

# Outlook for markets, DAFM schemes and the new CAP

*Darren Carty,  
Sheep and Schemes Editor, IFJ*



**NATIONAL SHEEP CONFERENCE 2026**

Thursday, 18 June | Ballinasloe, Co. Galway

# Presentation agenda

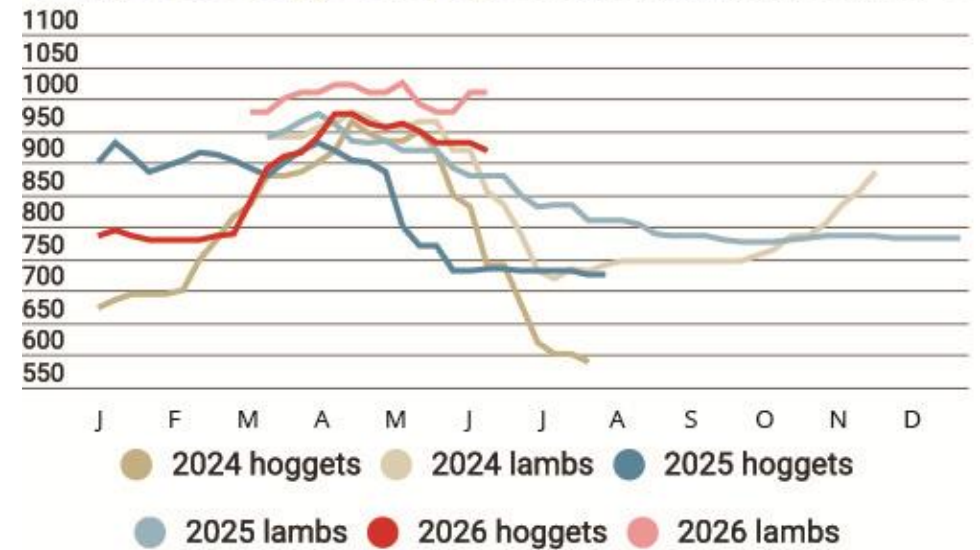
- Sheep market outlook
  - What is in store for rest of 2026?
- CAP reform 2028-2024
  - Current position and next steps!
- Irish funded sheep schemes
  - What does the future hold?



# Lamb price trends 2011 to 2026 YTD



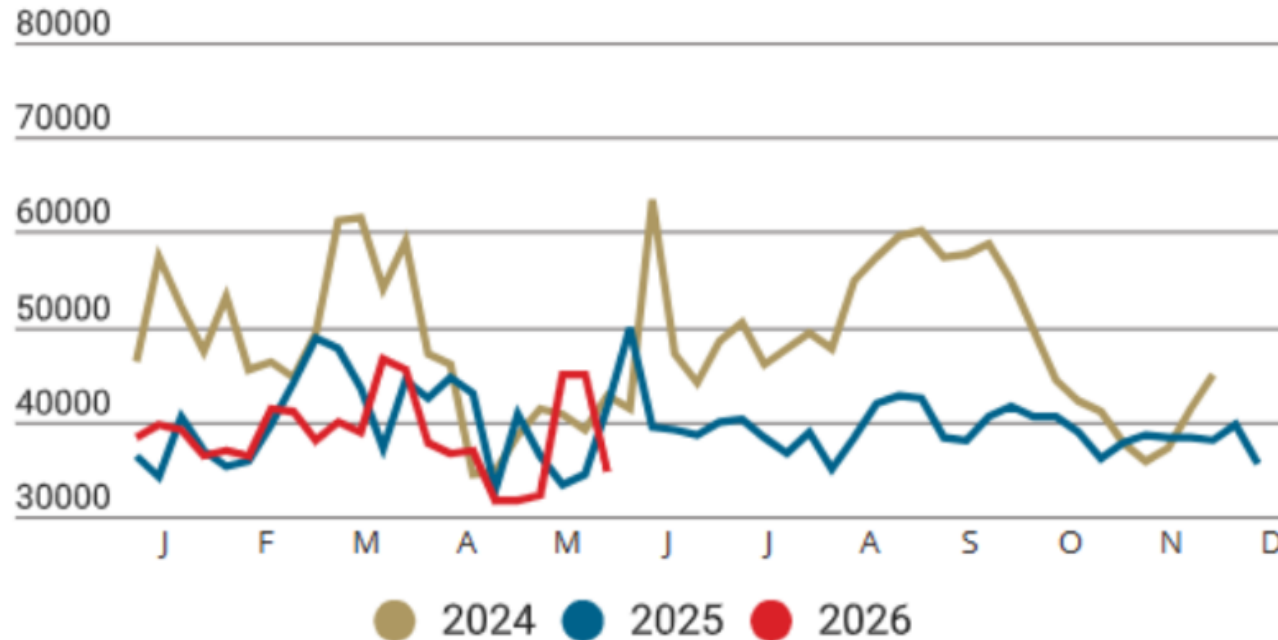
Lambs and hoggets (c/kg): Week ending 17/06/2026



Lamb price has never before hit €10/kg in June

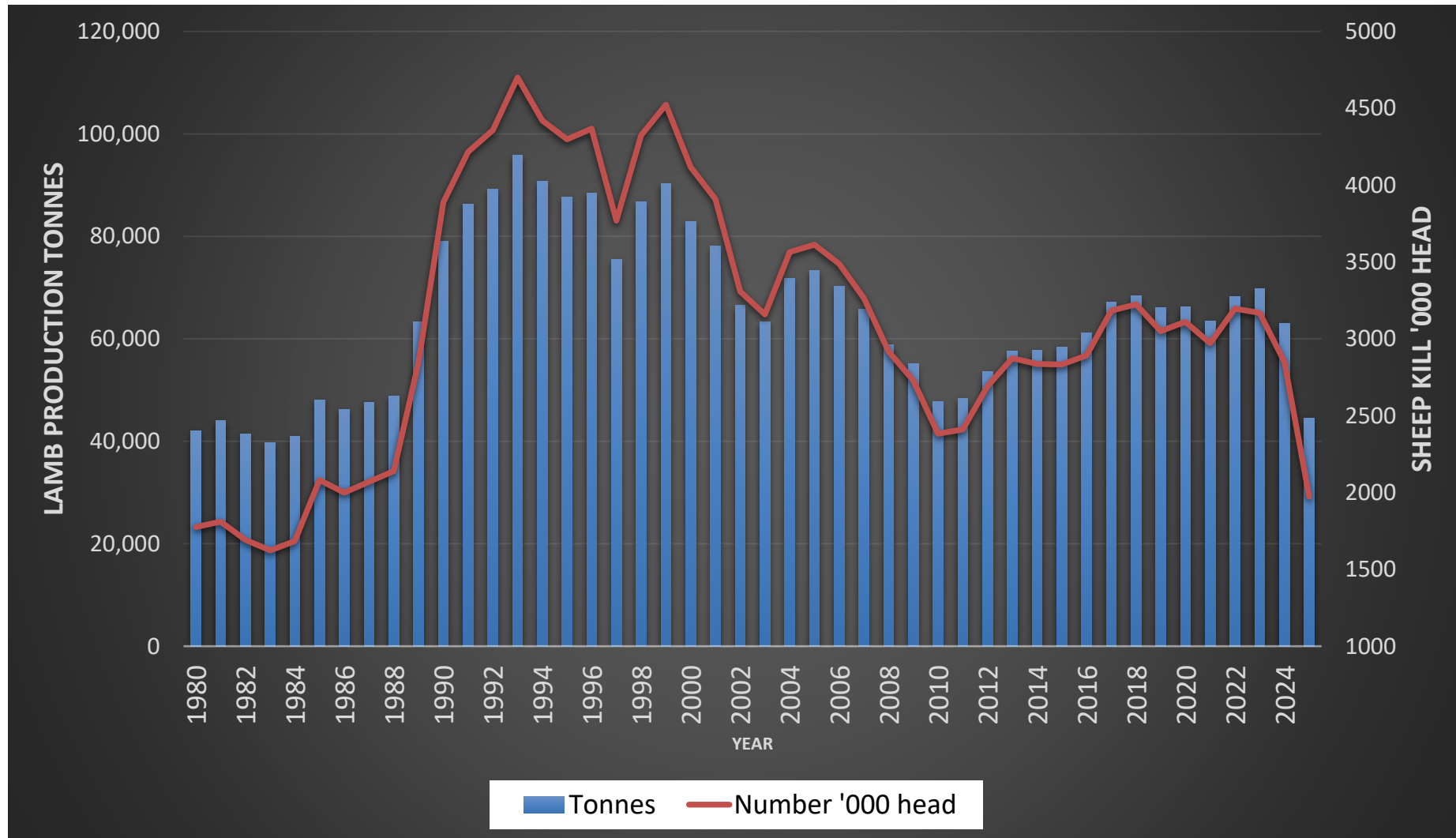
# Sheep throughput remains under significant pressure

## Weekly sheep slaughterings (head)



- 58,409 fewer hoggets
- 10,327 fewer lambs
- 38,598 more ewes and rams (recording change)

