The CAP Post-2027: Possible Implications for Upland Farming in Ireland



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My talk

CAP Proposals and CAP budget 2028-2034

Potential implications for upland farming in Ireland

CAP Proposals

- EC proposals for the CAP post-2027 made in July 2025
- Negotiations under Danish, Cypriot and Irish Council Presidencies reflected in what is called a Partial General Approach agreement reached on October 26th
- The PGA sets out what the Member States want the CAP to look like over 2028-2034 period
- The European Parliament now gets to respond to the EC proposals with the final agreed CAP for the post-2026 period agreed via Trilogue process in 2027

“Partial General Approach”

- The October agreement on the CAP is “partial” because the budget and some horizontal (regulatory) provisions have not yet been agreed
- However the direction of travel for the CAP policy is likely to be in the direction set by the member states
- Budget (so-called Multi-annual financial Framework – MFF) negotiations are still ongoing
- Latest point in those is the so-called Irish negotiations box (negobox) published on October 10th

MFF and Irish negobox

- EU budget proposals published in July 2025 – €1,985 bn
- Irish negobox proposed that this be reduced by 8% (current prices)
- While most budget headings were reduced in the Irish negobox document the ring-fenced allocation for CAP income support was maintained at €293.7 bn (current prices)
- Ireland's pro-rata allocation of this is €8.161 bn
- This represent a "headline" reduction of 23.4% vs budget for 2021-2027 period
- The ring-fenced budget for CAP income support covers the "pillar I" type payments (DABIS, coupled payments, small farmer scheme) but also co-financed pillar II type payment such as ANC and payments for agri-environmental and climate actions (AECAs)

CAP Budget

- The €8.161 bn ringfenced budget for the CAP income support measures is the minimum level of income support under the new CAP with the current budget proposals
- Additional resourcing via national co-financing of schemes such as ACRES, ANC and schemes similar to those currently co-funded under Pillar II will increase the quantity of CAP resources (EU and national) that will support farm incomes in Ireland
- The ultimate size of the CAP budget in Ireland for the period 2028-2034 will depend on the willingness of the Irish government to co-finance CAP measures

CAP – increased member state flexibility

- The EC July 2025 proposal were designed to give member states more flexibility in designing their CAP plan to address the challenges on economic viability, generational renewal and environmental sustainability
- The PGA agreement reached in late October made many of the schemes proposed by EC optional rather than mandatory for Member States
- This has increased the flexibility accorded to MS to design their CAP for their circumstances

CAP Schemes

- The proposed CAP regulation provides the basis for the continuation of all of the Pillar I and Pillar II type schemes that currently characterise the CAP in Ireland
- The key uncertainty is the size of the budget that is available for these schemes from the EU and from the national exchequer via co-financing
- The apportionment of the ring-fenced budget between different measure will be important in determining the total CAP budget
  - CAP measures that are 100% EU financed measures
  - CAP measures that require member state co-financing
- The choice between Pillar I and Pillar II type measures will also be important in determining how much income support goes to upland farmer and farm systems

NRPP fund and the CAP

- Resources from the NRP Fund that are not ring-fenced for agriculture can in principle be used to fund CAP measures but this freedom is constrained by the necessity to fund AKIS and other rural development actions such as LEADER
- It is also depends on how large the ring-fenced CAP budget is relative to the total NRPP allocation
- In Ireland there is a relatively small difference between the ring fenced budget of 8.2 bn and the 11.4 bn for the NRPP

CAP and Budget for 2028-2034

- Government as Council President has been in the role of chair with respect to the budget negotiations
- To date the ring-fenced budget allocation for Agricultural income support has been preserved but the so-called Frugals (AT, DK, DE, FI, NL, SE) are still arguing that the total budget should be smaller and that the budget should be reprioritised away from agriculture and towards defence and competitiveness
- In the absence of an agreement on the budget for 2028-2034 the EU budget in 2027 will be rolled over until a new budget is agreed

Potential implications for upland farming : CAP post-2027 an opportunity ?

- The new CAP will afford Member States greater freedom to target support on different types of farmers – differentiating the DABIS
- The current CAP text doesn't make this mandatory it is optional for member states
  - Higher DABIS payments are mandatory for young farmers but MS can also differentiate area based payment to other farmer types
- Targeting can be via coupled supports e.g. for sheep
- Targeting on first hectares (like CRISS) is an option that targets support on smaller farms
- Having a ANC scheme is not mandatory but is an option for MS

CAP Post-2027 An Opportunity for Upland farmers

- The design of the CAP Chapter in the NRPP will necessarily involve Ireland making choices about what sort of farming it wants to focus CAP income support payments on
- Farmers farming in Ireland's uplands are producing food and other public goods that the Irish and European society value
  - Telling that story becomes more important
- Upland farmers are generally operating farm systems that have relatively low farm incomes and a currently high dependence on CAP supports
  - The farmers that need support argument
- Maintaining the value of the CAP supports is possible but will depend on arguments based on the value delivered by upland farmers both in terms of agricultural output but also eco-system services delivered

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