



AGRICULTURE AND FOOD DEVELOPMENT AUTHORITY

The Irish Agriculture and Food Development Authority

The Importance of Pillar II payments to farmers in Ireland

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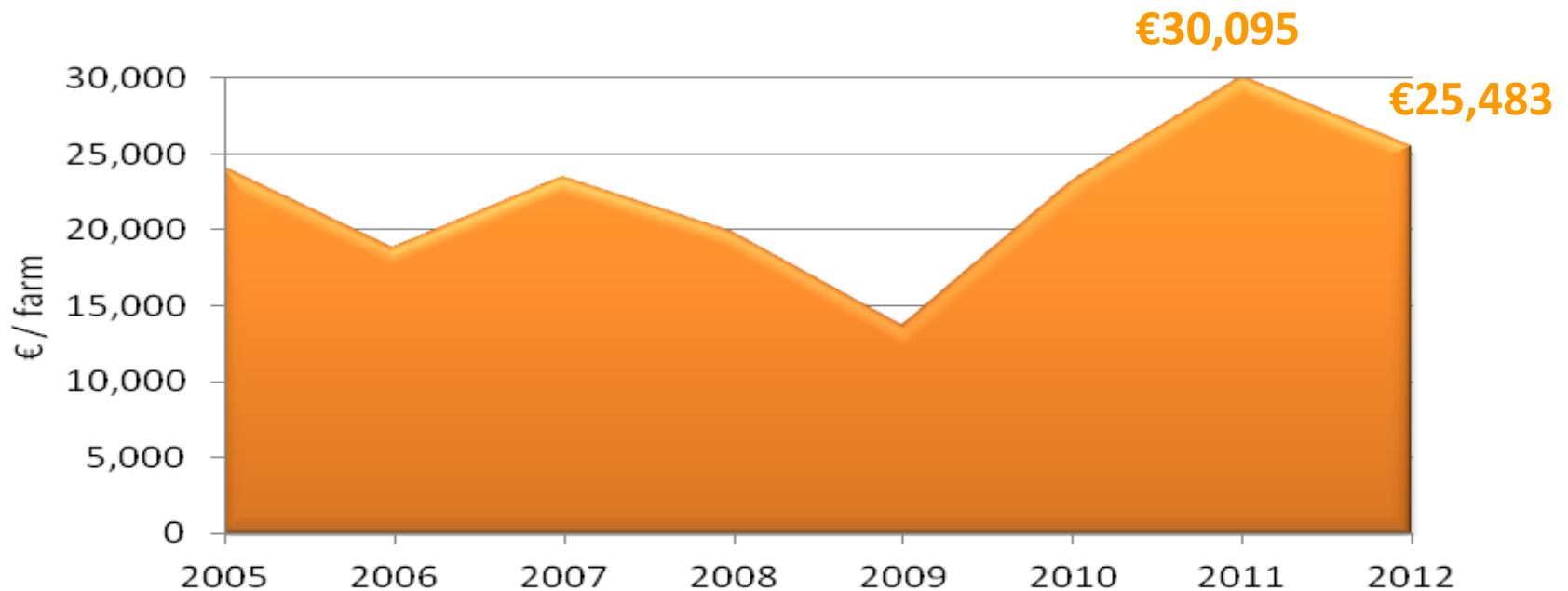
Agricultural Economics and Farm Surveys Department

