs and Poultry (KT)

The IFA Pig and Poultry Committees are seeking the inclusion of pig and poultry sectors in the KT Programme. While the programme has delivered clear benefits across other farming sectors through peer learning, expert guidance, and structured farm planning, pig and poultry farmers have been excluded in the most recent KT programme. This exclusion overlooks the unique challenges and opportunities within these sectors.

6.11 Farm Forestry

The forestry sector in Ireland represents extends to over 815,000 hectares, representing 11.8 percent of the total land area. Land area under forestry is almost evenly distributed between public and private ownership. Planting rates have been low in recent years but did increase in 2025 which is more than 50% higher than 2024 levels. The sector has seen some significant challenges in recent years including major storm events and ash dieback disease. This has led to an increased focus on planning for harvesting and forest reconstitution. Support for private forest certification is also critical to meeting future market and consumer demands.

6.11.1 Forestry & CAT/Stamp Duty Relief

Farm forestry is a key measure under the Land Use and Land Use Change and Forestry (LULUCF) sector in the Climate Action Plan 2026. When a farmer enters forestry, it is a permanent land use change. In addition, under the current Forestry Programme, farmers are required to commit 32% of the productive land area to biodiversity enhancement and broadleaf planting.

Land with forestry is currently defined as being agricultural for CAT Agricultural Relief, provided that those trees are being grown on over 75% of the land; if they cover a smaller proportion of the land, the Relief cannot be applied unless the land is split into separate folios of forestry and agriculture.

However, with Stamp Duty, land with woodlands growing on a commercial basis does not qualify for reliefs and is subject to the 7.5% rate. Currently, the differing definitions cause unnecessary complications and complexities and act as a barrier to farmers investing in forestry.

IFA Propose:

- If any percentage of the farm is dedicated to forestry, it should be defined as agricultural land and the CAT Agricultural Relief applied to the whole farm.
- Farm forestry is treated in a similar manner in relation to the Consanguinity and Young Trained Farmers Stamp Duty Reliefs as it is with CAT Agricultural Relief, where it is defined as agricultural land.
- Where a non-farmer buys forestry, the normal commercial rate of stamp duty should apply to the full value of the land and timber. This is required to ensure forestry remains primarily in the hands of genuine farmers.

The Government has significant ambition for the forestry sector as set out in the Climate Action Plan 2025, which aims to increase annual planting rates to 8,000 hectares per annum, to deliver an additional 28,000 hectares of new forest by the end of 2025.

Given that agricultural land accounts for 67% of Ireland's total land area a farmer's decision to plant will be critical to driving the new planting programme.

6.11.2 New Measures for Forestry

New Measures for Forestry are needed to reverse the decline in afforestation, to de-risk the investment and restore confidence, while ensuring a balanced regional spread of forestry is achieved.

IFA Propose:

- The allocation of funding to establish a **Forestry Development Agency** (FDA) to drive the industry. It would be charged with optimising the performance of the Irish forest sector by providing technical expertise, business support, funding, training, and promoting responsible environmental practice. The establishment of this Agency is critical to achieving national afforestation targets.
- The **Payment for Ecosystem Services (PES)** payment under the new programme requires farmers to further erode productive area to qualify for the payment. This is unacceptable and needs to be revised. Farmers should be paid to manage the land they are required to provide as areas for biodiversity enhancement, broadleaves, and environmental requirements. They should not be required further erode productive area to qualify for a payment. The PES rate should reflect the income foregone from timber production and must be extended beyond the 7-year payment period.
- Compulsory areas allocated for ecosystem services as part of the current Forestry Programme must be compensated beyond the premium payment to reflect the income foregone for the duration that the land is deemed to be an Ecosystem service provider.
- The current **Ash Dieback Reconstitution Scheme** is an improvement on previous iterations of the scheme, however, further improvements are required. This includes flexibility in the payable clearance grant rate for older and more difficult sites, as recommended in the Independent Review of Ash Dieback Response, and a review of the Climate Action Performance Payment (CAPP) for farmers with older and larger ash woodlands. On the 11th October 2023 Former Minister Pippa Hacket stated, "We will also publish a plan to implement the recommendations of the Ash Dieback Independent Review in the coming weeks." This action is yet to be carried out. Small Ash dieback affected plots are uneconomical to remove therefore emerging forest payments should be reviewed for these sites.
- **Amendment to State Aid Guidelines to Support Farmers with Ash Dieback**

- The guidelines for State Aid in the agricultural and forestry sectors and in rural areas (2022/C 485/01) prevent Member States from providing compensation and annual premium per hectare on forests that need to be restored as a result of damage to forests from plant pests and infestation by invasive alien species.
- Agroforestry is expensive to establish in diseased Ash dieback plantation. Therefore, additional funding to be allocated for this type of forestry.

- **Agroforestry** premium to be extended beyond 10 years to compensate the loss of income forgone.
- **Climate Action Performance Payment (CAPP)** should be made available to forestry owners without having to apply through the Reconstitution Ash Dieback Scheme 2023-2027 scheme. DAFM Ash dieback taskforce made the requirement for the Reconstitution Ash Dieback Scheme and CAPP to be combined however, both schemes require trees to be removed. Therefore, a review of the scheme should be considered. The December 2027 Reconstitution Ash Dieback deadline for application should also be extended until all Ash Dieback plantations are re-erected.
- The introduction of a **Roadside Ash Tree Removal Grant** to support farmers to remove diseases roadside ash trees safely is urgently required. The grant should be administered by the Local Authorities, who would be responsible for coordinating the safe removal of the trees by providing grants to support farmers to hire relevant professionals to safely fell these trees.
- **Green Certificate College Forestry Module.** The introduction of a Forestry module should be included in the Green Certificate curriculum to encourage the next generation of farmers to view forestry as a farming practice. Additionally, knowledge transfer programmes should include forestry modules.
- A Government co funded **National Insurance Scheme** should be considered for all Forestry plant, pest, and disease outbreaks, windblow, fire, natural disaster events.
- A **forestry budget** similar to TAMS whereby funding is allocated solely to forestry for small attachments such as sheers, rotators, grabs, forestry trailers with/without a built-on crane, Safety gear etc.
- Government support on under pinning in legalisation the right to sell private timber by cubic meter similar to Coillte payment metrics.
- Plant health and biosecurity measures should be further resourced, with quarantine practices reviewed for all potted plants being imported into Ireland.