# Sheep kill in freefall mode but.....

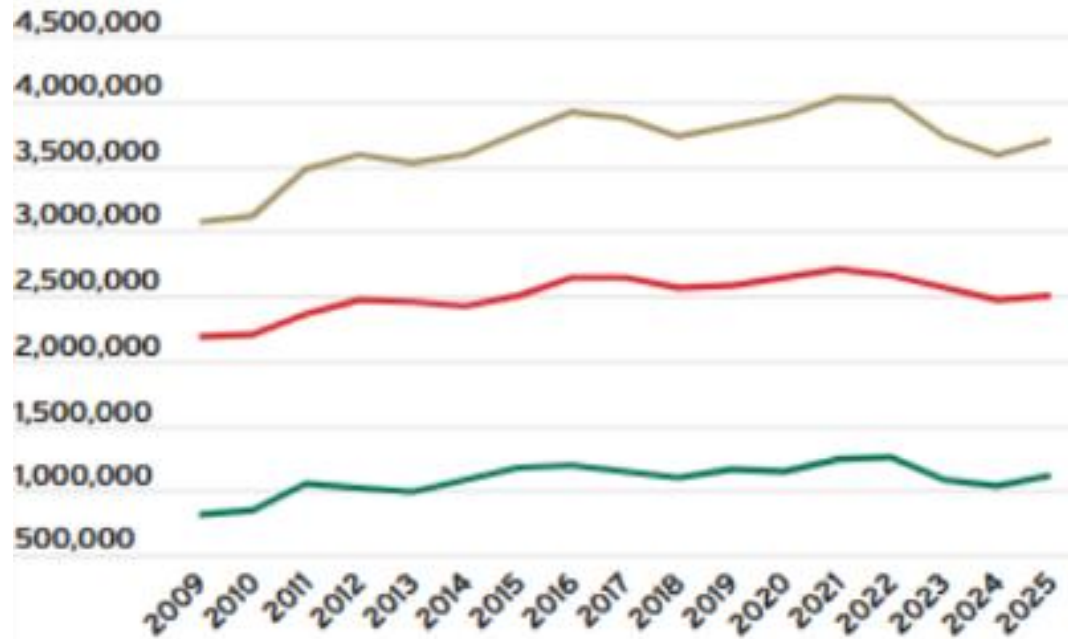


**840,000 sheep lost from kill in just two years**

# .....ewe numbers increased in 2025!

### Figure 1

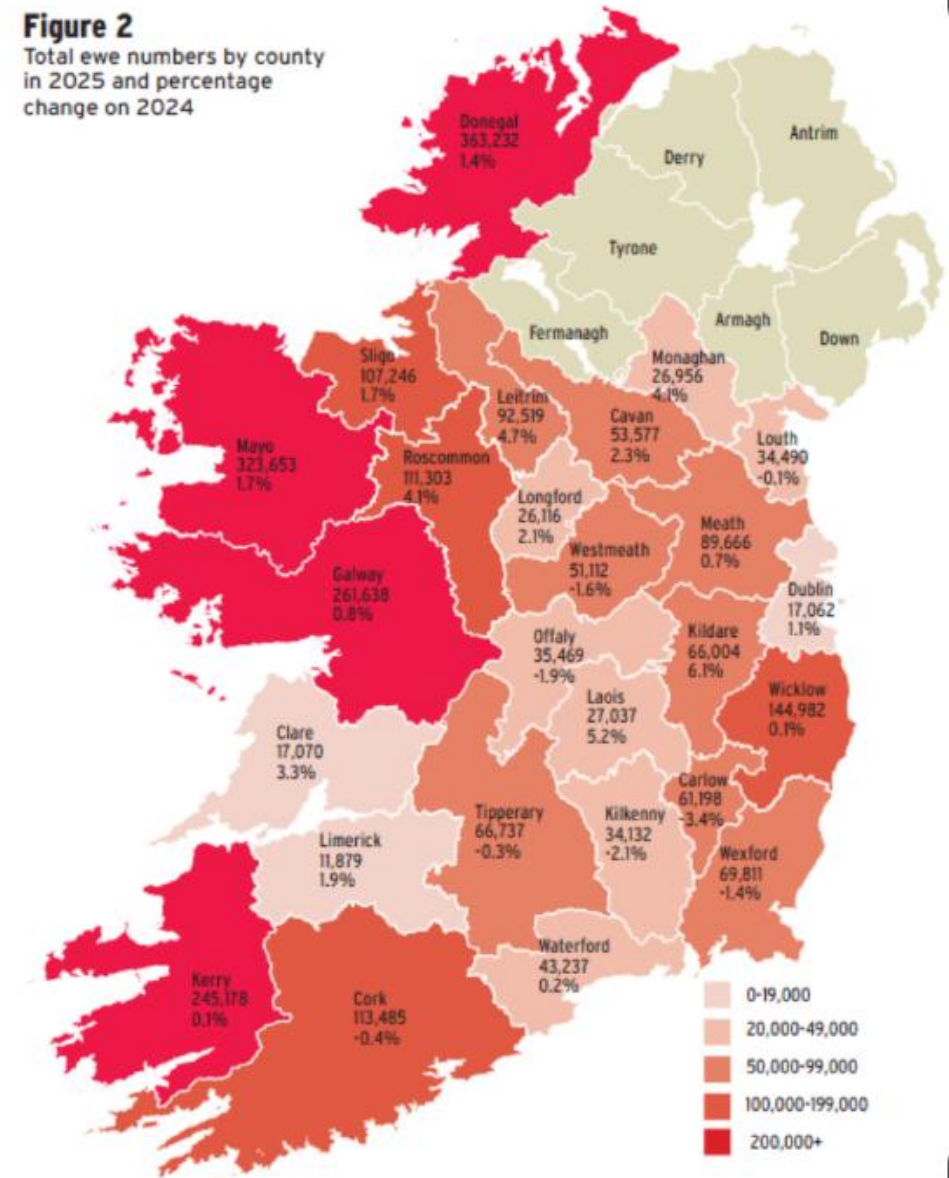
Sheep numbers 2009 to 2025



- Ewe numbers up by 26,888 head
- 'Other' sheep up by 72,639 head

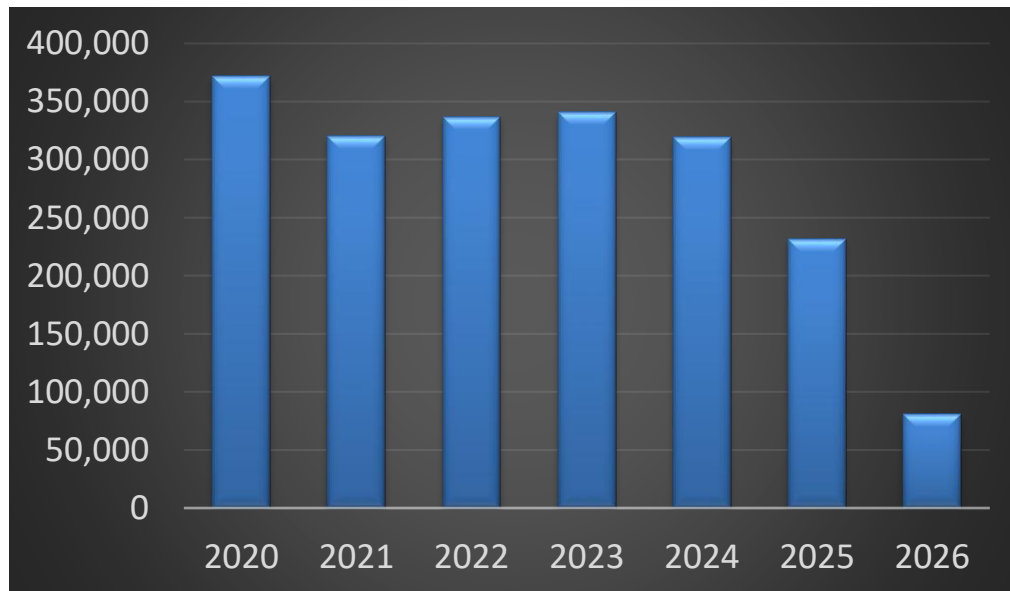
### Figure 2

Total ewe numbers by county in 2025 and percentage change on 2024



# What is happening with lamb output and ewe numbers?

- A small percentage of reduction can be attributed to lower imports from Northern Ireland



- Was productivity of ewes reduced in 2024 / 2025 / higher lamb mortality?
- Are ewes being retained on farms to satisfy scheme targets but not being joined with rams?
- Has a switch to organic production lowered output?

# Big change in trading dynamics in Northern Ireland

**Table 1. NI sheep slaughterings 2026 and change on 2025**

	2026	2025	Difference (head)	Difference (%)
Hoggets and lambs	173,381	132,718	40,663	31%
Ewes and rams	9,275	11,248	-1,973	-18%
<b>Total sheep</b>	<b>182,656</b>	<b>143,966</b>	<b>38,690</b>	<b>27%</b>

**Table 2. NI sheep exports for direct slaughter and to farms in 2026 and change on 2025**

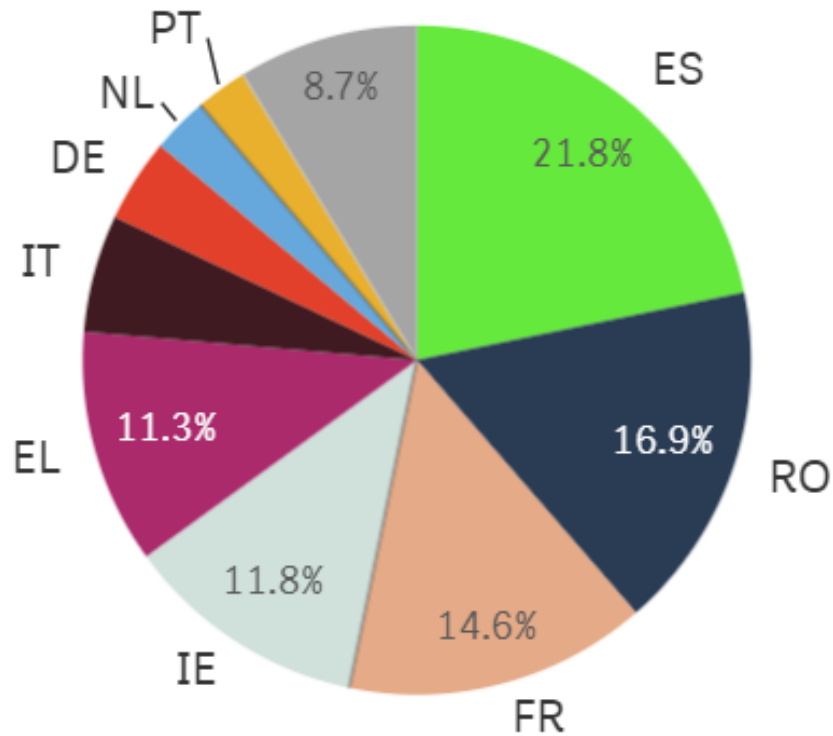
Category	2026	2025	Change on 2024 (head)	% change
Slaughter in Ireland	80618	119414	-38,796	-32.5%
Farms in Ireland	3,623	18,159	-14,536	-80.0%
Slaughter to Britain	52,689	5,873	46,816	797.1%
Farms in Britain	66,719	47,240	19,479	41.2%
Slaughter in other countries	3,290	8,364	-5,074	-60.7%
Farms in other countries	4,247	2,924	1,323	45.2%
<b>Totals</b>	<b>211,186</b>	<b>201,974</b>	<b>9,212</b>	<b>4.6%</b>



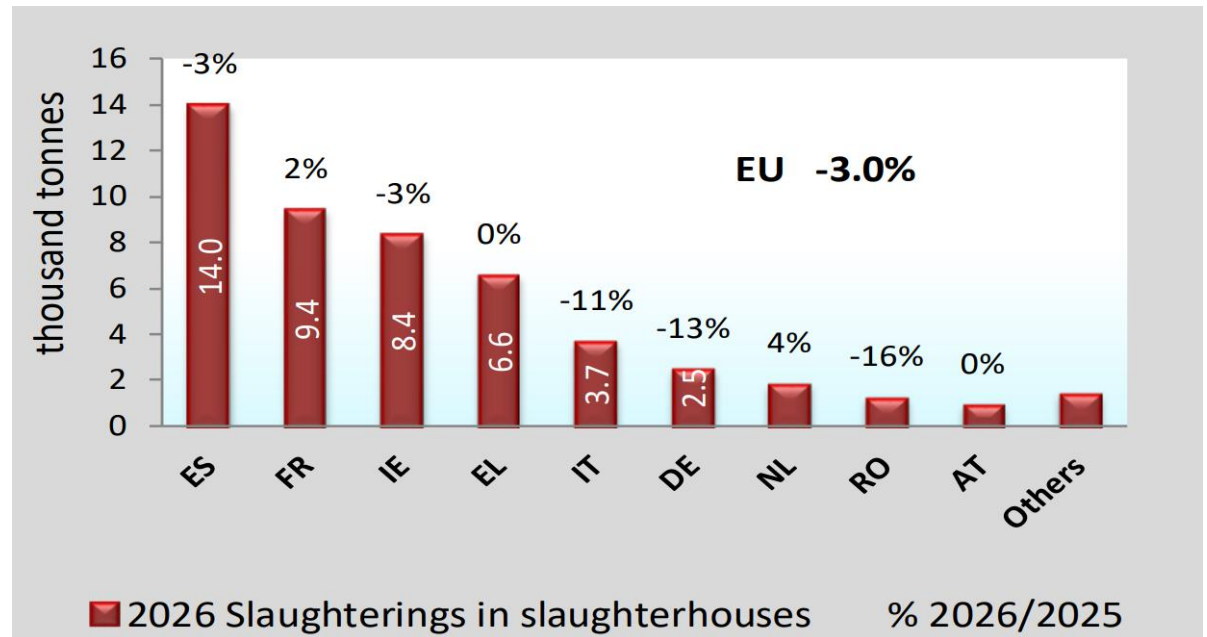
40p/kg to 60p/kg differential between NI and British prices underpinning higher numbers moving across the water

