

The Rural Development Programme (RDP) 2014 – 2020

Draft Consultation Paper



The Rural Development Programme (RDP), 2014-2020
Draft Consultation Paper – Proposed Measure Outlines

As part of the ongoing process of designing a new RDP for the period 2014-2020, the enclosed set of proposed measure outlines has been developed. These proposed outlines build on the stakeholder input received to date as well as ongoing preparatory work being undertaken within the Department of Agriculture, Food and the Marine (in particular, the work undertaken on the SWOT analysis and Needs Assessment required under the Rural Development Regulation). The views of stakeholders are now being sought on the composition of the proposed measure outlines. It is expected that this process will also incorporate consideration of the possible delivery of certain measures at a local level.

Background

The Rural Development Regulation¹ was formally adopted on the 17th December 2013. The draft regulation was originally published by the European Commission in October 2011. Discussion at European Council working groups took place under the Polish, Danish, Cypriot and Irish Presidencies of the European Union. A common EU position was reached during the Irish Presidency in June 2013, and the Regulation was finalised during the Lithuanian Presidency in December 2013.

The RDP 2007-2013

The new RDP will build upon the progress made under previous Rural Development Programmes.

The most recent RDP spanned the period 2007-2013 and is based on Axes as follows

- Axis 1 Competitiveness – includes schemes such as Young farmer’s Installation Aid scheme, Early Retirement Scheme, and On Farm Capital Investment schemes
- Axis 2 the Environment and Land Management – Includes agri-environment schemes, Natura 2000, LFAs.
- Axis 3 &4 – LEADER projects
- Axis 5 – Technical assistance.

The measures included under the RDP 2007-2013 have been effective in supporting the growth and development of rural economies while also helping to ensure that the environmental responsibilities of the sector are being met. The independent Mid-Term Evaluation (MTE) of the 2007-2013 RDP, carried out in 2010, reported that “overall, significant achievements have been made in the Programme”.

The main items of expenditure at end of 2013 under the 2007-2013 RDP included:

¹ <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2013:347:SOM:EN:HTML>

- Farm Modernisation – Some €90 million has been spent to date on a range of supports for on farm capital investments
- Agri-environment schemes – some €2 billion has been spent on schemes such as REPS and AEOS
- Less Favoured Areas – some €1.44 billion has been spent on the Less Favoured Areas Scheme (also known as the Disadvantaged Areas Scheme).

The RDP 2014-2020

The agreement on the MFF provides for a total allocation of €2.19bn over 7 years or €313 million per year to Ireland under Pillar 2 of the CAP for a new Rural Development Programme (RDP) for the period 2014-2020. This must be co-funded by the Exchequer. EU co-funding rates vary from 53% to 100% for different measures under the RDP.

Funding

Support for the new RDP, 2014-2020 will be co-funded by the European Union via the European Agricultural Fund for Rural Development (EAFRD) and the national Exchequer. While an EU allocation of €2.19 billion is available to Ireland, €2.037 billion of this is allocated to measures to be delivered via the Department of Agriculture, Food and the Marine. The remaining €153 million of the EU funding is allocated to the Department of the Environment, Community and Local Government for the delivery of measures via the LEADER mechanism. In addition, some elements of smaller, locally focused agriculture schemes such as water quality/biodiversity/EIP groups (Section 4.2) and outcome based conservation projects (Section 1(c)) and artisan food cooperation measures (Section 5c) could also be delivered through local structures such as LEADER.

While the EAFRD regulation sets out a range of different co-funding levels, it is proposed that an overall national co-financing rate of 46% will be applied to the measures under the RDP to be delivered by the Department of Agriculture, Food and the Marine. A total fund of €3.94bn² will be available over the lifetime of the new RDP for the measures to be delivered via the Department of Agriculture, Food and the Marine. The allocation of funding will be phased over the 2014-2020 period in line with the requirements of measure design and budgetary requirements.

Framework for RDP Design

The new RDP moves away from the Axes structure, and is instead based on 6 priority areas for rural development. These priority areas are

- Fostering knowledge transfer and innovation,
- Enhancing competitiveness,
- Promoting food chain organisation and risk management in agriculture,
- Restoring, preserving and enhancing ecosystems,

² This figure includes some €170 million remaining in the allocation of the current RDP 2007-2013. The N+2 rule allows for expenditure to be continued under the current RDP to the end of 2015.

- Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy,
- Promoting social inclusion poverty reduction and economic development in rural areas.

Each priority area also has a series of associated focus areas. In addition to addressing these priority areas, the new RDP must also contribute to the cross cutting themes of innovation, climate change and environment. A full list of the rural development objectives, the 6 priority areas and the associated focus areas is set out in Appendix 1 to this note.

In addition to the requirement to address the priority areas and cross cutting themes, the Rural Development Regulation has also set a number of requirements that must be taken into account in designing the new RDP. These are that:

- At least 5% of the EU allocation must be allocated to LEADER
- At least 30% of EU funding must be allocated to environmental and climate measures, and
- 6% of EU funding will be held back for allocation in 2019 following a performance review to be carried out by the Commission.

The Rural Development Regulation has also set out that each Member State must undertake a range of ex-ante analyses including an ex ante evaluation and a Strategic Environmental Assessment. All measures for inclusion in the new RDP must clearly flow from ex-ante assessments and link to the stated priorities.