6.12 Aquaculture

6.12.1 Crisis Supports for the Aquaculture Sector

Current difficulties facing the sector are not sustainable for Irish Aquaculture operators and some businesses will no longer be profitable unless there are significant supports during this time of crisis to assist the sector. IFA Aquaculture are calling on the Minister to consider funding mechanisms to assist Irish Aquaculture operators affected by significant production losses coupled increasing input costs and reduction on sales for aquaculture businesses.

IFA Propose:

- IFA Aquaculture are calling on the Government to consider funding mechanisms made available by the European Commission to assist Irish Aquaculture operators affected by significant production losses coupled increasing input costs for aquaculture businesses. A 'Temporary Crisis Scheme' to allow for financial compensation to operators in the aquaculture sector for their income forgone and additional costs incurred must be made available to **ALL** aquaculture operators affected by significant increasing input costs for aquaculture business and eligibility criteria must reflect that – consideration must be given to activating these measures using National funds.

6.12.2 Support the sustainable development of our Aquaculture sector

Prioritising immediate action to implement a functioning aquaculture licensing system must be a key priority for any future development of the Irish Aquaculture industry, including appropriate legislative changes required to facilitate this. There is commitment in the Programme for Government to *'modernise and streamline aquaculture licencing in the State through legislation changes'*. Sufficient funding and resources must be allocated to facilitate a modernised & streamlined aquaculture licensing system, as well as the provision of core work programmes and statutory monitoring programmes within the remit of DAFM and its Agencies.

IFA Propose:

- Sufficient funding, adequate and appropriate resources must be allocated to ensure full implementation of **all** the recommendations of the Independent Aquaculture Licensing Review & the National Strategic Plan for Sustainable Aquaculture Development 2030 to fulfil commitment given in the Programme for Government. Further, sufficient funding and appropriate resources must be allocated to State Agencies responsible for provision of core work programmes and statutory monitoring programmes which are essential for food safety control and support of the Irish aquaculture industry.

6.12.3 Appropriate Assessments

There is a pinch point in the aquaculture licensing renewal/ application process around the timeframe for completing appropriate assessments carried out by the State – IFA Aquaculture have consistently stressed that clarity on the process is needed and a strategic approach is essential to meet the demand while ensuring sufficient resources for DAFM and State agencies are available to complete the work in timely manner.

IFA Propose:

- While IFA Aquaculture acknowledges the progress made in assigning additional resources to assist in completing appropriate assessments - The Minister must address the significant backlog of aquaculture licence determinations that has accumulated over recent months and ensure that sufficient resources for DAFM and State agencies are available to complete the work in timely manner.

6.12.4 Shellfish Water Quality

There are 64 designated shellfish areas in Ireland. The EU Water Framework Directive requires all Member States to designate waters that need protection in order to support shellfish life and growth. Following the allocation of €2.7bn for Uisce Éireann to support the delivery of their Capital Investment Plan for 2025-2029, adequate funding and resources must be made available to ensure tertiary treatment is prioritised for all coastal Wastewater Treatment plants (WWTP) - specifically WWTP's adjaent to bays and harbours where shellfish production is carried out to sustain food safety, rural jobs and enterprise and compliance with the EU Water Framework Directive (formerly EU Shellfish Waters Directive).

IFA Propose:

- IFA proposes that adequate funding, and resources be made available to ensure tertiary treatment must be rolled out for all coastal Wastewater Treatment plants (WWTP) - specifically WWTP's adjacent to bays and harbours where shellfish production is. Furthermore, funding and resources must be allocated to the relevant bodies for the establishment of pollution reduction programmes where required, in compliance with the EU Water Framework Directive (formerly EU Shellfish Waters Directive).

6.13 Equine

Ireland has a powerful reputation for its equine sector. The country has a deep-rooted horse breeding and ownership tradition, particularly among rural farming communities. Greater financial support from existing funding sources is needed to support horse breeders and improve the traceability of all horses.

IFA Propose:

- Full consideration should be given to the IFA submission proposing that 15% of all prize money in horse competitions and racing go directly to horse breeders.
- DAFM to take control of administering a complete Horse Identification & Movement system (HIMs) database to identify all horses within the State.
- Government funding for Horse Racing Ireland (HRI) and Horse Sport Ireland (HSI) needs to increase in line with inflation.
- Establishment of licenced horse processing facility within the country, regulated and funded by DAFM.

7. Cross Sector Supports

7.1 TAMS

See section 4.3

7.2 Farm Safety

Nationally and internationally, agriculture is one of the most hazardous occupations one could be engaged in. Awareness and education programmes focussed on prevention, through supporting farmers to change behaviour, are the best way to reduce farm accidents. In addition, farmers should be supported to make necessary investments to improve on farm safety, both for personal use but also that of wider family members and paid employment. All-terrain vehicles (ATV)/ Quads are becoming more popular on Irish farms, leading to an increase in fatal and serious accidents associated with their use.

IFA Propose:

- A support package/funding available to farmers to carry out quad safety training courses on their farms.
- IFA is seeking inclusion of Personal Protective Equipment (PPE) under a separate category, to promote farm safety and minimise risks on farms.
- Non-registered farmers should have the option to reclaim VAT on the cost of purchasing and maintaining farm safety equipment to help maintain best safety standards.
- Reduced VAT rate on safety equipment such as replacement of manhole covers, power shaft covers etc.
- A handbrake and Power-Take Off (PTO) improvement scheme; to include a PTO scrappage scheme and a handbrake replacement scheme, to assist farmers in replacing malfunctioning equipment.
- An annual farm safety budget be allocated to the Farm Safety Partnership Advisory Committee to implement future farm safety action plans.
- A simplified and fast-tracked planning process is put in place for the construction of road underpasses.