# Production under pressure across Europe

Distribution of sheepmeat production in EU member states in 2025

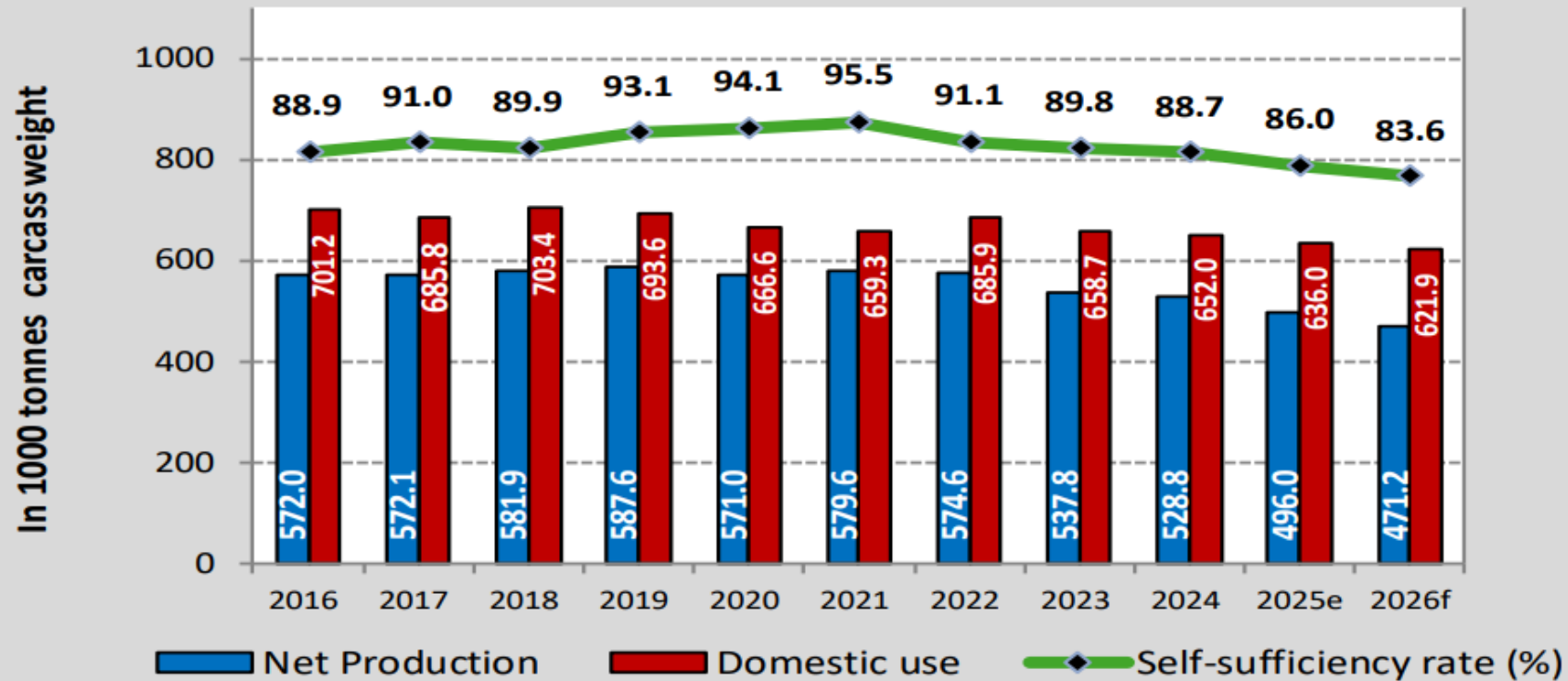


Sheep slaughtering figures running even lower than 1% to 2% predicted fall



# EU self sufficiency fallen to just 83%

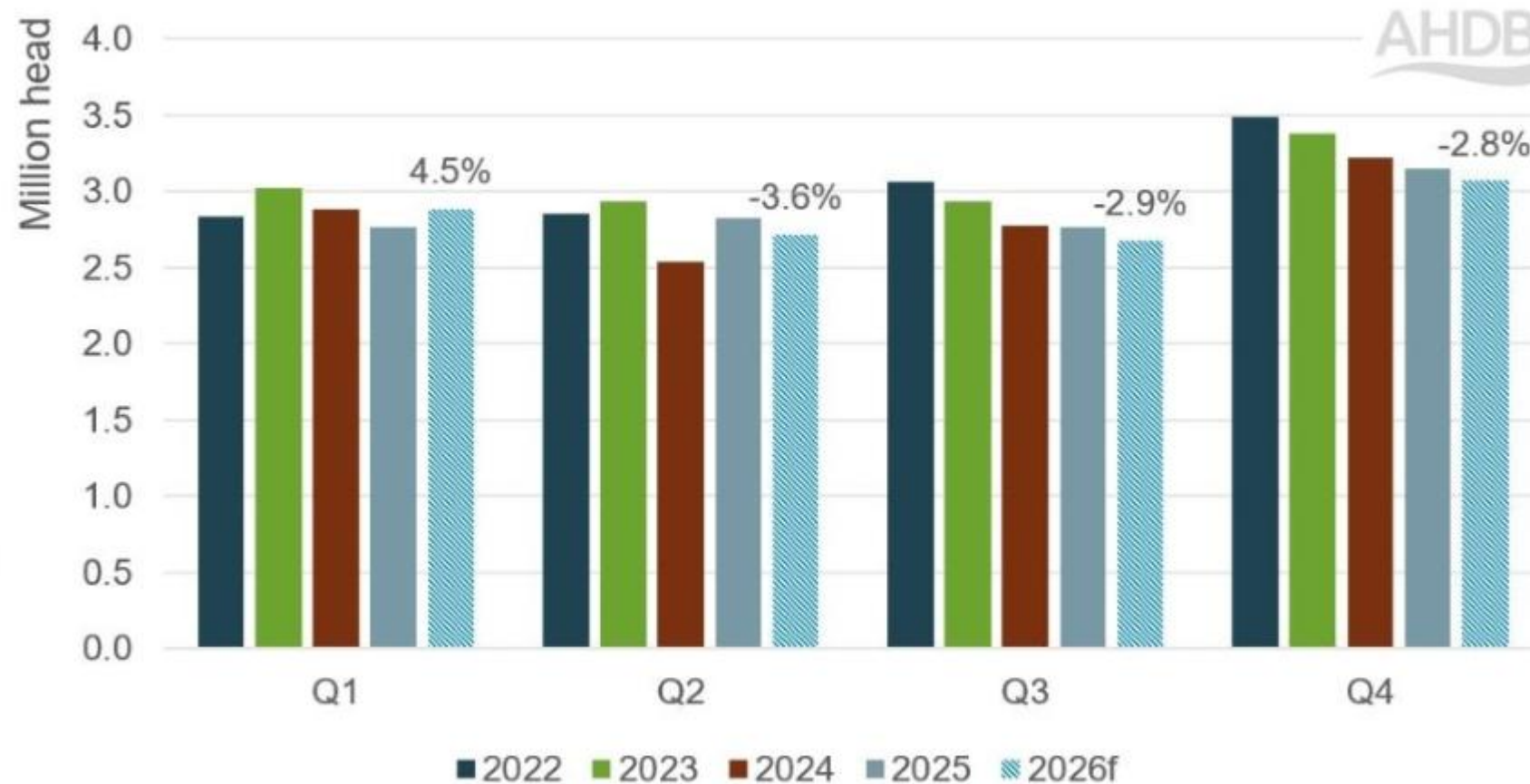
### EU balance on sheep & goat meat (e, f = Forecast estimated by DG AGRI)



Source : DG AGRI Short-term outlook report

# UK sheepmeat production forecast to fall by another 3%

Figure 1. Actual and forecast UK clean sheep slaughter, 2022 to 2026



Source: Defra, Livestock Auctioneers Association Limited, AHDB

# Production factors in 2026



Higher lamb mortality?



Bluetongue virus prevalence



Spring lamb declining



High drafting of cull ewes



Tempered demand for stores?



Lower organic production?

# Outlook for 2026

- Seasonal price pressure inevitable but at a higher price point?
- Less New Zealand lamb in EU market but changing dynamics in Britain a concern
- Decline in breeding ewe flock anticipated – will it translate to official records?
- Mechanism needed to reward producer groups – current system putting group dynamics under pressure
- Consumption pressure due to higher price a concern



# Increased global demand for wool

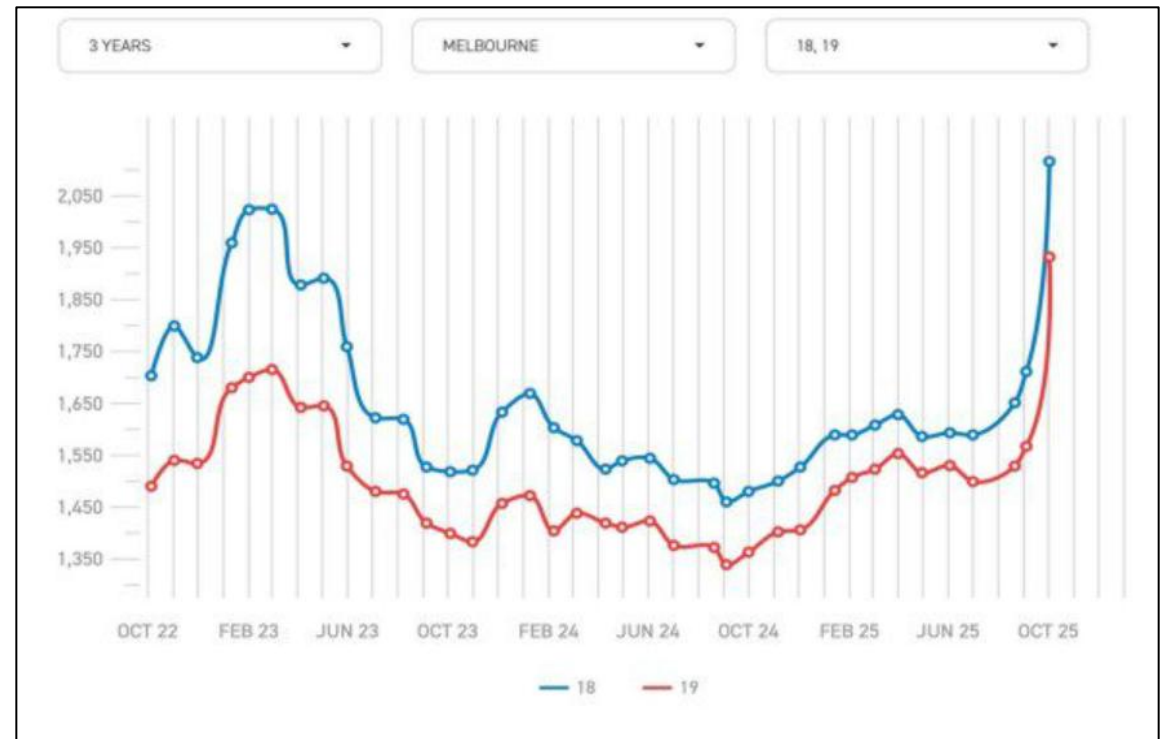
## 10-year high for wool prices

Figure 1

British Wool auction prices - average greasy price (£/kg)