Coherence with EU and National Policy

The challenge in designing a new RDP is to take all the above considerations into account while also ensuring that the measures chosen to form part of the new RDP are clearly linked with national policies in the sector. In particular, there is a clear coherence with the Smart, Green Growth message of Food Harvest 2020. For example a need for:

Smart – Knowledge transfer and innovation feature strongly in proposed measures such as Knowledge Transfer Groups, Targeted Training, the European Innovation Partnership, and Advisory Services. These measures will support the development of best and innovative practices in the sector

Green – The proposed new Agri-Environment Climate Change Measure responds directly to the environmental and climate change policy challenges arising from the growth targets in Food Harvest 2020 and identified in the Environmental Analysis of Food Harvest 2020 and also addresses relevant EU and international protocols and directives. The proposed on farm capital investments also include a focus on ‘green’ investments. The expansion of the Burren Farming for Conservation Scheme, similar new pilot projects and support for organic farming are further important proposed supports. The proposed measures selected also respond to issues raised in the Environmental Assessment of the impact of FH2020 (e.g. as targeted knowledge transfer to farmers, improved on-farm nutrient management planning, and improved environmental reporting and monitoring.)

Growth – The range of measures proposed provides a number of supports aimed at encouraging growth and maintaining viability, both in particular sectors and across the board. The on farm capital investments proposed will enable planned expansion in the dairy, and other, sectors, the Less Favoured Areas Scheme will continue as a key support to farm viability, there is support for niche artisan producers, and measures aimed at enhancing quality in the beef sector are also included.

The overriding objective in designing the RDP 2014-2020 is to build on the success of previous RDPs in order to

- continue to support the growth of the Agri-food sector
- ensure that scarce natural resources are managed in a sustainable manner, and
- help rural areas to respond to the many social and economic challenges they face in ensuring their continued balanced development

Stakeholder Consultation

Consultation with stakeholders has been a key element in the process of designing the new RDP to date. It is now intended to initiate a new phase of consultation based on the outline of proposed measures contained in this document. This commitment to extensive stakeholder consultation is in keeping with the European Common Provisions Regulation and the Rural Development Regulation under which Member States are required to consult widely during the preparation of their Rural Development Programmes.

This current phase of stakeholder consultation will build on the input already received from stakeholders to date. The first phase of the public and stakeholder consultation on the Rural Development Programme 2014-2020 began in December 2012 with an invitation for submissions from interested stakeholders and the public. The focus of this exercise was on collecting stakeholder input on the Rural Development Priorities as set out in the draft Rural Development Regulation at the time and on how these priorities might relate to the design of a new RDP for Ireland. Submissions were received from around 90 interested parties. The results of these submissions were carefully considered by the Department of Agriculture, Food and the Marine and combined with other work such as the preparation of Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and a needs assessment. The submissions were also provided to the independent ex ante evaluators for their consideration and assessment.

A second phase of stakeholder consultation was held in mid July 2013 where a full day stakeholder workshop was held. Around 80 invited participants attended this workshop at which the preliminary findings of the SWOT analysis and needs assessment were presented. Detailed discussions took place in breakout groups at the level of each rural development priority in order to seek stakeholders' views on how they might be improved. ³ On the basis

³ An Overview of the first two stages of the Department of Agriculture and Food consultation process is available at <http://www.agriculture.gov.ie/media/migration/ruralenvironment/ruraldevelopment/strategiesandprogrammes/RuralDevPublicConsultOverview2.pdf>

of these discussions the draft SWOT analysis and needs assessment were further amended and developed to reflect the views of stakeholders.

In addition to these formal processes the Department has also had various bilateral meetings and discussions with interested stakeholders including Government departments, Farming representative bodies and NGOs amongst others.

In parallel to these RDP specific consultations, the Department of Public Expenditure and Reform are carrying out a stakeholder consultation in relation to Ireland's Partnership Agreement for the EU funds. An Overview of this consultation process is available at <http://per.gov.ie/wp-content/uploads/Summary-of-First-Consultation-Process-on-Partnership-Agreement.pdf>. Each Member State is required to prepare a Partnership Agreement which sets the framework for the delivery of funding priorities under the national operational programmes (such as the RDP) currently being developed.

The design of the proposed measures outlined in this document has taken account of the stakeholder input received to date. The next stage of the consultation process is now commencing. The purpose of this phase in the consultation process is to refine the draft outline of proposed measures and to develop the proposed draft RDP. Following this consultation process, the next stage will be to submit the outline of proposed measures to an ex ante evaluation, Strategic Environmental Assessment (SEA) and Appropriate Assessment. Independent evaluators have been contracted to undertake this work. The SEA in particular will, by its nature, include further consultation with relevant stakeholders.

It is following the completion of the stakeholder consultation and the various ex ante analyses outlined above that the submission of the draft RDP for the consideration of the European Commission will take place.

NOTE: Given that the purpose of this document is to form the basis of stakeholder input into measure design, details of proposed measures and costings (where provided) are intended as strictly indicative at this stage

Format of Consultation

To ensure that maximum stakeholder input is received at this crucial stage of the RDP design process, there are two strands to the consultation process as follows

- a) written submissions are invited from interested parties, bearing in mind that it is expected to submit a draft RDP to the EU Commission in the late Spring. It is requested that submissions focus on the development of a set of proposed measures for inclusion in the new RDP.
- b) Stakeholder consultation meetings are being organised.

Proposed Measure Outlines

The outline material for each proposed measure is set out below. In order to aid the presentation of the proposed measures, they have been grouped thematically as follows.