7.3 Hill Farming

7.3.1 Uplands Recreation Scheme

Developing a pilot Upland Recreation Scheme, to be implemented through the Mountain Access Project (MAP) areas, was a key initiative outlined in *'Embracing Ireland's Outdoors: National Outdoor Recreation Strategy 2023-2027.'* This project is envisioned to operate similarly to the Walks Scheme, providing path maintenance payments to farmers and landowners in selected upland areas. Stakeholder consultations and project development has been completed pertaining to the MacGillycuddy Reeks, the only remaining MAP site.

In terms of its expansion, this project must prioritise farmers needs and concerns, tailoring actions to the areas where maintenance work will be conducted. The challenges in different mountain regions vary significantly due to terrain, land ownership structures, and recreational usage. Therefore, a one-size-fits-all approach will not be practical. Instead, bespoke, farmer-centric plans are essential for the successful rollout of the scheme.

IFA Propose:

- Increased budgetary allocations to Uplands Recreation Scheme for added uplands/regions.
- Alongside additional potential hours worked, implement a higher payment rate for farmers beyond the standard own-work rate of the Walks Scheme. This increased compensation reflects the additional challenges and ensures that farmers are adequately rewarded for their essential role in maintaining these areas.
- Extend the maximum payable work hours per annum under the scheme to 250. This extension acknowledges the extensive labour involved in managing mountain access routes and provides fair compensation for the time and effort farmers invest.
- Ensure that farmers and landowners in identified project areas are fully consulted at all stages of development and implementation. This includes initial planning, ongoing development, and final execution. Establish formal consultation processes, such as advisory committees and regular feedback sessions, to integrate their input and address their concerns throughout the project lifecycle.

7.3.2 Crisis Fund & Goodwill payments

Through National Exchequer funding, and redistributed where under-utilised, establish a fund / reserve to support farmers in emergency situations where natural disasters, adverse climatic events or other catastrophic events (e.g. animal health diseases or plant pests) result in production losses of at least 30%; increased rehabilitative/mitigating expenditure; loss to breeding herds; crops; infrastructural damage or loss of productive capacity more generally. Such a fund could also be utilised to remunerate farmers by way of 'goodwill payments' to compensate for costs incurred where farmers support community efforts and connectivity, whether limiting fire damage to property; distribution of medicine/essential goods and/or rehabilitative works during/after storms, snow, floods, etc.

7.3.3 TAMS

60% grant aid be provided to Hill farmers, with Quads and virtual fencing/collars added to list of eligible items.

7.3.4 Increased ewe payments

Further increase the payment rate within the Sheep Welfare Scheme by €5 to €23/ewe to bring total direct support to €35/ ewe when combined with the SIS, with an additional €10 for hill sheep farmers. This may be derived by further implementation of practical on-farm measures.

7.3.5 Dogs

Greater enforcement of existing legislation required (including additional Dog Wardens), with legislative amends to prohibit non-working dogs from farmland or the uplands.

- Provision of medical supplies or veterinary care to dogs to be restricted only to dogs that have been micro-chipped.
- Increased budgetary allocations to enable greater education campaigns around responsible dog ownership.

7.3.6 Greater targeted support for Hill farmers

The economic and physical realities of operating on hill farms are not currently fully acknowledged, requiring attention via additional targeted supports to sustain and maintain our uplands. This urgency is amplified given aging demographic and intergenerational challenges experienced on uplands.

By way of context, using most recently available Teagasc National Farm Survey data (2024), in all but four years (one of which was break-even only), spanning 2012-2024, a negative net margin per ewe was realised. On a per hectare basis, it's net margin at €56/ha in 2024 was less than half the second lowest return per sector, and only a fraction of the most profitable sectors.

While an uplift, on average, in economic returns is forecast for 2025 (+33% for lowland sheep enterprises), lower output prices (€9.17/kg (2026) vs. €9.20/kg (2024) mid-April per Bord Bia) and increased costs of production following events in the Middle East (IFA estimate +€36/ewe) will put downward pressure on farms, with margins likely below 2024 levels.

IFA Propose:

- **Increased funding should be allocated to the Areas of Natural Constraint (ANC) scheme and returned to past levels, with existing payment rates and eligible area increased to help better preserve and protect the unique uplands eco-system; avoid land abandonment; and sustain the economic viability of a dwindling cohort of farmers.**
- **Given increased reliance on purchased fodder/bedding, a new Over-Wintering Support Scheme should be introduced, with applications open to all farmers but increased support/allocations for farmers in uplands and Natura 2000 sites.**
- **An increased/bespoke supports should be designed and made available for hill farmers in all future farm schemes.**

7.3.7 Mountain Access Projects

The Mountain Access Project, developed by Comhairle na Tuaithe, aims to formally establish recreational access agreements with landowners in mountain or selected upland areas to facilitate public access. Initially launched in the MacGillycuddy Reeks, Co. Kerry and Binn Sleibhe, Co. Galway, the project provides public liability insurance for farmers who want to allow access to their land for recreational use. Farmers are crucial in maintaining the land and ensuring sustainable access, making their involvement and cooperation essential for the project's success.

However, in recent times, issues such as lack of communication with farmers, changing demographics of landowners, increased footfall and dog control have posed challenges for farmers. These issues have led to the decision by the Binn Sleibhe project area to withdraw from the project. While this is disappointing, important lessons can be learned to ensure successful rollout of the project in other areas. Recent expressions of interest to join the MAP were received from the Comeragh Mountains, Co. Waterford; Croagh Patrick, Co. Mayo and Mount Errigal, Co. Donegal.