## Price for high-value 18/19 micron wool



Source: sheepcentral.com / Southern Aurora markets

# CAP reform 2028-2034

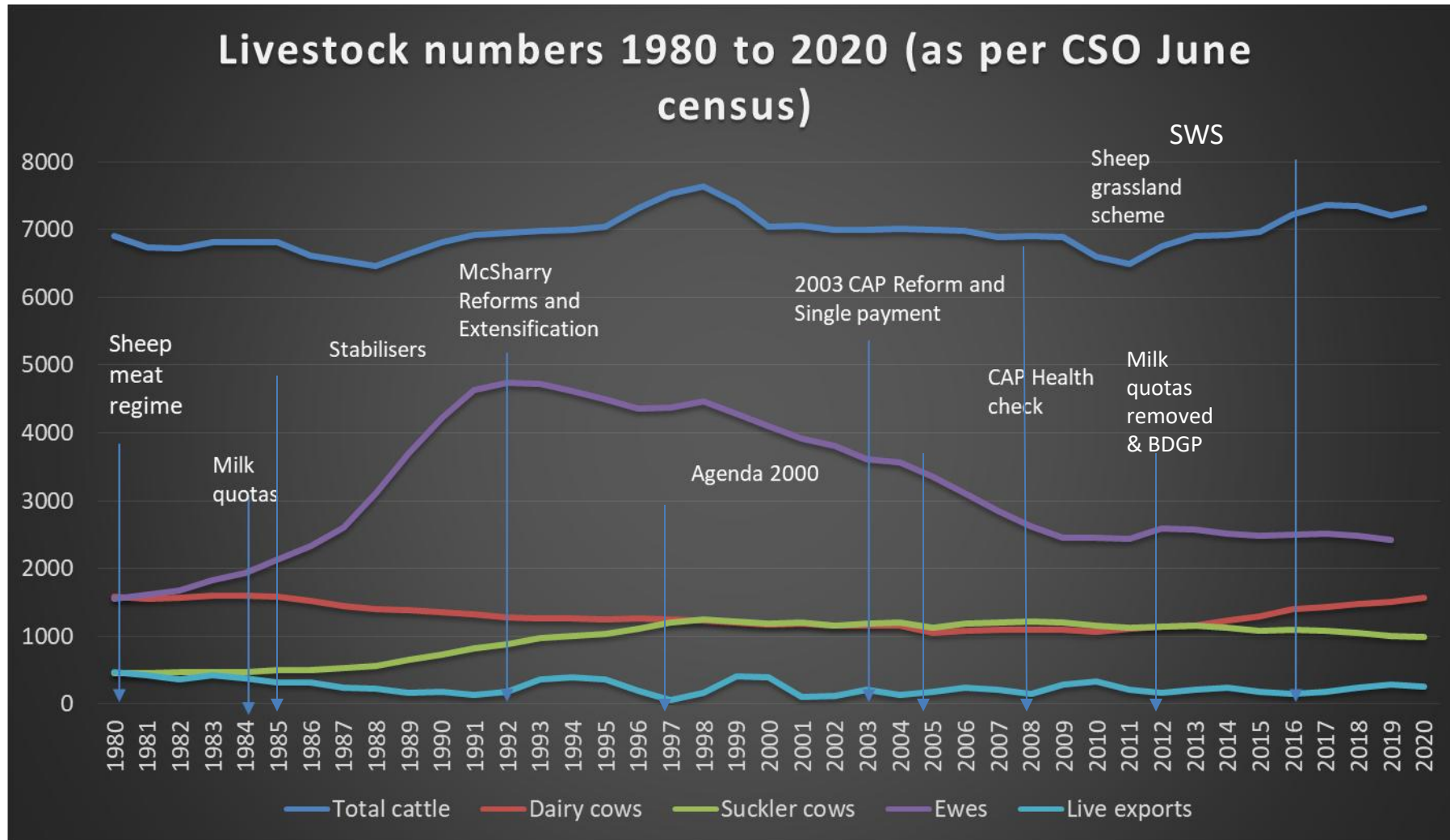


# CAP reform 2028-2034

- Negotiations starting from a weak position of a 20% cut in proposed budget
- No account taken of inflation
- Member states voted this week to end CAP's standing as a standalone entity

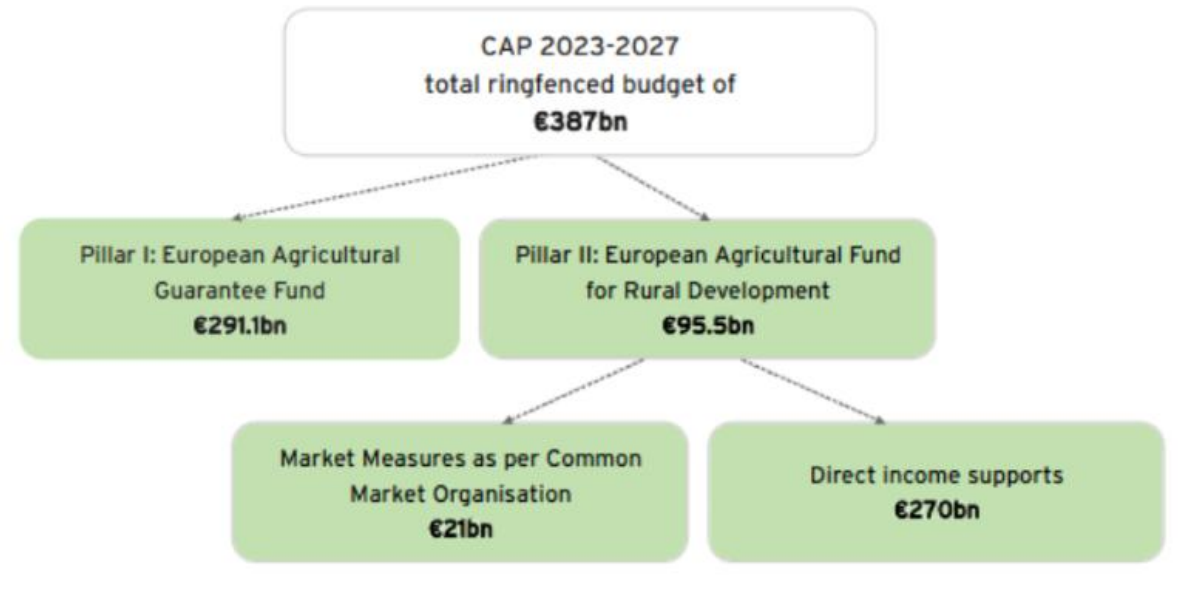


# Policy continues to shape farming in Ireland

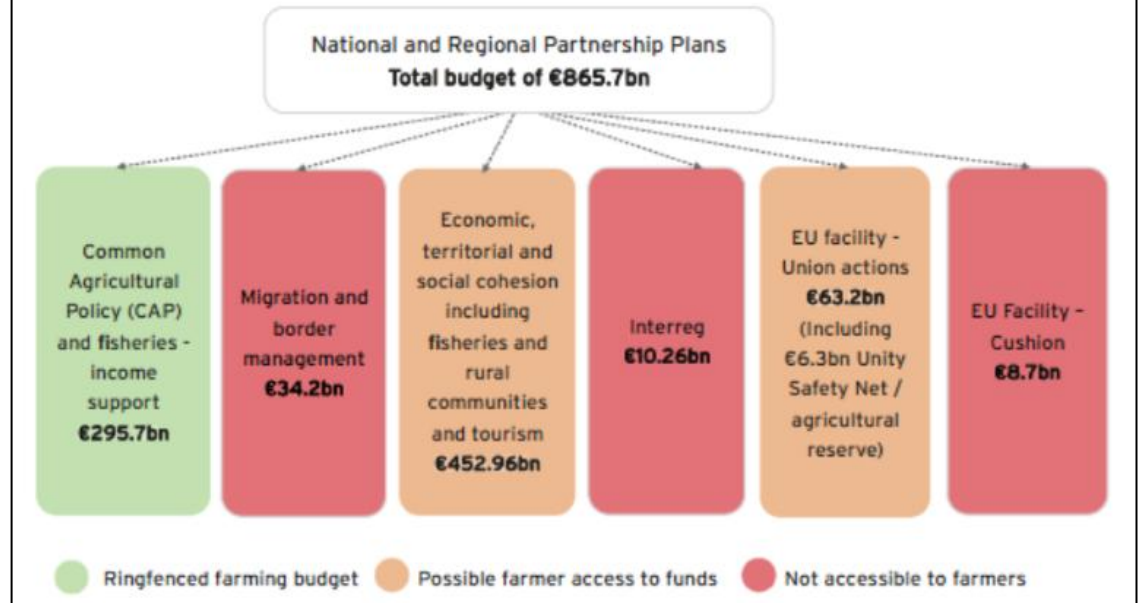


# Future of CAP payments uncertain

## Current EU budget for agriculture: CAP 2023-2027



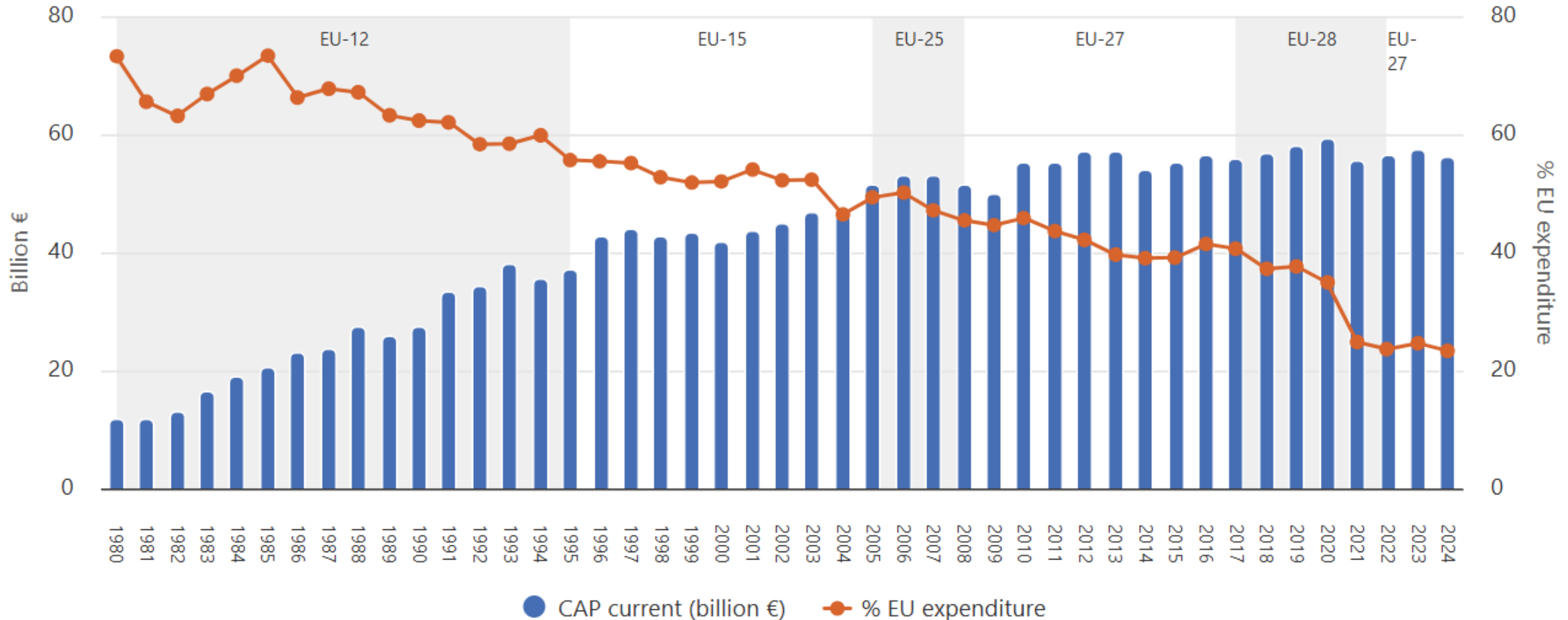
## Proposed EU budget for agriculture: CAP 2028-2032