- 1. Agri-Environment Climate Measures**
 - a. (i) The Agri-Environment Climate Scheme (GLAS) Page 8
 - (ii) GLAS + Page 11
 - b. The Organic Farming Scheme Page 12
 - c. Targeted output based local agri-environment projects Page 13

- 2. Areas of Natural Constraint**
 - a. The Areas of Natural Constraint Scheme Page 15

- 3. On Farm Capital Investments**
 - a. Proposal for a TAMS II Scheme incorporating a number of strands Page 16
 - b. Targeted Young Farmers Capital Investment Support Page 18

- 4. Knowledge Transfer Measures** (incorporating European Innovation Partnership, Knowledge Transfer Groups, Continued Professional Development for Advisors, and Targeted Veterinary Advisory Service) Page 19

- 5. Support for Collaborative and Quality Focused Measures**
 - a. Support for Collaborative Farming Page 22
 - b. Artisan Food Cooperation Schemes Page 23
 - c. Support for Quality Schemes Page 24

- 6. Targeted Support**
 - a. Support to the Beef Sector Page 25
 - b. Support for Island Farming Page 27

- 7. LEADER**
 - a. Proposed areas of support using the LEADER model Page 28

1.AGRI-ENVIRONMENT CLIMATE MEASURES

A) (i) G.L.A.S. (Green Low-Carbon Agri-Environment Scheme)

Proposed Name of new Scheme

The proposed new agri-environment scheme **GLAS** ties in with the green vision for Irish agriculture as contained in Food Harvest 2020 and as promoted by Bord Bia in the Origin Green campaign. The scheme is green as it preserves our traditional hay meadows and low input pastures, low-carbon as it retains the carbon stocks in soil through margins and habitat preservation and practices such as minimum tillage and agri-environment as it promotes agricultural actions which enhance the rural environment.

Relevant Rural Development Priorities

Restoring, preserving and enhancing ecosystems.

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy.

Knowledge Transfer and Innovation

Proposed Purpose

The inclusion of an agri-environment climate measure is compulsory under the rural development regulation. The proposed scheme will deliver overarching benefits in terms of the rural environment whilst addressing the issues of climate change mitigation, water quality and the preservation of priority habitats and species.

Agriculture must meet the twin objectives of environmental sustainability and productivity gains as set out in Food Harvest 2020 in the years ahead. In order to contribute to the mitigation of the environmental impacts of Food Harvest 2020, GLAS has been designed to achieve the delivery of targeted environmental advice and best practice at farm level. It aims to work within the framework for environmental sustainability as set down by the following EU Directives and national and international targets:

- The EU Climate Change and Renewable Energy Package and the Kyoto Protocol.
- The Water Framework Directive, the Groundwater Directive and the Nitrates Directive
- The Habitats Directive, the Birds Directive and the European target of halting the loss of biodiversity by 2020.

Proposed Structure of the Scheme

The proposed minimum contract under GLAS will be 5 years. Payments for Natura sites are included in the general scheme under specific actions (Farmland Habitat Conservation, Conservation of Bird Species, Uplands Conservation). All actions must go beyond the baseline for the Single Payment Scheme.

1. Core requirements

In the first instance all farmers in the Scheme must comply with the following list of core requirements. These aim to ensure that farmers have an enhanced level of environmental knowledge, evidenced by records kept of actions delivered and underpinned by a plan for nutrient resource efficiency on their holding:

- (a) A Farm Advisory Service (FAS) approved agricultural planner must prepare the GLAS application.
- (b) A Nutrient Management Plan for the whole farm must be in place before payment issues.
- (c) Knowledge Transfer by means of a training course for specific actions complemented by on-line demonstrations/advice on good environmental practices must be undertaken.
- (d) Record keeping requirement.

2. Two-Tier Entry Requirements

Tier 1

Priority will be given to farmers who choose at least one action from a Priority list (Annex 1) in order to join the scheme. Some of these actions will be mandatory for farms in certain locations: e.g. farms with watercourses must choose the protection of watercourses action, those in freshwater pearl mussel areas must address that issue. The 'Uplands Conservation' action will require that farmers form a grazing association and apply as a collective, with at least 80% of the farmers on the commonage signing up.

Tier 2

Once all places under Tier 1 have been filled, and if there is capacity, a selection process will be used to allow other farmers who have chosen actions from the General list to join the Scheme. The selection process will apply weightings in terms of environmental benefit to actions and a scoring system will be used to allocate places.

3. Other Actions allowed to achieve maximum payment

Farmers can choose additional actions from the Priority list and/or the General list (Annex 1), to bring their payment to the maximum of €5,000. Planners will be required to advise farmers to choose actions most suitable for their farms and which deliver the greatest environmental dividend. New actions specifically for tillage farmers have been included in order to encourage uptake and to increase the number of climate change options.

Proposed Targeting / Selection Criteria

Depending on the budget available, more precise targeting of the Scheme may be needed. It is suggested that the following targeting mechanisms could be used:

- Farms with high status water quality sites.
- Conservation habitats with poor or bad status.
- Specific species under immediate threat.
- Intensive farmers with a grassland stocking rate of >140kg of Organic N per hectare and tillage farmers with more than 30 hectares of arable crops.

Proposed Costing and Specifications

Work is underway on producing exact payment rates for each action. These costings will be of central importance to the detailed design of the Scheme. It is proposed that a maximum payment of €5,000 would apply, with the Scheme building up to the inclusion of some 50,000 farmers.