IFA Propose:

- **The Mountain Access Project is extended and piloted in new areas.**
- **Develop robust communication platforms, such as regular meetings, and a dedicated farmer point of contact, to facilitate continuous dialogue between farmers and the administrative team. This will help quickly resolve conflicts and adapt strategies based on real-time feedback from the ground, ensuring that the project aligns with their needs and respects their livelihoods.**
- **A 'No Dogs Allowed' policy is extended across all Mountain Access Project Areas.**
- **Establish a structured payment system to compensate farmers for providing access to their land. This will incentivise their participation and help cover any expenses incurred by providing access to the public.**

7.3.8 Walks Scheme

The Walks Scheme has a significant impact on the development of recreational activities, boosting rural tourism and supporting farmers who provide access to their land. IFA welcomes the recent expansion of the Walks Scheme that will see the number of trails increase from 80 to 150 over the next two years. For each, there needs to be provision made for ongoing maintenance grants, but also there needs to be greater promotion and enforcement of the 'No Dogs Allowed' policy for the protection of ground nesting birds, biodiversity and farm animals.

IFA Propose:

- **Maintenance grants for new and existing walks must be provided.**
- **There needs to be greater promotion and stricter enforcement of the 'No Dogs Allowed' policy.**
- **Any amenities or walkways within the jurisdiction of Local Authorities that are in close proximity to farmlands where animals are grazed must prohibit dogs.**

SAC Project Team Budget 2027 Submission Priorities

7.4 Designated Areas

The economic viability and value of the c.35,000 farms on designated lands must be better protected. Presently, their economic interests and security are being undermined due to the severe restrictions imposed on them, compounded by the less than adequate administrative and governance systems. We are aware of a number of farmers waiting literally years for a decision from Government on applications submitted re Actions Requiring Consent (ARCs). This is simply unacceptable. Farmers cannot be left in limbo and should not have to suffer economic disadvantage.

There needs to be an ongoing review of operational processes involving lands under designation, with the designation lifted where appropriate. Compensation should be permanent and in place for as long as the designation is in place. A 'no compensation, no designation' policy should apply. False promises were made to farmers operating in designated areas in this regard. This must be rectified in first instance, and the same mistake avoided at all costs. In addition, no further restrictions can apply to these holdings, and they cannot disproportionately carry the burden of policy compliance for the Nature Restoration Law (NRL).

Legislative provisions should be introduced to ensure the economic interests and property rights of landowners are protected, and that NRL measures should only apply on a voluntary basis, with no negative consequence from individual/collective action, whether from public/private sources, on adjoining landowners. This should include ongoing maintenance requirements. With regard re-wetting specifically, these should apply via 'community interventions' only, following required planning and the consent of all relevant landowners.

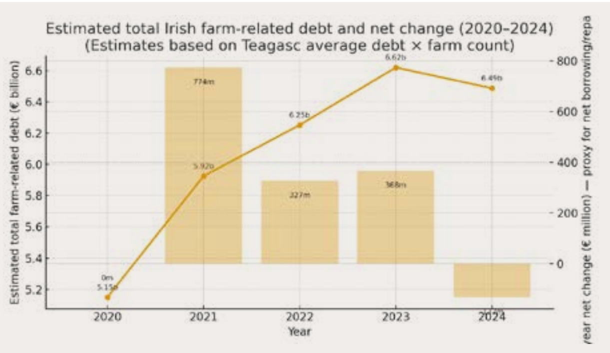
It must be acknowledged that payments through the National Parks and Wildlife Service (NPWS) for land under Special Areas of Conservation (SACs) and Special Protection Areas (SPAs) through the Farm Plan Scheme help to meet the costs of restrictions imposed by designation. This is particularly relevant to the Shannon Callows, Hen Harrier and hill land areas where there are severe farming and other developmental restrictions. However, in more recent years, a divergence in payments has arisen between various iterations of the Farm Plan scheme (€525/acre v. €400/acre to greater align with ACRES). This must be addressed, together with an ability to clean existing drains re-instated in Notifiable Actions. In addition, additional resources need to be afforded to the Farm Plan scheme, with increased payment rates offered to reflect the additional costs and burdens on farmers, and flexibility provided that it can operate alongside other agri-environmental schemes where additional land is held.

IFA Propose:

- An appropriate compensation scheme, funded independent of CAP, is required to ensure farmers currently affected by designation are properly compensated for the farming restrictions placed on them and to account for loss of earnings and devaluation of land. Compensation should be permanent and in place for as long as the designation is in place. A 'no compensation, no designation' policy should apply. IFA oppose any further designations on farm land until current designations have been adequately compensated for and existing system inefficiencies redressed.
- No further restrictions should apply to lands currently designated. Instead, increased support (advisory; financial etc) should be provided and agricultural activity allowed to continue.
- Legislative provisions should be introduced to denote the voluntary nature of NRL interventions, with robust protective measures designed and in place to protect the security value and economic interests of adjoining landowners. Funding for NRL interventions should be long-term in nature, funded independent of CAP.
- Meaningful consultation and engagement with farmers is required prior to the imposition of any designation, with a mechanism provided for farmers wishing to appeal the proposed designation. The abrupt imposition, without any meaningful Government/stakeholder engagement, of designations on farm land to date has been unacceptable.
- In consultation with IFA, a full review of the internal operating dynamic surrounding designations, compensation and applications for ARC's is required because the existing is not fit for purpose.
- In consultation with IFA, and following the original Farm Plan scheme construct, an independent body should be set up or engaged with regard any review/revised Farm Plan Scheme costings and/or payments.
- The Farm Plan scheme should operate alongside other agri-environmental schemes, and additional funding allocated to offer bespoke management plans and pay all farmers where, due to designation of land, restrictions are imposed on farming and lands significantly devalued.
- A new 'Farming for Habitat and Farming for Species' payment needs to be introduced to maximise environmental gain and compensate farmers who suffered a loss in income when the Hen Harrier; Pearl Mussel; Burren Schemes ended.
- Eligible area for Disadvantaged Area Payments should revert back to previous levels.
- Greater supports should be provided toward the control of invasive species, including amongst others, flexibilities for Organic farmers to be able to utilise, on a targeted and limited basis in compliance with dedicated agreed management plans, select herbicides / pesticides.