**The 20% CAP cut is a 'decent' place to start but not to end – Minister Heydon**

# Fight should have been for greater funds!

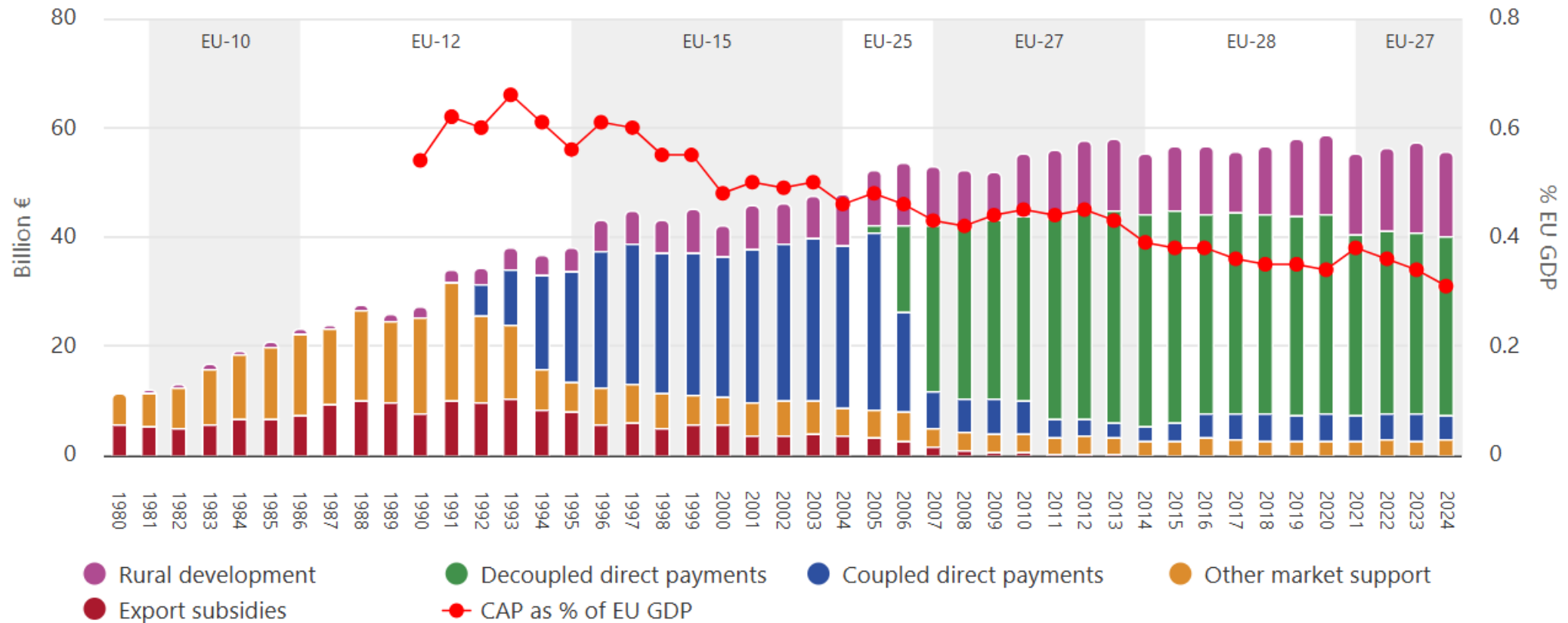
## CAP expenditure in total EU expenditure (current prices)



Source: European Commission

# CAP Funding no longer linked to food

## CAP expenditure and CAP reform path (current prices)

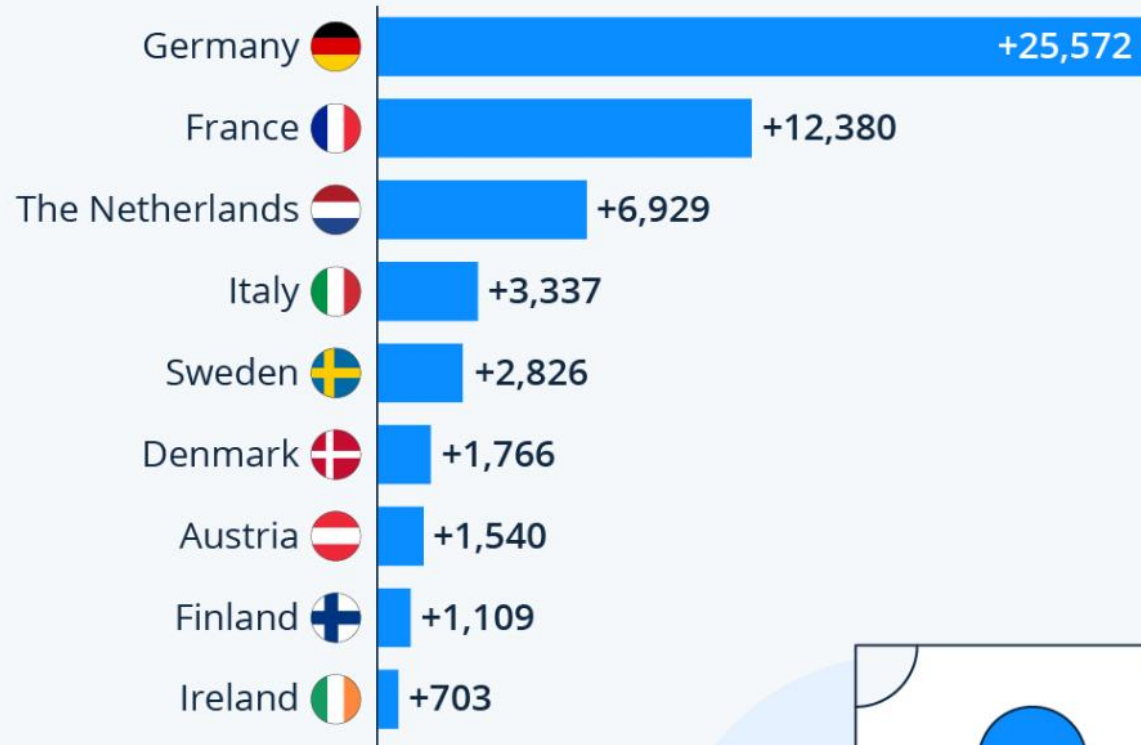


Sources: CAP expenditure: European Commission, Directorate-General for Agriculture and Rural Development (Financial Report). GDP: Eurostat. Annual expenditure in current prices.

# Difficulties for Ireland in unlocking extra

## Which Countries Are EU Contributors and Beneficiaries?

Net contributions to the EU budget, by member state (2021, in million euros)\*



Source: European Commission



# Big changes on the horizon for farm



**WIN A €30,000 HUSQVARNA MOWER FOR YOU OR YOUR CLUB**

## Radical changes proposed for next CAP

WIN A €30,000 HUSQVARNA MOWER FOR YOU OR YOUR CLUB

- Scrap farm payments to older farmers
- Cuts to area-based payments
- Headage payments back on the table
- Entitlement changes and new reference period
- Support to be targeted at disadvantaged areas
- Lump sums for small farmers

FULL COVERAGE AND ANALYSIS INSIDE >> 2, 4-8 and 10



## Spiralling TB costs dominate budget

**BUDGET 2026**

- ↳ Tax: farmland reliefs extended
- ↳ Sucklers: €28m safe
- ↳ Sheep: €20m SWS
- ↳ Tillage: €30m for new scheme
- ↳ TAMS: €88m fund
- ↳ ACRES: €20m extra

FULL COVERAGE AND ANALYSIS INSIDE >> pages 2, 4-7, 10

## Move to scrap entitlements

**DECLAN O'BRIEN & BARRÉN CARTY**

Entitlements could be scrapped under radical proposed changes to the next Common Agricultural Policy (CAP), a senior Department of Agriculture official has admitted.

The Department's assistant general secretary, Paul Savage, has confirmed that entitlements could possibly be replaced after a year by a per-hectare payment under proposals being pushed by the European Commission.

"There doesn't appear to be any specific provision for entitlements under the current [CAP] proposals," Savage told a meeting of the joint Oireachtas Committee on Agriculture. While Savage insisted that the discussions around the next CAP were at an early stage, he accepted that the current proposals involved replacing entitlements with a new payment system.

Minister for Agriculture, Martin Heydon told the Irish farmers journal: "One aspect of particular interest to Ireland is the removal of the system of payment entitlements used to distribute the BISS payments."

He said that Ireland is examining all details of the proposal.

Any shift away from entitlements could see the full flattening of payments for 120,000 farmers.

Fermaurice said he was "fearful" of farmers "sleepwalking" into serious trouble by entering into long-term lease agreements which involved entitlements without being aware of the Commission's CAP proposal.

He called on the Department to inform farmers about the proposed changes.

Approximately 55,000 BISS entitlements are leased annually.



IRISH FARMERS JOURNAL  
Saturday 7 February 2026

## Farmers on pensions should 'not get BISS'

**NOEL BARDON**  
NEWS CORRESPONDENT  
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[payments] should be at those who are not yet retired."

Commissioner Hansen said that "many member states, including Ireland" have a "lot of beneficiaries that get money, but they say I'm not a farmer."

He suggested his plans to stop CAP payments for pensioners would help ensure funds get to those who are "actively producing", contributing to food security and ensuring food remains affordable.

Speaking before the Oireachtas committee on EU affairs on Tuesday, Commissioner Hansen said that his proposals for the next CAP would force the end of farm income supports by 2032 - but not agri-environmental schemes or investment grants - for farmers of retirement age in six years' time.

Sometimes they need to continue because their pension is not sufficient

The commissioner also said

# Future of CAP payments – what is on the table?

The voice of Ireland's farming industry R2 19 July 2025 5 | Vol 78 No 29 | Price €3.90

IRISH FARMERS JOURNAL farmersjournal.ie

**CAP 2028**

## Radical changes proposed for next CAP

WIN A €30,000 HUSQVARNA MOWER FOR YOU OR YOUR CLUB

COLLECT 3 TOKENS

SEE PAGE 9 FOR ENTRY DETAILS

Irish Farmers Journal 29  
9 770021 116301

Scrap farm payments to older farmers  
Cuts to area-based payments  
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Lump sums for small farmers