Annex 1	
C O R E	<p>Core Management Requirements</p> <p>All of these requirements are compulsory:</p> <ul style="list-style-type: none"> • A Farm Advisory Service (FAS) approved agricultural planner must prepare GLAS application • Nutrient Management Planning • Training in environmental practices and standards • Record keeping of actions delivered
P R I O R I T Y	<p>TIER 1 Priority Environmental Actions</p> <p>These priority actions aim to address the cross-cutting objectives of climate change, water quality and biodiversity within GLAS.</p> <p>If any of these action(s) are applicable to your holding, you must choose them and as a result you will receive priority access to GLAS:</p> <ul style="list-style-type: none"> • Farmland Habitat Conservation (Natura sites e.g. freshwater pearl mussel) • Conservation of Bird Species (e.g. Twite, Curlew, Corncrake, Grey Partridge) • Uplands Conservation (for commonages only) • Fencing of all watercourses on your holding where the field is in grass • Buffer Zones along all watercourses on your holding where the field in tillage <p>If you wish to be considered for priority entry (Tier 1) but none of the above are applicable to your farm, you must choose one of the following 4 actions:</p> <ul style="list-style-type: none"> • Low Emission Slurry Spreading • Minimum Tillage • Green Cover Establishment from a Sown Crop • Wild Bird Cover / Wild Flower Cover (grassland farmers only – tillage farmers may not choose as a Priority action, but can choose as an additional action)
G E N E R A L	<p>TIER 2 General Environmental Actions*</p> <p>These actions aim to enhance the climate change, water quality and biodiversity benefits delivered and can be chosen in addition to Priority actions or on their own (choosing only General Environmental Actions will not guarantee entry to the Scheme):</p> <ul style="list-style-type: none"> • Low Input Permanent Pasture or Traditional Hay Meadow • Riparian Margins • Coppicing Hedgerows • Laying Hedgerows • Traditional Stone Wall Maintenance • Tree Planting • Enlarged Headlands • Cultivation of Tramlines • Environmental Management of Fallow Land • Arable Margins • Rare Breeds • Birds, Bees and Bat Boxes <p>*A selection process will be used to allow farmers join GLAS by means of these actions if take-up of Priority actions falls short.</p>

(A)(ii) GLAS+

It is also proposed that, within budget limits, a GLAS+ payment would be put in place for a limited number of farmers who take on particularly challenging actions which deliver an exceptional level of environmental benefit. It is proposed that this payment will be up to €2,000. The detail in relation to how best to target the GLAS+ payment remains under consideration.

B) Organic Farming Scheme

Proposed new Scheme

Organic Farming Scheme

Relevant Rural Development Priority

Restoring, preserving and enhancing ecosystems

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy

Proposed Purpose

One of the issues identified in the SWOT analysis is the low levels of organic production in Ireland. In 2010, across the EU27 Member States 5.7% of the total UAA was devoted to organic crop area. In Ireland the corresponding figure was 1.1%. Food Harvest 2020 recognised that while the organic sector in Ireland is relatively small in relation to agriculture as a whole, the sector does represent an opportunity for growth and endorsed the target of 5% of UAA. Consequently, FH2020 recommended that the Department should continue to directly support the sector through the Organic Farming Scheme (OFS) and the Schemes of Grant Aid for the Development of the Organic Sector.

In the rural development context, organic farming is mainly expected to establish and maintain a sustainable management system for agriculture. The farming practices it promotes contribute to improving soil and water quality, to mitigation and adaptation to climate change and to the improvement of the state of biodiversity e.g. by crop rotation, use of organic fertilisers, improvement to soil organic matter and by no use of synthetic plant protection products or synthetic fertilisers.

Proposed Structure of the Scheme

In accordance with the Rural Development Regulation, Organic Farmers would be primarily required to meet the requirements of Article 29 (Organic Farming) of that Regulation. Subject to Commission approval, it is proposed to have the same core requirements for both Organics and GLAS. Furthermore if permissible, it is proposed to incorporate Organics under the umbrella of GLAS as a priority environmental action. In addition to having to meet the requirements of Article 29, Organic Farmers applicants would be eligible to apply for, and gain priority access to, other Tier 1 or Tier 2 GLAS options to top-up their organic payment. In other respects the scheme will continue with the general structure and implementation of the existing Organic Farming Scheme with some possible changes to elements of administration.

C) Targeted Output Based Agri Environment Projects

There are two options for expanding targeted output based agri environment schemes:

1. To extend the Burren Farming for Conservation Programme
2. Run a fund for other similar output based conservation and agri environment projects in other areas.

Rural Development Priority Area:

Restoring, preserving and enhancing ecosystems

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy

1. Proposed Extension of Burren Farming for Conservation Programme

Purpose

The BFCP is a pioneering agri-environment programme designed to conserve and support the communities, the environment and the heritage of the Burren. It is based on the findings of the Burren LIFE Project (2005-2010). The main objectives of the scheme are

- to ensure the sustainable agricultural management of high nature value farmland in the Burren
- to contribute to the positive management of the landscape and cultural heritage of the Burren
- and to contribute to improvements in water quality and water usage efficiency in the Burren.

Proposed Structure of the Scheme

The proposal for the new RDP is to continue with the general structure, implementation and administration of the existing BFCP scheme. However, it is proposed that the scope of the Scheme could be significantly expanded under the new RDP.

Proposed Core requirements/Actions

The scheme will comprise of three measures, namely:

Measure 1 Production of species rich grassland to optimise its environmental condition (biodiversity, water, landscape, heritage etc).