7.4.1 Leader

- A sustainable budget of €389m must be provided for the LEADER Programme 2023-2027 to drive 'bottom-up, community-led' investment to create and sustain employment in rural Ireland, provide funding in the rural environment and support climate change mitigation initiatives in rural communities as well as the identified high-level ambitions of LEADER 2023-2027 outlined in the draft CAP strategic plan.
- IFA proposes that funding, in addition to what's proposed in the CAP Strategic Plan, be provided by the Department of Rural and Community Development (DRCD).



7.5 Farm Finance

Credit availability and cost of credit to the farming sector is regularly raised with the Pillar Banks by IFA, as farmers must continuously invest in infrastructure, stock, machinery and working capital on farms. The period 2024 – 2025 has been positive in terms of cashflow on farms with overall farm debt in the sector reducing.

	Farms with borrowings	Average debt (farms with debt)
	%	€
Dairy	70	147,487
Cattle Rearing	26	32,266
Cattle Other	30	42,182
Sheep	19	38,858
Tillage	38	94,374
All Farms	35	82,248

(Source: Teagasc National Farm Survey)

Total farm debt reduced in 2024, as new investment drawdown slowed relative to repayments and reports from banking sector report the first 9 months of 2025 continued this trend. This can be largely attributed to uncertainty over the future of the policy, Irelands nitrates derogation and reduced funding for TAMS.

Lending to poultry and pig sectors increased over the past 24 months with both new builds in poultry and replacement or refurbishment of existing sites in the pig sector accounting for most of the new lending.

Looking at farming sectors, dairy remains the biggest driver of farm finance applications.

The drystock sector has seen a reduction in overall debt following positive income returns in 2024-25 and continued reduced in new lending. The relatively low percentage of farms with farm debt can be attributed to the high percentage of part time farmers in the cattle and drystock sectors.

The sheep farming sheep has contracted significantly in number in the past 2 years, and investment has followed this trend.

TAMS grants are seen a major driver of loan applications and future agri investment on all farms. Without an adequately funded TAMS scheme, overall investment and hence the long term viability of many farmers will be impacted.

The lack of competition in the Irish agri banking market is notable, and this follows some high-profile exits from the banking market in recent years. As a result, this has increased the cost of framers borrowing costs significantly.

Access to farm finance and working capital is paramount for farmers across all enterprises. It is vitally important that farmers have easy access to sufficient low-cost funding to allow their businesses to trade efficiently.

IFA Propose:

- **Ensure availability of reduced cost finance such as SBCI lending is continued. It is vital that such funding is available to all farmers to enable them to make their businesses more sustainable from both an environmental and/or a financial perspective. A dedicated ringfenced Agri fund must be made available through SBCI, administered by financial institutions.**
- **Significant investment and added resources will be required to support An Post and Credit Unions in their efforts to facilitate community banking, with advances needed not only toward an improved financial offering to the SME market (and competitive nature thereof) but also significant capital investment in their infrastructure/ network to facilitate more secure/private financial transitions.**
- **To support generational renewal in agriculture, low-cost finance, unsecured must be made available to young farmers.**

8. Agri Taxation

8.1 Definition of Agriculture

The definitions of agriculture and farming within taxation must expand to encompass any new diversified farming systems and not disadvantage anyone who wishes to partake in different agricultural models. This will be important as farmers undertake alternative farm enterprises such as energy generation.

8.2 Residential Zoned Land Tax

The Residential Zoned Land Tax (RZLT), first proposed in 2021, is payable by landowners who own land that falls within the scope of RZLT in 2025. The stated purpose of RZLT is to increase the availability of zoned and serviced land for housing developmental purposes. It was also stated that its purpose was to prevent the "hoarding" of zoned land by speculators. Farmers are not land speculators and land is the base input for food production. IFA have campaigned for actively farmed land to be removed from the scope of RZLT. Government have introduced an exemption based on economic activity, that is available to farmers, but this remains a one-year exemption, which needs to be applied for on an annual basis. This exemption from RZLT for actively farmed land should be made permanent.

The 3% annual market value tax is unjust and disproportionate to its income generation capacity and represents nothing more than a land-grab exercise. Despite numerous Government commitments to exclude, active farmland remains within scope. This must change on a permanent basis.

It should be noted, too, that the rental or income yield of farmland, unlike commercial or residential property, is not influenced by location. It's inequitable and unfair that this discriminatory tax is being placed on farmers. By way of example, an average-sized suckler farm with 7 acres of zoned land valued at €50,000/acre would pay €10,500 annual RZLT liability. The entire yearly farm income in 2023 was less than €14,735 for other cattle farming enterprises.

IFA Propose:

- **All actively farmed land must be permanently removed from the scope of RZLT.**

8.3 Commercial Rates on Farm Buildings and Agricultural Land

Historically, Ireland has prioritised agriculture and food as major economic drivers for the Irish economy. This, coupled with often volatile financial returns, despite high-value assets, partly explains the suite of relief measures currently in place to support the sector. Given their use and location, all farm buildings must be exempt from all commercial rates.

IFA Propose:

- **Maintaining and expanding all exemptions applying to farm buildings in the Valuation Act 2001 and the 'relevant property not rateable' list to recognise the diversification of farm enterprises.**

8.4 Uisce Éireann's Non-Domestic Tariff Framework (NDTF) (Water Charges)

IFA are engaged in ongoing consultation with Uisce Éireann on proposals to change existing water charges for farmers connected to public water supplies. Initial proposals would have resulted in increased standing charges per connection and cubic meter costs. This is particularly concerning for farmers with multiple connections, such as those with fragmented farms. One of the guiding principles of the water charges framework is that charges should be equitable and not unduly discriminate between customers. The current proposed increases disproportionately impact low volume users with multiple connections i.e. typically the most economically vulnerable extensive farmers.

