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The final deal on the reform of the Common Agricultural Policy could not be described as a radical reform. Although it falls short of the initial promises for a truly green policy delivering on public goods, it does provide for transitional measures into greener practices which are welcomed. The greening package of three basic agronomic practices as a pre-condition for the receipt of Pillar 1 direct payments, has, to say the least been watered down, but an effective green reform is still attainable if the political will is there. With key issues such as the transfer of funds between direct aid, rural development, and co-financing rates yet to be finalised at on- going budget talks, there remains opportunities for sustainable farming practices, such as organic farming to achieve further recognition in a package of measures that support agro-ecological approaches.

Naturally IOFGA welcomes the fact that organic farming is recognised under greening (Pillar 1) for its environmental attributes and green credentials, but it is in Pillar 2 Rural Development where the supports for organic farming rest. It is essential that only sustainable measures should be ring fenced under Rural Development and that recognition is awarded for the true value of functioning bio-diversity. The new reform affords a much welcomed stand alone measure for organic farming, separate from an agri-environment scheme. However it is vital that organic farmers are not excluded from agri-environment programmes, as was the case in the past due to the design and criteria of the programmes.

With 30% of Pillar two funds earmarked for organic farming, agri-environment, natura 2000, areas of natural constraint, forest measures and investments, it will be imperative that Ireland ensures an equitable allocation of funds for Pillar 2. Agri-environmental measures, including organic farming, enable farmers to use their land in a way that preserves biodiversity and eco-systems. IOFGA welcomes the higher investment support for organic farming and agro-ecological production systems, as well as the recognition for such production systems in new Innovation Partnerships which can help to shape rural economies towards sustainability.

However, in Pillar 2 (rural development) everything depends on sufficient funding. The draft EU budget for the 2014-2020 period foresees less money overall for Pillar 2 - a cut of 11-12% compared with current EU budget 2007-2013. If member states use the possibility to shift 15% of money from Pillar 1 to Pillar 2 this could give rural development a meaningful boost. There is, however, a real danger that member states could instead shift up to 15% of money from Pillar 2 to Pillar 1. This would be a serious setback for the CAP, resulting in even more untargeted direct payments at the expense of targeted rural development measures. Higher co-finacing rates, yet to be finalised, may be welcomed by some as a means of ensuring support but it should be noted that the higher the rate of co-finance, the less overall funding available for the programme.

The newly introduced insurance schemes as well as the Income Stabilisation Tool (IST) could become extremely costly and threaten the budget for agri-environmental measures and support to biodiversity-friendly farming. Insurance and the stabilisation tool will not help farmers to become economically and ecologically more sustainable, on the contrary they will incentivise risky behaviour. Proper market organisation (CMO) would help farmers to become less vulnerable and more resilient to the challenges of the food market.

A lot of issues still have to be decided by national and regional authorities about how the new CAP regulations are implemented. Therefore, IOFGA feel many things can still be done at the local and regional level by farmers, rural communities and civil society to improve the targeting of public money towards agro-ecological, and bottom-up approaches to rural community development. In addition new rural development programmes also offer potential, but as pointed out earlier must have proper allocation of funds to truly promote sustainable agriculture and to prioritise agro-ecological methods and ensure a basis for green growth across rural development programmes.

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