Measure 2 Site enhancement works (including scrub removal) and co-funds (25%, 50% or 75%) a list of farmer-nominated tasks designed to improve the management on target areas. Typical tasks include scrub removal, water provision, wall repair, habitat restoration and access provision.

Measure 3 Protection of designated land and other areas of Annex 1 habitat.

Proposed Selection

Currently applicants are selected having been assessed and ranked according to a number of environmental criteria (e.g. REPS history, area of SAC land, number of listed Monuments).

2.Support for other output based local agri-environment projects

It is recognised that the output based local project model offers the potential for the delivery of real environmental, climate change and biodiversity benefits. A proposed approach here would be to establish a competitive fund for support of such projects. Proposals received would be rigorously evaluated in order to ensure maximum value for money.

The indicative funding available for an expanded measure to cover both the above options would be €5m per annum compared to €1m at present

2. AREAS OF NATURAL CONSTRAINT

Areas of Natural Constraint Scheme (ANCs) [Formerly known as LFA/DAS]

Rural Development Priority Area

Enhancing farm viability and competitiveness
Restoring, preserving and enhancing ecosystems

Purpose

Farmers in less favoured areas face significant handicaps deriving from factors such as remoteness, difficult topography and poor soil conditions. They tend to have lower farm productivity and higher unit cost production costs than farmers in other areas. Without financial support, these lower returns from farming would pose a significant threat to the future viability of these farming communities. The stated objectives of this Scheme are to:

- Ensure continued agricultural land use, thereby contributing to the maintenance of a viable rural society
- Maintain the countryside
- Maintain and promoting sustainable farming systems, which in particular take account of environmental protection requirements.

Proposed Structure of the Scheme

It is envisaged that the scheme will operate in much the same way as in the 2007-2013 programme.

Each MS has until 2018 to designate its ANCs by reference to biophysical criteria. This may change the designation of areas and the structure of the Scheme. Under the Scheme different levels of aid can be paid (i) depending on the severity of the natural constraint and (ii) the system of farming.

Proposed Selection

Applicants for support will be required to:

- Be a registered herdowner,
- Occupy and farm a minimum of three hectares of forage land in a ANC area
- Comply with required stocking rates
- Comply with good agricultural and environmental conditions.

Proposed Costing and Specifications

Current levels of payment rates are linked to whether the qualifying land is in the most severely handicapped category, the less severely handicapped category or is mountain type land.

It is proposed that the new scheme would cost €195 million per annum.

3. ON FARM CAPITAL INVESTMENTS

Name of proposed new Scheme

Targeted Agricultural Modernisation Scheme II.

Relevant Rural Development Priority Areas

Enhancing farm viability and competitiveness

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy

Restoring, preserving and enhancing ecosystems

Purpose

The SWOT analysis and public consultation identified a need for capital investment over a wide range of investments. The investment areas proposed will support a number of key policy priorities (eg Food Harvest 2020), including

- Targeted support at key sectors to enable growth and expansion
- Contributing to environmental and climate change objectives
- Supporting increased efficiency of holdings, eg through support for farm infrastructural investments
- Improved animal health and welfare.

Proposed Structure of the Scheme

It is intended that the funding would be administered via an overarching administrative structure in the same way as the TAMS model currently operates. As far as possible, a separate scheme will be established for each group of investment items, in order to ensure that the application process can be as streamlined as possible. The duration of each scheme is to be determined.

Proposed Selection Measures

As in the case of the current TAMS, each investment scheme will include both eligibility and selection criteria. The eligibility criteria will determine, in particular, the minimum and maximum levels of farming enterprise with which an applicant must be in compliance in order to be eligible for grant-aid under the scheme. Special measures will be applicable in the case of Teagasc-approved farm partnerships.

Selection criteria will be applicable in order to determine those applications which are entitled to proceed to the approval process. In the case of grant-aid for dairy equipment, it is proposed that, in the selection criteria, priority will be given to new entrants and to those farmers who did not receive approval under the current TAMS Dairy Equipment Scheme.

Costing and Specifications

A wide range of investment areas have been identified as linking to national and EU priorities. However, given that funding limits will apply it is proposed at this time to *initially* fund the following areas:

- Dairy Equipment (milking, storage and cooling equipment)
- Slurry Storage (including on arable farms) - subject to meeting certain baseline requirements

- Animal Housing
- Trailing Shoe Low Emission Spreading Equipment
- A continuation of support for the Bioenergy Scheme
- Pig and poultry investments in energy, water meters, medicine dispensers.

The cost for TAMS II priority areas over the course of the RDP is estimated at over €290 million.

Over the programming period, other investment priorities identified in the SWOT etc may be funded.

B) Targeted Young Farmer On Farm Capital Investment Support

Relevant Rural Development Priority Areas

Enhancing farm viability and competitiveness

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy

Restoring, preserving and enhancing ecosystems

Purpose

The SWOT analysis and public consultation identified the age profile of Irish farmers as a key structural challenge which needs to be addressed in order to underpin continued viability and growth. A separate strand of the TAMS II scheme outlined above targeted at Young Farmers will provide access to support for young farmers who are setting up for the first time as the head of an agricultural holding and who are investing in specified capital investments on their farms. The Rural Development Regulation allows for higher aid intensity than that available under the general on farm capital investment scheme above (60% as against 40%).