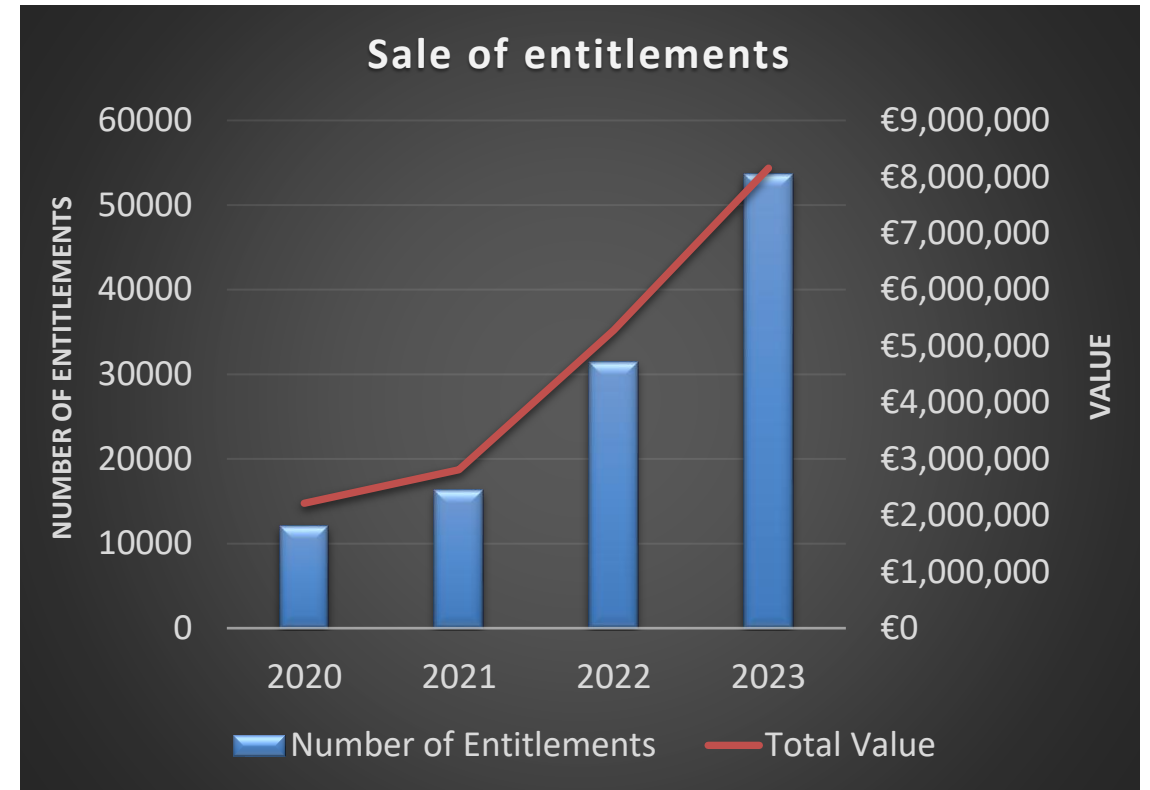
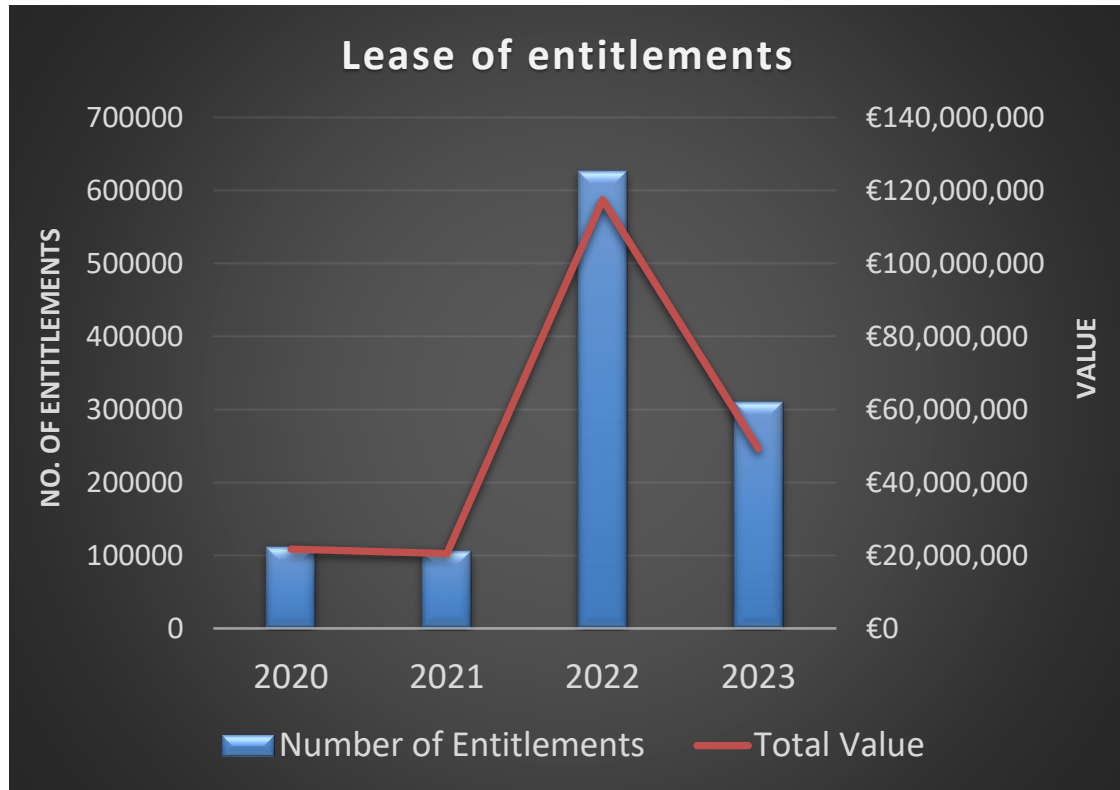
FULL COVERAGE AND ANALYSIS INSIDE >> 2, 6-8 and 10

**MUNSTER MATCH**  
Married couple Michael and Maura Horgan on the Cork-Tipp divide ahead of the big game

## New form of payment convergence

- Area-based income supports valued between €20,000 and €50,000 cut by 25%
- Area-based income supports valued between €50,000 and €75,000 cut by 50%
- Area-based income supports valued between €75,000 and €100,000 cut by 75%
- Total value not to exceed €100,000

# No planned future for entitlements



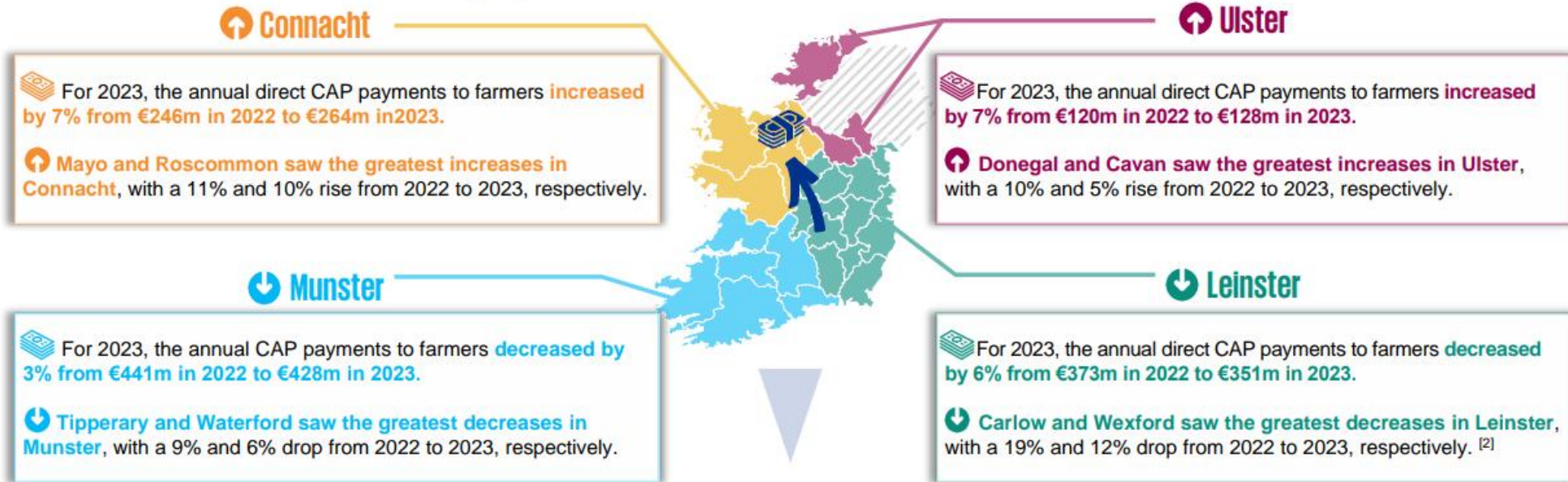
Scheme Year	Number of Entitlements	Total Value
2020	111685.84	€21,763,241
2021	105233.56	€20,521,140
2022	625966.13	€117,488,666
2023	309728.23	€49,252,737

Scheme Year	Number of Entitlements	Total Value
2020	12038.62	€2,214,098
2021	16266.78	€2,806,041
2022	31362.79	€5,280,914
2023	53689.37	€8,154,839

# Funding shift from 'east to west'

## Quantifying the impacts of the CAP changes

The 2023 CAP increased direct payments by 7% for both Connacht and Ulster, with direct payments in Leinster and Munster decreasing by 6% and 3%.



The 2023 CAP reforms have resulted in a significant shift in income support from the East to the West of Ireland. This shift will benefit smaller-scale farms prevalent in the West by a greater extent relative to larger-scale farms in the East. Farmers in all subsectors, particularly those in dairy, beef, arable farming, horticulture, and sheep farming will need to meet new environmental standards and to engage in eco schemes to secure financial support. Based on BISS payment projections out to 2027, CAP funding for Connacht and Ulster could increase by 5% and 4% respectively in the period 2023-2027, while payments for Leinster and Munster could decrease by 4% and 1%, respectively.

Note:

[1] 2022 CAP payments consist of direct payments received by farmers; the 2023 figures include the BISS – the new BPS, Eco-scheme, Complementary Income Support for Young Farmers (CIS-YF), CRISS – often called Front loading, and Coupled Income Support (CIS) – known as Protein Aid. [3] Dublin saw a decrease of 18% but has lower agricultural output compared to Carlow and Wexford.

[3] In the 2023-27 CAP, levels of income support a high degree of convergence, both within counties and between Ireland and other EU countries.

[a] European Commission [Link] [b] European Commission - Key reforms in the new CAP [Link] [c] DAFM [d] KPMG analysis [e] IFJ

# EU Commission targeting generational renewal



EN



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NEWS ARTICLE | 10 November 2025 | Directorate-General for Agriculture and Rural Development | 2 min read

## The CAP 2028–2034 proposal explained: fairer, better targeted income support for farmers

“ Supporting small farmers, young farmers and female farmers

Smaller farms will have simplified access to support, including an optional annual payment of up to EUR 3 000. Meanwhile, young farmers will benefit from targeted start-up measures and area-based top-ups, aligned with the upcoming Strategy on Generational Renewal.

The proposal also encourages Member States to strengthen support for female farmers, through dedicated annual payments or bonuses such as those that already exist in some Member States. ”

# Can we build on level of supports in current CAP?

## 1. Young trained farmer with 35ha and eligible for ANC payment

- CIS-YF (€158/ha) = €5,530
- BISS (avg €154.64) = €5,412.40
- Eco Scheme (€67/ha) = €2,345
- CRISS (€43/ha) = €1,290
- ANC (CAT 3) = €2,685.50
- Total = €17,262.90

➤ €493/ha or €199/acre

### Add in the organic farming scheme

- Yr 1 €12,500, Yr 2 €11,900, Yrs 3-5 €10,150
- €313/ha or €126.84/acre

## 2. Young trained farmer with 50ha and eligible for ANC payment

- CIS-YF (€158/ha) = €7,900
- BISS (avg €154.64) = €7,732
- Eco Scheme (€67/ha) = €3,350
- CRISS (€43/ha) = €1,290
- ANC (CAT 3) = €2,685.50
- Total = €22,957.50

➤ €459/ha or €185.82/acre

### Add in the organic farming scheme

- Yr 1 €17,000, Yr 2 €16,400, Yrs 3-5 €13,900
- €300/ha or €121.57/acre

# CAP 2028-2034; what funding takes the hit?

Hit of €300m / annum

Pillar 1	€ (m)
Basic Income Support for Sustainability	€3,642.50m
Eco-Scheme	€1,482.9m
Complementary redistributive income support for sustainability (CRISS)	€593.10m
Complementary income support for young farmers (CIS-YF)	€177.90m
Sectoral Intervention in the Fruit and Vegetable Sector	€44.7m
Protein Aid	€35m
Sectoral Intervention for the Apiculture sector	€0.60m
<b>Total Pillar 1</b>	<b>€5,976.7m</b>