IFA Propose:

- **The Commission for Regulation of Utilities change direction on the proposed charge increases and recognise the challenges facing the sector and introduce further transitional arrangements for farmers to minimise tariff increases.**
- **The standard charge per connection is reviewed for farmers with multiple connections and associated water charges are linked to a Water Point Reference Number (WPRN) and not each individual connection.**
- **A new Band 1 is introduced for non-domestic customers with very low water usage i.e. less than 250m^3, and that the proposed volumetric water charge is fair and proportionate.**

8.5 Extended Producer Responsibility (EPR) scheme (tyres)

The Extended Producer Responsibility (EPR) scheme, if introduced, will result in an additional levy on agricultural tyres. Farmers are committed to the safe disposal of all farm waste and have demonstrated that when a scheme is designed in consultation with them such as the Irish Farm Film Producers Group (IFFPG) compliance scheme, which has a recycling rate more than 90%, they will comply in huge numbers.

However, significant legacy issues with large volumes of waste tyres stored on farms need to be addressed before agricultural tyres are included in the scheme.

IFA Propose:

- **The current derogation on a levy on agricultural tyres must remain in place until market imbalance issues are addressed and a practical disposal system for existing waste tyres on farms is put in place.**

8.6 Generational Renewal

IFA welcomed the establishment of the Commission on Generational Renewal and publication in September 2025. IFA made a detailed submission to this Commission during its consultation process.

A number of important tax reliefs were extended in Budget 2026 which will assist generation renewal:

- **Farm Restructuring Relief:** extended to **2029**, expanded to include forestry (subject to EU approval).
- **Farm Consolidation Relief:** extended to **2029**, includes non-commercial forestry.
- **Young Trained Farmer Relief:** 0% stamp duty extended to **2029**.

Key Recommendations & Focus Areas of the Report on Generational Renewal

The 31 recommendations span several critical areas designed to encourage faster succession and support young farmers. Those include:

- **Exit Payments:** A proposed **€25,000 lump sum payment** for older farmers who transfer their farms to a successor.
- **Succession Planning:** Introduction of a **Succession Planning Advice Grant** to cover legal and financial advice costs.
- **Financial & Tax Supports:** Enhanced supports for young farmers, including higher grant rates (60%) under the TAMS capital investment measure.
- **Collaborative Farming:** Specific grants to encourage partnerships between older farmers and young, trained farmers.
- **Land Access:** Measures to tackle the imbalance in land tenure and improve access to land for new entrants.

Implementation of many of the key recommendations within this report requires significant funding commitment. Government should commit to and a dedicated long term Multi-annual Budget to support Generational Renewal.

IFA proposed changes to **The Fair Deal scheme** will also encourage generational renewal, as will IFA proposals on the state pension eligibility.

Greater availability of low cost financing options for young farmers should be addressed to facilitate generational farm succession.

8.7 Stamp duty on Agricultural Land

IFA Propose:

- Agriculture is removed from the commercial definition and revised in line with the residential stamp duty charge of 1%, up to €1m, and 2% thereafter.
- This stamp duty reduction will assist active farmers to support farm expansion and viability, which will in turn promote generational renewal.

8.8 Succession Farm Partnership Tax Credit

IFA Propose:

- To increase uptake, the relief should be extended to a young farmer's off-farm income for three of the five years, allowing the young farmer to invest some of this income in developing and expanding the farm.
- The percentage of farm assets a transferor must agree to transfer to the successor should be reduced below the required 80%.
- The age limit of 40 is retained.

8.9 Agricultural/Business Relief Capital Acquisition Tax (CAT) Values

The retention of 90% relief on Agricultural assets is critical to support the transfer of economically viable family farms, as it facilities the transfer of farms and agricultural assets to the next generation. However, the value of agricultural land has increased at a greater rate that the CAT thresholds

IFA Propose:

- IFA supports the Programme for Government commitment to reviewing the thresholds for CAT. As land values have increased, IFA supports the increase of the Category A threshold (parent and child) from the current rate of **€400,000 to €500,000.**
- Due to changing demographics and family structures, the Favourite Nephew or Niece relief should be extended to a Favourite Successor Relief, allowing the farm to be gifted to someone in a better position to continue farming the land. The movement from Category B/C threshold to Category A would allow for a lower tax liability, protecting the farm's sustainability and promoting generation renewal. This would align with a qualifying successor criterion under the Fair Deal Successor Scheme.
- No age limit requirements should be imposed on farmers seeking relief when transferring land between generations.

8.10 Agricultural Relief (CAT)

IFA's core principle is that Agricultural relief should only be availed of by genuine farmers.

IFA Propose:

- Agricultural Relief is retained at the current rate for all genuine active farmers, where the transferor, transferee, or a combination of both, pass the active farmer test set out under the current Agricultural relief clause for a minimum of 15 years.

- Where an investor purchases land, the retention period of the individual receiving the gift or inheritance should be increased from the current 6 years to 15 years in respect of a claim for agricultural relief.
- In addition, when an investor purchases land, any periods when land is leased to an active farmer do not count towards the retention period.

8.11 Capital Gains Tax (CGT)

IFA Propose:

- Indexation relief should be restored and extended to include periods of ownership post 2002.
- To promote generational renewal, IFA propose an exemption on intra family farm transfer to qualified farmers who actively farm for a period of at least 6 years post transfer, including farmers over 70 years of age.
- There is a significant cohort of working farmers over 70 years of age that have a lower transfer limit for CGT relief and may be advised to not transfer family farms under the current relief restrictions. This is a barrier to generational renewal that must be addressed.

8.12 Farm Restructuring Relief (CGT)

An applicant for Farm Restructuring CGT Relief should be given approval for this relief in advance of a land sale or exchange taking place.

8.13 Capital Gains Tax (CGT) Entrepreneur Relief

IFA Propose:

- If a landowner wishes to sell land to a long-term tenant, then the CGT Entrepreneur relief of 10% should apply to incentivise supporting the genuine farmer and giving the long-term tenant preferred status.
- Agricultural land that is subject to Compulsory Purchase Order (CPO) should not be categorised as 'development' land and should still qualify for CGT Entrepreneur relief. Farmers cannot be disadvantaged by the State's decision to initiate a CPO.
- The lifetime limit of €1m on the CGT Entrepreneur relief should be increased in Budget 2027. The enhancement of CGT Entrepreneur Relief is an important measure to encourage risk-taking, investment, and the subsequent disposal of business assets in an appropriate timeframe.