Proposed Structure of the Scheme

A wide range of investment areas have been identified as linking to national and EU priorities and being of specific relevance to young farmers. However, given that funding limits will apply it is proposed at this time to initially fund the following areas:

- Dairy equipment (milking, storage and cooling)
- Slurry storage
- Animal housing
- Dairy Buildings
- Trailing Shoe Low Emission Spreading Equipment

4. KNOWLEDGE TRANSFER MEASURES

Relevant Rural Development Priority Areas

Knowledge Transfer and Innovation

Enhancing farm viability and competitiveness

Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy

Restoring, preserving and enhancing ecosystems

Proposed Knowledge Transfer and Innovation Package of Measures

The proposed structure for the Knowledge Transfer Measures is based on 4 elements – European Innovation Partnerships (EIP), Knowledge Transfer Groups, Continued Professional Development and Targeted Advisory Services. However there may be some overlap between these i.e. Knowledge Transfer Groups and EIP operational groups are very similar. Targeted training for farmers will also be delivered under the AECM.

1. Proposed Flagship EIPs

The RD Regulation sets out that the EAFRD will contribute to the aims of EIP by supporting operational groups. These groups bring together farmers, researchers, advisors, business or other actors such as NGOs to advance innovation in the agriculture sector. MS can stipulate that the operational groups focus on particular areas. It is proposed that 2 areas could form the basis for ‘flagship EIPs’

- a. EIP based on a specific **output based locally led agri-environment projects**. This could take the form of an expansion of the Burren Farming for Conservation Scheme or support could be focused on the establishment of new pilot projects (e.g. a pilot focussed on freshwater pearl mussel). See section 1(c).
- b. EIP based on **beef data and genomics improvement**. Discussion has centred on the possible development of a scheme in the beef sector based on data and genomics. It is possible that part of this support could be structured on the basis of EIP operational groups.

2. Proposed Competitive Fund for Knowledge Transfer Groups and EIPs

The use of knowledge transfer groups is seen as a very effective vehicle to develop the knowledge base and foster best practice and innovation. The proposed measure will enhance the output driven focus of the existing discussion groups, increase participation in knowledge transfer and focus on key policy issues – both sector specific and cross cutting.

The following proposed areas for the establishment of Knowledge Transfer Groups are grouped in priority order, and decisions in relation to which areas to support will be linked to available funding. In certain areas, these groups might take the form of a Knowledge Transfer Group or a EIP operational group.

Priority Bundle 1

Dairy expanders and new entrants – focused on animal health, financial management, grass management, sustainability (carbon navigator), milk recording, breeding.

Beef and sheep - focused on animal health, financial and risk management, grass management, sustainability (carbon navigator), breeding.

Pig / Poultry – focused on animal health and welfare and manure management.

Water Quality / Biodiversity – similar to the proposed flagship EIP outlined above, the approach here would be to focus on locally led groups (eg by river catchment area) with an output focused approach.

Priority Bundle 2

Dairy other - focused on animal health, financial management, grass management, sustainability (carbon navigator)

Tillage – focused on integrated pest management and profit monitor.

Equine – focused on breeding and animal health and welfare.

It may also be possible to link knowledge transfer in relation to the requirements under the new AECM scheme to all Knowledge Transfer Groups.

It is intended that all these groups would be administered via the one structure, to incorporate

- Structured calls for proposals for groups to be set up
- Clear selection criteria to ensure VFM
- Requirements in relation to qualified facilitators (link to CPD below). Facilitation may require a mix of qualified personnel also (particularly re Animal Health and Welfare)

The above groups will be linked to other proposed RDP measures. For example, participation in beef sector Knowledge Transfer Groups will be linked to participation in the Beef Data and Genomics measure, while the EIP operational groups in the environment area will be linked to farmers maximising their payment under the AECM.

Consideration is also required about how best to address key social issues in the sector (including succession planning and the role of women on farms) and whether these or similar groups might have a useful role in this regard.

3. Proposed Continued Professional Development for Advisors (Ag and Vet qualified)

There is a need for Continuing Professional Development (CPD) for agricultural advisors in the area of environment and climate change generally, best technology techniques and mitigation procedures. This was identified in the Environmental Assessment of the Impacts

of the Food Harvest 2020. Up-skilling is required so that advisors are in a better position to provide advice to farmers so that the roll out and implementation of mitigation measures, high technology, financial management, and best environmental practice at farm level can take place.

CPD could cover topics such as biodiversity management, water management and renewable energy, climate change adaptation and mitigation.

There is a clear link between CPD for agricultural and veterinary advisors the success of the proposed AECM and Knowledge Transfer Groups.

4. Proposed Targeted Advisory Service on Animal Health and Welfare (AHW)

There is a strong economic rationale for targeting and controlling animal disease e.g. controlling Bovine Viral Diarrhoea (BVD), Mastitis and Johne's disease given the annual recurring costs involved.

To complement the knowledge transfer in relation to AHW outlined above it is proposed to include a measure based on the delivery, upon request, of farm-specific advice (e.g. risk assessment for Johne's disease, problem solving for chronic or recurring elevated somatic cell count, investigations of acute or recurring BVD infection) for individual farmers. The outputs of this measure will include an action plan, jointly developed by the adviser and the farmer, and a set of specific, actionable recommendations

The estimated annual target is,

- 1,800 farmers, in the case of somatic cell count reduction based on 10% of the total population of 18,000 dairy herds,
- 1,500 farmers for Johne's disease risk assessment
- 1,950 BVD farm investigations, estimated at 0.5% of the total number of dairy and suckler herds.

It is estimated that the cost of the package of Knowledge Transfer Measures when fully up and running will be some €20 million per annum.