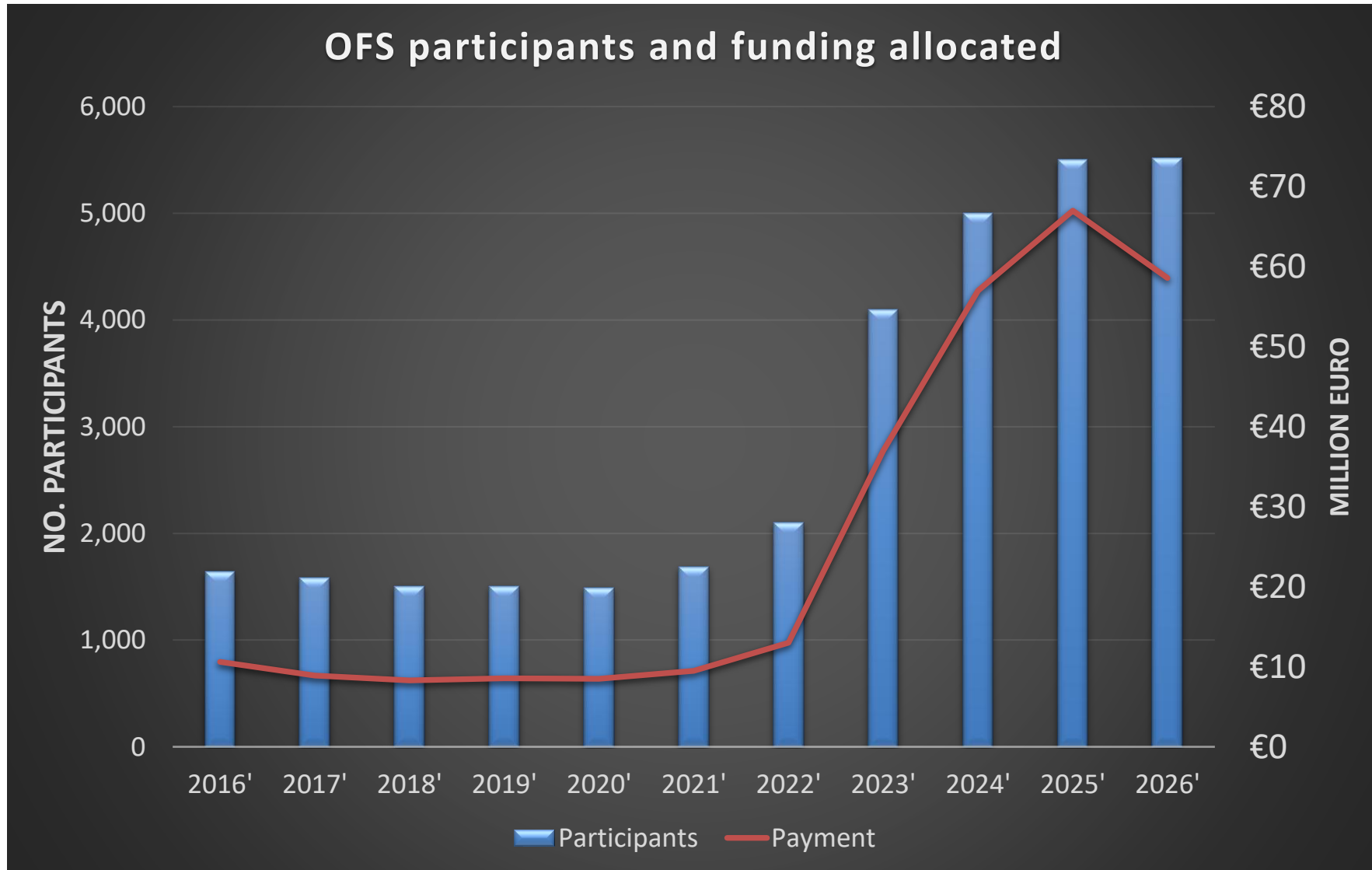
Pillar II	€ (m)
Areas of Natural Constraint (ANC)	€1,250m
Agri-Environment Climate Measure (AECM)	€1,500m
Suckler Carbon Efficiency Programme	€260m
Organic Farming	€256m
LEADER	€180m
On farm investments*	€100m
Sheep Improvement Scheme	€100m
Knowledge Transfer Groups	€71.1m
Straw Incorporation Measure	€50m
European Innovation Partnerships (EIPs)	€36.1m
Dairy Beef Welfare Scheme	€25m
AECM Training	€21.6m
Technical Assistance	€6.3m
Collaborative Farming Grant	€2m
Continuous Professional Development for Advisors	€1.9m
Beef and Sheep Producer Organisations	€1.5m
<b>Total Pillar 2</b>	<b>€3,861.60m</b>

## Binding targets under Climate Action Plan

- 7.5% of utilisable agricultural lands farmed organically by 2027 and 10% by 2030
- Under current support programme 2030 target would cost in excess of €100m annually
- Will not attract additional entrants without attractive payments



# Organic farming scheme



## 2022

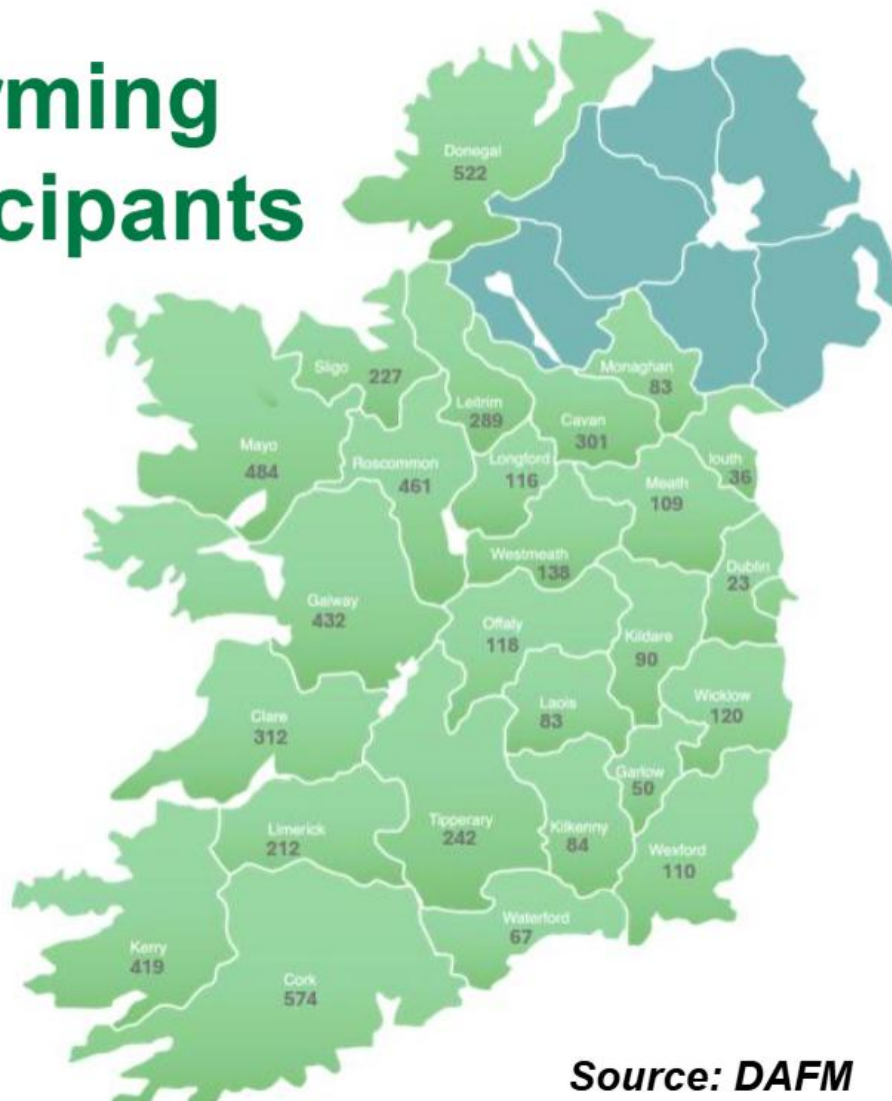
- 2,050 farmers
- 95,701 ha
- 2% UAA

## 2025

- 5,700 farmers
- 248,000 ha
- 5.6% UAA

## Organic Farming Scheme Participants 2025

<b>Cork</b>	<b>574</b>
<b>Donegal</b>	<b>522</b>
<b>Mayo</b>	<b>484</b>
<b>Roscommon</b>	<b>461</b>
<b>Galway</b>	<b>432</b>
<b>Kerry</b>	<b>419</b>



Source: DAFM



60ha hill farm

- €20,000 Yr 1
- €19,400 Yr 2
- €16,400 Yrs 3-5

# Next steps in an ideal world

2026



## European Council exchanges views in light of second negotiating box

- June 2026: EU heads of state and government to hold an exchange of views on the next MFF with figures by the Cyprus Presidency.

2026



## Reaching a political deal between member states

- Irish Presidency will drive efforts in the Council to prepare the ground for a political agreement in the European Council. Required by end of 2026 to allow for legislative acts in 2027

2027



## Formally adopting the budget and its programmes

- Once a political agreement is reached between member states, the Council adopts the MFF regulation (this requires unanimity) after obtaining the consent of the European Parliament. Member states must prepare and present their CAP plans

2028

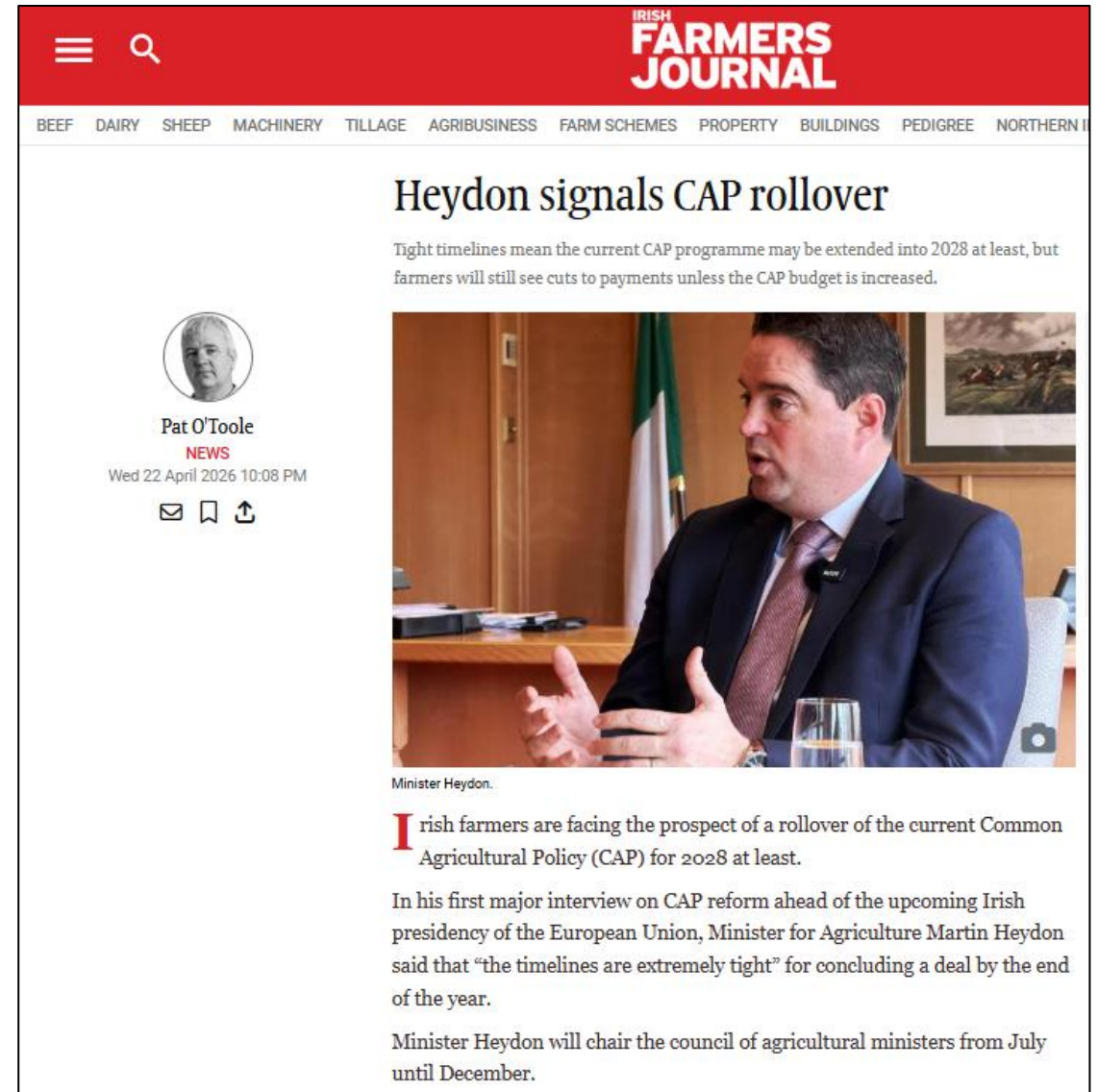


## The EU's new long-term budget starts

- National and regional partnership plans must be approved and ready for implementation to ensure that EU funding reaches beneficiaries without interruption.