8.14 Interaction of CGT Entrepreneur Relief and CGT Retirement Relief

IFA Propose:

- The interaction between the two CGT reliefs should be removed allowing both reliefs to operate separately. An individual should be able to avail themselves in full of the CGT Entrepreneur Relief and the CGT Retirement Relief throughout their lifetime, subject to satisfying the qualifying conditions of each relief.

8.15 Extending 10-year Ownership and Usage Period for CGT Retirement Relief to Spouse for Lifetime Transfers

IFA Propose:

- Where a farmer has owned and used an asset for 10 years and the asset is transferred into joint names, the transferee spouse should inherit the same time ownership and usage status.

8.16 Stock Relief

Stock relief is available to any person carrying on the trade of farming, the profits from which are chargeable to tax under Case I of Schedule D of Revenue Commissioner framework. Those farmers are entitled to an income tax deduction in respect of increases in the value of their farm trading stock. The term "trading stock" refers to items which are sold in the ordinary course of the farm trade such as farm produce and direct inputs.

Stock relief provides a deduction of 25% of the increase in value in trading stocks against profits in the accounting year. For Registered Farm Partnerships, relief is claimable at 50% and for Young Qualifying farmers, stock relief is claimable at 100%.

The increase in cattle and sheep values over the past number of years could lead to a non-cash profit being incurred on livestock farms. This could lead to tax issues for farmers in a year of high costs.

IFA Propose:

- General stock relief of 25% relief temporarily increased to 50% until 31st December 2026 to prevent tax issues for farmers in a year of high costs and poor cashflow.

8.17 VAT & Taxation on farm inputs

Due to the scale of most farms the majority remain unregistered for VAT and are classified as Flat Rate farmers. The option for a farm business to register for VAT remains and IFA support the retention this system.

IFA Propose:

- Implement 0% VAT rate on non-oral animal medicines and vaccines as early as possible.
- Accelerated capital allowances for animal health monitoring systems, automatic calf feeders, additional milkings points and hoof-care equipment.
- Zero VAT rate / Accelerated capital allowances for investments to improve on-farm efficiency and/or support transition to net zero emissions.
- The Accelerated Capital Allowance for farm safety equipment is positive and should be revised annually and extended to include new safety equipment.
- VAT is currently charged on Carbon Tax. This is double taxation and needs to be removed.
- Retain section 664A of the Taxes Consolidation Act 1997, **Relief for increase in carbon tax** on farm diesel, and extend to include agricultural contractors to mitigate the increased cost of production.
- A permanent retention of 2 'step-out' years per 5-year cycle is provided for, where a farmer is allowed to 'step-out' of income averaging more than once in a five-year period (once they are not carrying an unpaid deferred tax amount from a previous 'step-out').
- Suspension of the 5% Concrete Levy announced in Budget 2023 - will only compound already inflated construction costs and stifle on-farm investment.

VAT for sellers of Livestock in Marts

- The flat rate addition (FRA) has reduced from 5.1% to 4.5% in Budget 2026, effective for 1st January 2026. This FRA rate is below the livestock VAT rate of 4.8%, resulting in sellers of livestock in marts being disadvantaged. This anomaly must be corrected in Budget 2027.
- FRA was reduced by a significant value in Budget 2026, costing farmers €63million. FRA should not be reduced, rather it should be increased, as the current 4.5% rate fails to fully compensate farmers for VAT paid on all inputs.

8.18 Taxation measures to support climate action

IFA Propose:

- All farm equipment, which contributes to increased emission efficiency, such as LESS equipment or capital investment in developing bioeconomy supply chains, should qualify for accelerated capital allowances and be exempt from VAT.
- Reduced excise duty on Hydrated vegetable oil fuel (HVO).
- If any percentage of the farm is dedicated to farm forestry, it should be defined as agricultural land and the CAT Agricultural Relief applied to the whole farm.
- Farm forestry should be treated in a similar manner in relation to the Consanguinity and Young Trained Farmers Stamp Duty Reliefs as it is with CAT Agricultural Relief, where it is defined as agricultural land.
- Where a non-farmer buys forestry, the normal commercial rate of stamp duty should apply to the full value of land and timber. This is required to ensure forestry remains primarily in the hands of genuine farmers.
- The calculations used to determine the area of land on which solar panels are installed, for the purposes of CGT Retirement Relief and CAT Agricultural Relief, should only include the footprint of the structures mounting solar panels, ancillary equipment and service roadways (i.e. areas not capable of being grazed) and should exclude any area capable of being grazed by agricultural livestock either under, around or in between panels, ancillary equipment and roadways.
- Consideration should be afforded as to whether the CGT/CAT reliefs for solar panels referenced above should also extend to also include wind farms, given their increasing role in meeting our renewable energy targets.
- To better advance or promote increased utilisation of on-farm sustainability measures, farm operations that are utilised for Research Trials / Demonstration purposes (for example Signpost farms) by Companies / Agricultural Institutions should be afforded an additional annual income tax credit.

9. Social Protection Measures

9.1 Fair Deal and Older People in Rural Areas Older

Farmers and other older people living in rural Ireland can experience poverty and social isolation because they rely on small, fixed incomes that are vulnerable to increases in the cost of living or unexpected expenses, such as medical care. Rural dwellers face higher costs of living than those in urban areas, particularly in expenditure on transport and the necessity to own a car. The needs of older people and low income farm families require attention.