5. SUPPORT FOR COLLABORATIVE AND QUALITY FOCUSED MEASURES

A) Support for Collaborative Farming

Rural Development Priority Areas

Enhancing farm viability and competitiveness

Purpose

It is well established that the farm partnership model has a number of benefits, including

Economic benefits - Teagasc research, along with other literature, has demonstrated that significant economies of scale can be achieved in agriculture. Farm partnerships can be a means to capture these increased returns. Entering a partnership offers farmers these increased returns through: the ability to achieve scale at a lower capital cost; the reduction of costs, which are duplicated between farmers; and risk sharing.

Land Mobility: - access to land is a critical constraint on progressive farmers. Collaborative farming arrangements - such as partnerships and share milking, contract farming etc. offer a new route to access underused land for such farmers

Skills – Partnerships offer the possibility of sharing best farming and business management practice. Collaboration and partnership among farms can lead to management synergy, especially in instances of collaboration between farmers coming from two different enterprise backgrounds.

Social benefits - Joint farming ventures can help to address the social challenge of the ‘one man farm’ model making farming a more attractive occupation.

Food Harvest 2020 recognises the role that farm partnerships can play in addressing structural challenges and supporting ambitious growth targets. It includes the recommendation that “*Any remaining obstacles to partnership formation or other new models of farming should be removed*”.

Proposed Structure of the Scheme

The Scheme will be in the form of a grant to farmers setting up as a partnership or other approved collaborative farming arrangement. The grant will be aimed at covering the initial start up costs of establishing a farm partnership etc (e.g. legal, administrative etc)

It is proposed that the scheme will apply to farmers setting up a new registered partnership or other recognised collaborative farming arrangement. There is the potential to address the structural issues in the sector such as new entrants to dairy, women farmers, young farmers, intergenerational transfer scenarios etc.

Proposed Costing and Specifications

Based on a target of achieving 400 new partnerships a grant of €2,500 per partnership for admin / legal costs gives a total cost for the Scheme of €1m over the life of the RDP.

B)Artisan Food Cooperation Scheme

Relevant Rural Development Priority

Promoting food chain organisation, including processing and marketing of agricultural products.

Purpose

The Scheme aims to improve marketing, product quality and business skills through support for innovative collaborative processes and so address the challenges to co-operation identified in studies on facilitating short supply chains - entry barriers, the need for shared understanding, skills/training, marketing and business skills deficits. Food Harvest 2020 has identified the need for improved marketing of local food and uptake of EU quality systems. The artisan food sector was identified as an opportunity in the SWOT analysis.

Proposed Structure of the Scheme

The proposed scheme will consist of an annual grant support for collaborative proposals and activities to assist artisan food producers to,

- i. ***improve and validate production quality***; to increase laboratory testing and improve access to best practice through advice, workshops, farm visits and exchanges
- ii. ***improve awareness and marketability of locality and niche category products*** through access to market insight, support for developing routes to market, identifying and exploiting on-line publicity and sales opportunities, developing presence at food festivals, networking and clustering to provide impact in terms of food trails, and centres of food excellence through improved access to best practice

Proposed Core requirements and Selection

Applicants must be registered food producers and propose a joint plan to improve market knowledge and insight, product quality, production sustainability and/or marketing of their food products and developing new and innovative routes to market.

Targeting

It is proposed to support 6 to 12 collaborative groups in year 1, increasing to 60 collaborative groups by year 7. Particular attention will be given to how the group proposes to maintain effective in-group commitment to and management of the project.

C)Beef and Lamb Quality Scheme

Relevant Rural Development Priority

Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management

Purpose

Quality schemes will improve competitiveness of primary producers by better integrating them into the agri-food chain, attracting a price premium and by adding value to agricultural products. The importance of quality assurance schemes was noted in the SWOT analysis.

Proposed Structure of the Scheme

It is proposed to issue grants for developing Group proposals for beef and lamb producers. Marketing of distinctive local products and demonstrating the geographic distinctiveness through the EU PDO/PGI /TSG quality regimes carries costs in developing group dynamic, agreeing specification and control protocols and marketing. RDP support will give producers confidence in undertaking market orientated co-operation.

Grants will cover the development of,

- Group proposals, defining product control specification, on-line costs, organisation and awareness
- Promotion of product which have received PDO/PGI recognition and other recognised regional status i.e. trade fairs, food festivals, food tourism.

6. TARGETED SUPPORTS⁴

A) Beef Data and Genomics Programme (BDGP) ⁵

Relevant Rural Development Priority Area

Fostering knowledge transfer and innovation

Enhancing farm viability and competitiveness

Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management

Purpose

To establish a data and genotyping measure to support breeding, quality, and potentially traceability activities on suckler farms.

BDGP will support the general aims of farm sustainability, profitability, animal health and welfare and quality assurance for the suckler sector set out in Food Harvest 2020, will accelerate improvement in the quality of the beef herd and with the Origin Green initiative will allow Ireland to develop a unique brand.

By placing the focus and investment on genotyping, it will assist farmers to meet the challenges of improving breed quality and increase the economic sustainability of beef production from suckler herds.

Using genomics to increase genetic improvement in cattle, Ireland can further exploit its advantage of a green grass-based production system by producing beef animals which maximise productivity per unit of input and which can also accrue substantial benefits in terms of traceability and quality.

Proposed Structure of the Scheme

The BDGP will build on the Beef Data programme (BDP) and on the 2014 Beef Genomics Scheme which aimed to establish a training population for the use of genomics in beef.