# Transition period looking more likely

- Ireland must adopt an 'honest broker' approach in presidential negotiations
- France elections in 2027 could present a challenge to getting agreement in 2026
- Transitional period as in 2021 and 2022 looking likely
- However, farmers would see cuts to their payments in 2028 even if there is a programme rollover, unless the budget for 2028-2034 is increased or current budget rolled over



The screenshot shows a news article from the Irish Farmers Journal. The article is titled "Heydon signals CAP rollover" and is dated Wednesday, April 22, 2026, at 10:08 PM. The author is Pat O'Toole. The article discusses the prospect of a rollover of the current Common Agricultural Policy (CAP) for 2028 at least, due to tight timelines. It mentions that farmers will still see cuts to payments unless the CAP budget is increased. The article also notes that Minister Heydon will chair the council of agricultural ministers from July until December.

IRISH FARMERS JOURNAL

BEEF DAIRY SHEEP MACHINERY TILLAGE AGRIBUSINESS FARM SCHEMES PROPERTY BUILDINGS PEDIGREE NORTHERN I

## Heydon signals CAP rollover

Tight timelines mean the current CAP programme may be extended into 2028 at least, but farmers will still see cuts to payments unless the CAP budget is increased.

Pat O'Toole  
NEWS  
Wed 22 April 2026 10:08 PM



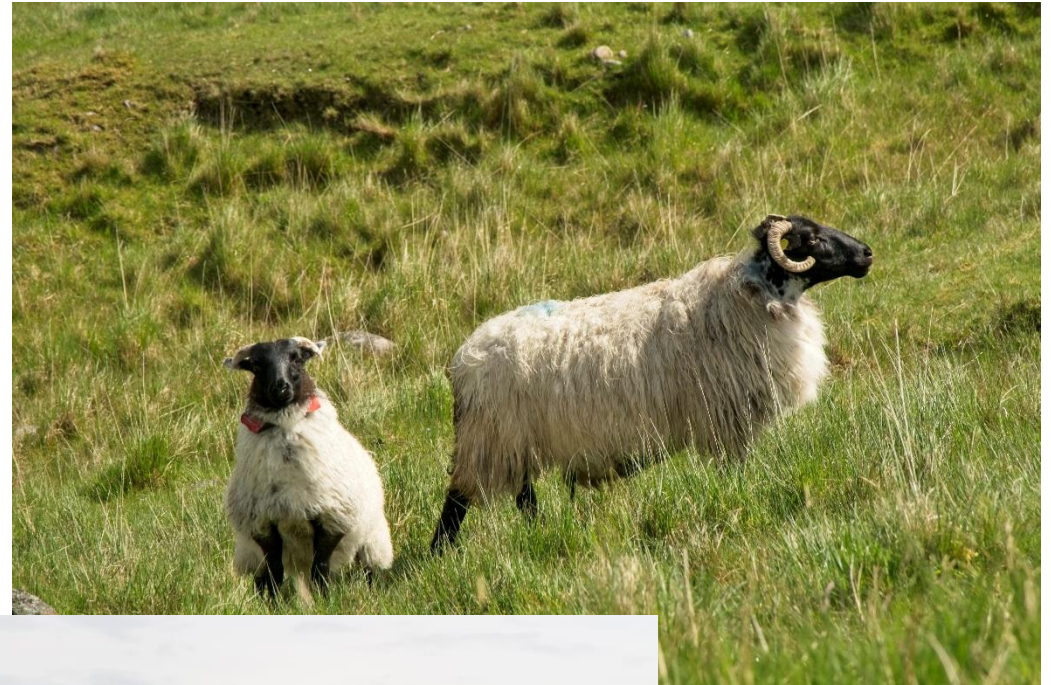
Minister Heydon.

**I**rish farmers are facing the prospect of a rollover of the current Common Agricultural Policy (CAP) for 2028 at least.

In his first major interview on CAP reform ahead of the upcoming Irish presidency of the European Union, Minister for Agriculture Martin Heydon said that "the timelines are extremely tight" for concluding a deal by the end of the year.

Minister Heydon will chair the council of agricultural ministers from July until December.

# What is an active farmer?



# Diverging views on optimum CAP for Ireland



- Some link to on-farm productivity for income supports
- No to full flattening of payments
- Only 'genuine active farmers' to receive payments



- Supports uniform flat-rate payment / end of entitlements
- No to reviving coupled payments
- 'Active farmer' - anyone who exercises an agricultural activity



- 1LU/ha stocking rate threshold
- Does not support coupled payments
- Part-time / older farmers supported if productive



- Farm succession scheme
- Supports coupled payments for beef/sheep farmers
- Part-time / older farmers supported if productive

# Schemes cuts of concern for setting unwanted precedent



## Department makes more cuts to farmer payments

DECLAN O'BRIEN  
NEWS CORRESPONDENT  
obrien@farmersjournal.ie

There are mounting fears of a clampdown on farm spending by the Government following payment cuts to three national exchange-funded schemes. The maximum payment under the Dairy Beef Weighing Scheme was slashed this week

by almost 40%, falling from €2,000 to €1,200 per applicant. This followed confirmation by the Department of Agriculture that more than 305,000 calves were weighed for the scheme, although there was only funding available for 200,000. The maximum number of calves that could be applied on was cut from 50 to 31.

The cuts to the Dairy Beef Weighing Scheme follow similar reductions to the maximum payments under the National Beef Welfare Scheme and National Sheep Welfare Scheme. Farm organisations have demanded Minister for Agriculture Martin Heydon honour the payment commitments made when the schemes were launched.

RCSA leader Sean McNamara described the cuts to the Department's failure to launch an Cttm forestry reconstitution scheme for plantations devastated by storms. IFA forestry chair Padraig Stapleton said plantation owners were increasingly frustrated by the delays. ICMSA livestock chair Michael O'Connell said the minister needed to "future-proof all livestock schemes" and ensure adequate funding is available.

There is also concern about the Department's failure to launch an Cttm forestry reconstitution scheme for plantations devastated by storms. IFA forestry chair Padraig Stapleton said plantation owners were increasingly frustrated by the delays. ICMSA livestock chair Michael O'Connell said the minister needed to "future-proof all livestock schemes" and ensure adequate funding is available.

**Exclusive:**  
Brazil investigation - week two

Widespread tagging and traceability discrepancies exposed.

Gulf in standards with EU farmers.

Evidence of cattle tag removal.

Cattle in factory yards had no tags.

Findings 'very concerning' - minister.

**FULL COVERAGE**  
Pages 2, 14-17



The enthralled audience at Carrick Winter Fair show their appreciation for the jaw-dropping €33,500 paid for Polar Bear, a Belgian Blue-cross weanling heifer owned by the Davis family of Williamstown, Co Galway. The heifer was bought by Northern Ireland-based Drumray Ltd. See full story in the pedigree section. © Declan O'Brien



## Marts brace for boycott by exporters

ADAM WOODS  
DEPUTY EDITOR AND BEEF EDITOR  
woods@farmersjournal.ie

Mart managers are bracing for the impact of a planned boycott of weanling sales by live exporters next week.

Exporters say they are increasingly concerned about the health status of the weanlings they are purchasing and want farmers to ramp up vaccination and dosing of their animals.

Roscommon-based live exporter Derek Maxwell told the Irish Farmers Journal: "We have no choice but to take this action next week."

He said the risk of animals falling ill at export yards or en route to continental markets is "huge, for not only us but also for our customers."

"Farmers will have to start vaccinating and dosing weanlings if we are to hold on to our customers. A lorry load of weanlings is coming into

€150,000 this year and we have to do everything we can to keep them healthy."

While it's not clear yet what impact the boycott will have on weanling numbers or prices next week, exporters typically account for 900 to 1,000 weekly purchases of weanlings at this time of year.

**Trade disruption**  
ICOS livestock executive Ray Doyle said: "It is unfortunate that there is a threat of trade disruption at a time of peak throughput."

He added: "This message should have been conveyed to farmers months ago and not now when there is such a tight timeline to bring about immediate changes."

Some mart managers have been encouraging farmers to vaccinate weanlings, and are organising special sales of vaccinated-only weanlings.



Ten-year-old Aaron McDermott with one of his pedigree Shorthorns on his farm in Elphin, Co Roscommon. Aaron had a busy summer showing cattle with the showing season now winding down for 2025. © Clara Hann

## Suckler and sheep money in firing line

AMY FORDE & DARREN CARTY

Key suckler and sheep scheme funding could be sacrificed to help fund the new multi-million euro TB plan in next week's budget, the Irish Farmers Journal can reveal.

It is understood that the top-ups

delivered in last year's budget, such as the C2g calf top-up in the National Beef Welfare Scheme and the extra C2g/ewe in the Sheep Welfare Scheme, are in the firing line.

Election promises to support the tillage sector by €60m per year are adding to budgetary pressure.

IFA president Francis Gorman said:

"Taking money from other sectors to fund Government's commitment to support the tillage sector is a total non-runner."

"The Minister must deliver new money from the exchequer."

**READ MORE**  
Full coverage on pages 8, 10, 28 & 47

Cuts to National Sheep Welfare Scheme, National Beef Welfare Scheme, Dairy Beef Weighing Scheme, CSP Dairy Beef Welfare Scheme and promises on tillage funding not delivered in Budget 2026

# Agriculture faced with €26m savings levy

“The specific implications of the levy are being examined by Minister Heydon and he will engage with the Department of Public Expenditure, Infrastructure, Public Service Reform and Digitalisation as part of his negotiation for Budget 2027.”

Minister for Agriculture Martin Heydon told the Irish Farmers Journal that he will be going into the next budget negotiations with high ambition to deliver another increased budget for his sector in 2027.



## Heydon told to cut Department's budget by €26m for 2027

The Department of Agriculture is facing a budget cut of €26m for 2027 in order to help fund the Department of Education.



Minister for Agriculture, Food and the Marine, Martin Heydon. \ Donal O' Leary

**M**inister for Agriculture Martin Heydon is currently examining how he will find cost savings in the region of €26m in Budget 2027 in order to help fund the Department of Education.

# Questions