IFA Propose:

- Fair Deal Reform: Reduce the 5-year land/business transfer clause to 3 years to allow more farmers to benefit from the Fair Deal Scheme.
- Land leased under Fair Deal should be classed as "actively farmed" to meet succession criteria.
- Increase the ancillary state support loan payback to a minimum of 5 years to allow sufficient time to repay the costs.
- Increase cash asset disregard for a single person from €36,000 to €44,000 and for a couple from €72,000 to €88,000.
- Reduce the assessment period for the family home under Fair Deal from 3 years to 2 years, with a maximum contribution of 15% of the home's value (7.5% per year), instead of the current cap of 22.5%.
- Income from leased farmland should be excluded or at least partially disregarded in the Fair Deal financial assessment.
- 80% of income should be calculated on net income rather than gross, to reflect the true disposable income available after tax and mandatory reduction.
- Home Support Scheme: Immediately introduce a statutory, universal Home Support Scheme, with specific rural adaptation funding.
- Interim Measures: Increase Home Support Service hours and improve geographic consistency.
- Private Nursing Home Equity: Ensure equitable funding between public and private nursing homes.

9.2 Farm Assist Scheme Reform

Farm Assist plays a vital role in sustaining low-income farmers and preventing rural poverty. However, several reforms are required to modernise and align the scheme with broader welfare principles.

IFA Propose:

- Pension Contributions: Provide credited social insurance contributions for Farm Assist recipients, as is done for Jobseeker's Allowance/Benefit.
- Backdating Credits Pre-2007: Extend PRSI credit entitlements to farmers who were ineligible before 2007.
- Capital Assessment Disregard: Raise the disregard threshold from €20,000 to €50,000, aligning with other schemes and reflecting modern farm asset values.
- Machinery Depreciation Rate: Standardise depreciation at 10% to better reflect asset lifecycles in the means test.
- Farm Scheme Income Disregard: Exclude income from farm schemes and direct payments to accurately reflect income needs.
- Pension Age Eligibility: Extend eligibility beyond pension age, particularly for those with limited or no pension entitlement.
- Three-Year Income Averaging: Allow a rolling three-year income test option for long-term recipients to smooth out income volatility.

9.3 Class S PRSI Contributions

In most cases, farmers between the ages of 16 and 66 years of age with earnings of €5,000 or more per annum are liable for Class S PRSI (introduced in 1988), at a rate of 4.2% of taxable income (subject to no upper limit) or €650, whichever is the greater. It has been reported that existing PRSI rates for the self-employed (including farmers) are low by EU comparison, with suggestions made to progressively increase the rate of voluntary minimum contributions, to match that payable by employers. Given the typically low levels of profitability on farms, as demonstrated elsewhere, any potential increase would only add increased financial pressure on farm families, hinder entrepreneurial activity and innovation, and should be resisted. Recognition must also be afforded to the divergence in terms of SME composition (scale & type) in Ireland relative to our EU counterparts, but also to the fact that relative to employers, Class S contributions only cover a limited number of payments – i.e. they fail to include any short-term payments including illness and disability payments.

IFA Propose:

- Retain Class S Rate: Maintain the current rate, and resist any increases until short-term benefits (illness, disability) are included in the scheme.

9.4 State Pension Access & Equity

Farmers have historically been disadvantaged in pension qualification due to inconsistent access to PRSI and undervaluation of farming contributions.

IFA Propose:

- PRSI Inclusion for All Farmers and Spouses: All farmers and spouses/partners working on the farm, to be included in the PRSI system to ensure entitlement to the contributory old age pension and reduce the risk of poverty in old age.
- Dual Pension Calculation Methods: Retain both the Total Contributions Approach (TCA) and Average Method.
- Means Test Reform: End attribution of notional income from non-productive assets in the non-contributory pension calculation.
- Emergency Social Fund: Create a contingency support fund for farmers facing sudden death or illness impacting labour availability.
- Farm Transfer Incentives: Establish a retirement support/ pension scheme tied to intergenerational land transfer.

9.5 Agricultural Education & Youth Participation

Supporting agricultural education is vital for economic development, food security, sustainable practices, innovation and rural development. It is a foundational element in building a robust and sustainable agricultural sector that can meet present and future challenges.

IFA Propose:

- The Teagasc Green Cert Course is a crucial qualification for young farmers in Ireland. Approving these courses for SUSI Grants would encourage more students to pursue agricultural education.
- As per the Programme for Government, there must be a reduction in the Student Contribution Fee for higher education courses over the lifetime of the Government, not increases.

9.6 Women Farmers

Given that 2026 is the International Year of the Woman Farmer, Budget 2027 presents a critical opportunity to deliver meaningful supports that will increase female participation in farming, strengthen rural communities, and ensure women farmers have equal access to investment, income stability, and career sustainability.

IFA Propose:

- Introduce a dedicated CAP/NRP maternity & Farm Relief Scheme, providing paid maternity cover and funded replacement labour to ensure business continuity.
- Establish a Women Farmer Start-Up and Development Grant, supporting new entrants and first-time applicants with capital investment, diversification funding, and business development supports.
- Strengthen succession pathways for women in farming, including targeted incentives, advisory supports, and measures to encourage land transfer and joint farm partnerships.
- Fund a National Women in Agriculture Training and Mentorship Programme, providing leadership training, financial planning, and farm management supports to improve long-term progression and confidence.

9.7 Cost of Employment

Due to a combination of general wage inflation, an increase in the national minimum wage, effective full employment and the lack of additional skilled staff, employment costs have increased considerably within the agricultural sector in recent years.

IFA propose:

- General Employment Permits – no further increases in GEP annual salary.
- Need for a full roll-out of a Seasonal work permit Scheme for all horticulture sectors based on the national minimum wage.
- Ensure supports for rising employment costs is in place, which **is critical for the Mushroom & Horticulture sectors.**
- Consideration given to a new initiative to allow workers to earn tax-incentivised additional income from seasonal and harvest periods.
- Comprehensive support programme for agri operators who are struggling with the rising cost of employment. Increasing the employer PRSI threshold above the minimum wage annually, and the introduction of a temporary PRSI credit for lower-earning workers.
- Full time employees on minimum wage should be within the lower Employer PRSI rate (9%).

Notes:

IFA Head Office
Irish Farm Centre, Bluebell,
Dublin 12, D12 YXW5.
+353 (0)1 450 0266

IFA Brussels Office
61 rue de Trèves, 7th floor,
1040 Brussels, Belgium.
+32 (0)2 230 04 57

www.ifa.ie