Proposed Core Requirements/actions

The BDGP will require participants to:

- i) Use a tissue tag to take samples from selected animals in their herds;
- ii) Send selected tissue samples for genotyping;
- iii) Record animal events data for calves at appropriate stages and submit it to the Irish Cattle Breeding Federation to develop a national databank;
- iv) Improve breed quality by selecting stock bulls and replacement heifers of high genetic merit;
- v) Dispose of BVD persistently infected calves within a defined period.

⁴ challenges for the sheep sector were identified in the stakeholder consultation and SWOT analysis. It is proposed to address such issues via the integration of the Sheep Grassland Scheme in the Single Farm Payment

⁵ while the BDGP is intended to focus on a combination of measures in the areas of genomics and data collection, there is also the possibility of additional requirements from other areas such as animal welfare or animal health to be included

Proposed Targeting:

The scheme will target suckler farmers in the first instance. The Irish Cattle Breeding Federation (ICBF) will commence large scale beef genomic evaluations in 2015 to identify the top genetic merit animals (male and female) which should be used for future breeding. To ensure this is transferred to commercial production and accrues the intended benefits, specific conditions requiring participants to use high index stock bulls and replacement heifers will be introduced.

Costings and Specifications

The cost of the Programme is estimated at over €50 million per annum based on €80 per calved cow for approximately 650,000 participant calved cows. Full costings can only be determined when the outline of the scheme is more fully developed.

B) Support for Island Farming

Relevant Rural Development Priority Area

Fostering knowledge transfer and innovation
Enhancing farm viability and competitiveness
Restoring, preserving and enhancing ecosystems.

Purpose

Island communities remain dependent on the agriculture sector, both in terms of economic activity and the role that agriculture plays in the preservation of landscapes and ecosystems. Island agriculture usually differs from intensive farming systems and faces a number of constraints such as isolation, high infrastructure and transport costs, land quality issues and income / viability issues.

Proposed Structure of the Scheme

The Department is examining mechanisms to support for Island Farming

7. LEADER MEASURES

Relevant Rural Development Priority Area

Promoting social inclusion, poverty reduction and economic development in rural areas.

Possible LEADER Measures

Both the RDP SWOT and needs analysis processes and the research conducted by Commission for the Economic Development of Rural Areas have highlighted similar areas of need within rural Ireland that could be addressed through interventions using the LEADER methodology. These areas include

- Coordinated Support for Enterprise Development and Job Creation. There are a number of sectors within the rural economy that have been identified as having potential from the perspective of enterprise development and job creation. These sectors include
 - i) Artisan Foods
 - ii) Renewable Energies
 - iii) Marine
 - iv) Social Enterprise
 - v) Creative Industries
- The need to ensure the effective and coordinated use of all available resources in rural areas, physical and human, to support local development of rural areas.
- The need to support and enhance national communication initiatives to improve broadband and communications infrastructure with a particular focus on the needs of rural areas.

It is in this context that some initial ideas on the types of themes/needs to be supported under the LEADER element of RDP 2014-2020 are presented below. Stakeholder feedback in relation to the ideas listed below and other stakeholder suggestions will form a central part of the design process for the Local Development Strategies (LDS) required to deliver funding under the LEADER element of the RDP. The areas identified to date are:

- Rural Economic Development/Enterprise Support and Job Creation
- Rural Broadband
- Rural Tourism, Recreation, Heritage and Culture
- Basic Services for particularly disadvantaged rural communities
- Social Inclusion, Capacity Building, Training and Animation
- Rural Youth

- Environmental issues, including the protection and sustainable use of water resources and the protection and improvement of local biodiversity and the development of renewable energy.

Appendix 1
OBJECTIVES AND PRIORITIES UNDER RDP 2014 - 2020

OBJECTIVES:

1. Fostering the competitiveness of agriculture;
2. Ensuring the sustainable management of natural resources, and climate action;
3. Achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

PRIORITIES:

Priority 1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas with a focus on the following areas:

- a. fostering innovation, cooperation, and the development of the knowledge base in rural areas;
- b. strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance;
- c. fostering lifelong learning and vocational training in the agricultural and forestry sectors.

Priority 2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests, with a focus on the following areas:

- a. improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increase market participation and orientation as well as agricultural diversification;
- b. facilitating the entry of adequately skilled farmers into the agricultural sector and in particular generational renewal.

Priority 3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture, with a focus on the following areas:

- a. improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and organisations and inter-branch organisations;
- b. supporting farm risk prevention and management

Priority 4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry, with a focus on the following areas:

- a. restoring, and preserving and enhancing biodiversity, including in Natura 2000 areas, areas facing natural or other specific constraints and high nature value farming, and the state of European landscapes;
- b. improving water management, including fertiliser and pesticide management;
- c. preventing soil erosion and improving soil management.

Priority 5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, with a focus on the following areas

- a. increasing efficiency in water use by agriculture;
- b. increasing efficiency in energy use in agriculture and food processing;
- c. facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for purposes of the bio-economy;
- d. reducing green house gas and ammonia emissions from agriculture;
- e. fostering carbon conservation and sequestration in agriculture and forestry.

Priority 6: Promoting social inclusion, poverty reduction and economic development in rural areas, with a focus on the following areas:

- a. facilitating diversification, creation and development of small enterprises and job creation;
 - fostering local development in rural areas;
- b. enhancing accessibility to, use and quality of information and communication technologies (ICT) in rural areas