Rural Economy Development Programme, Teagasc

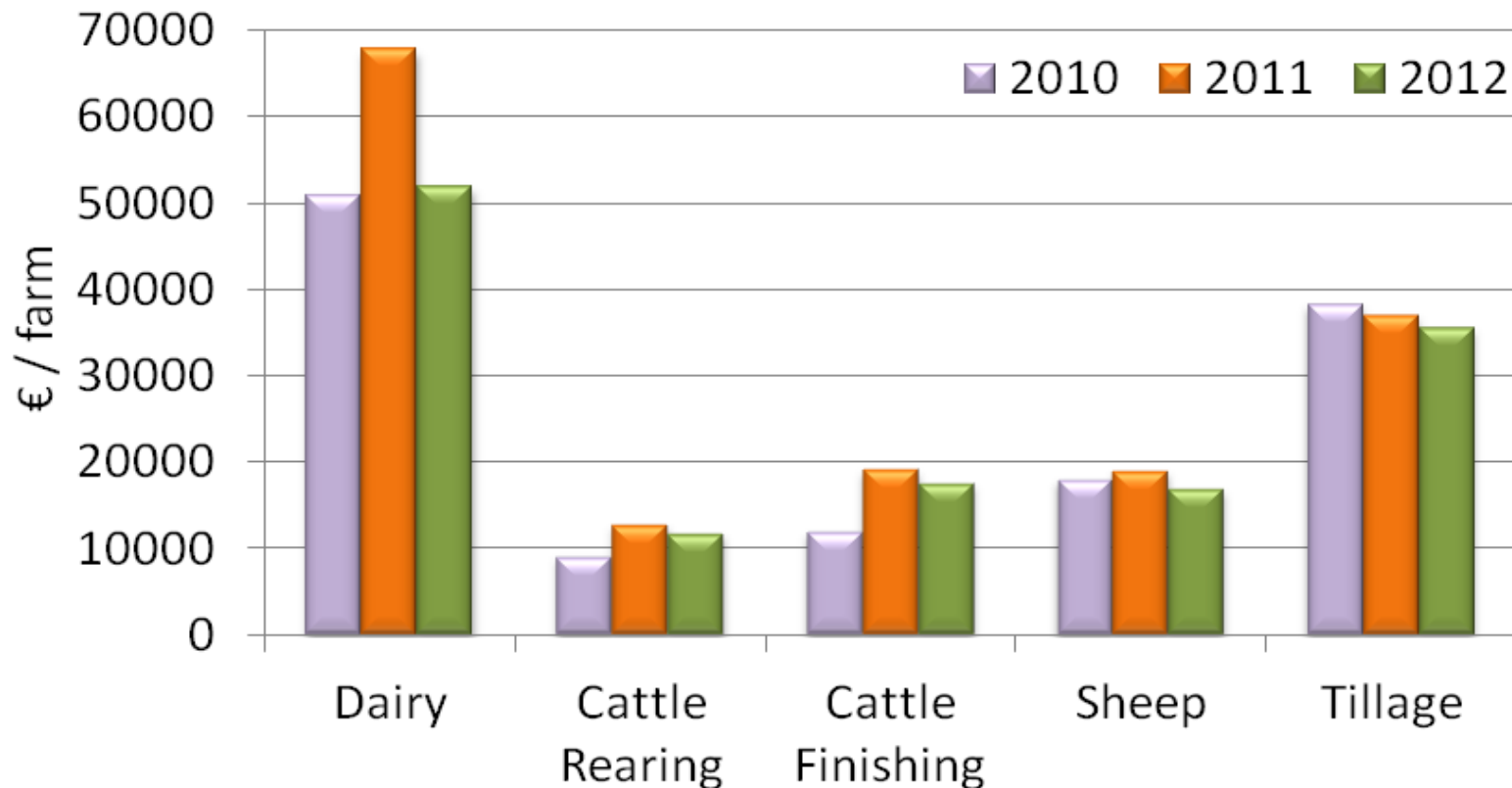
Overview

- Review the importance of CAP payments to farmers in Ireland
- Pillar 1
- Pillar II payments – DAS, REPS, AEOS etc.
- Does the importance vary by region?

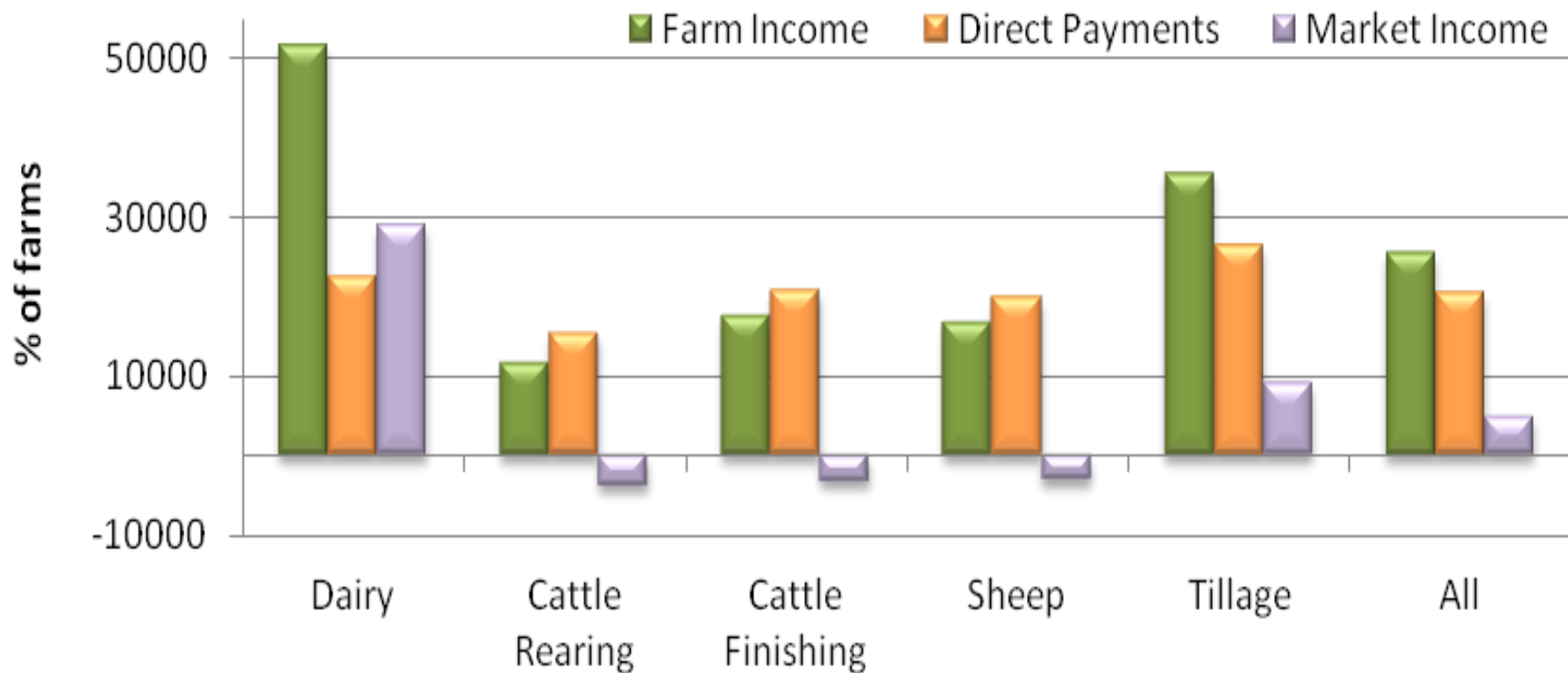
Family Farm Income 2005 to 2012



Change in Income 2010 to 2012

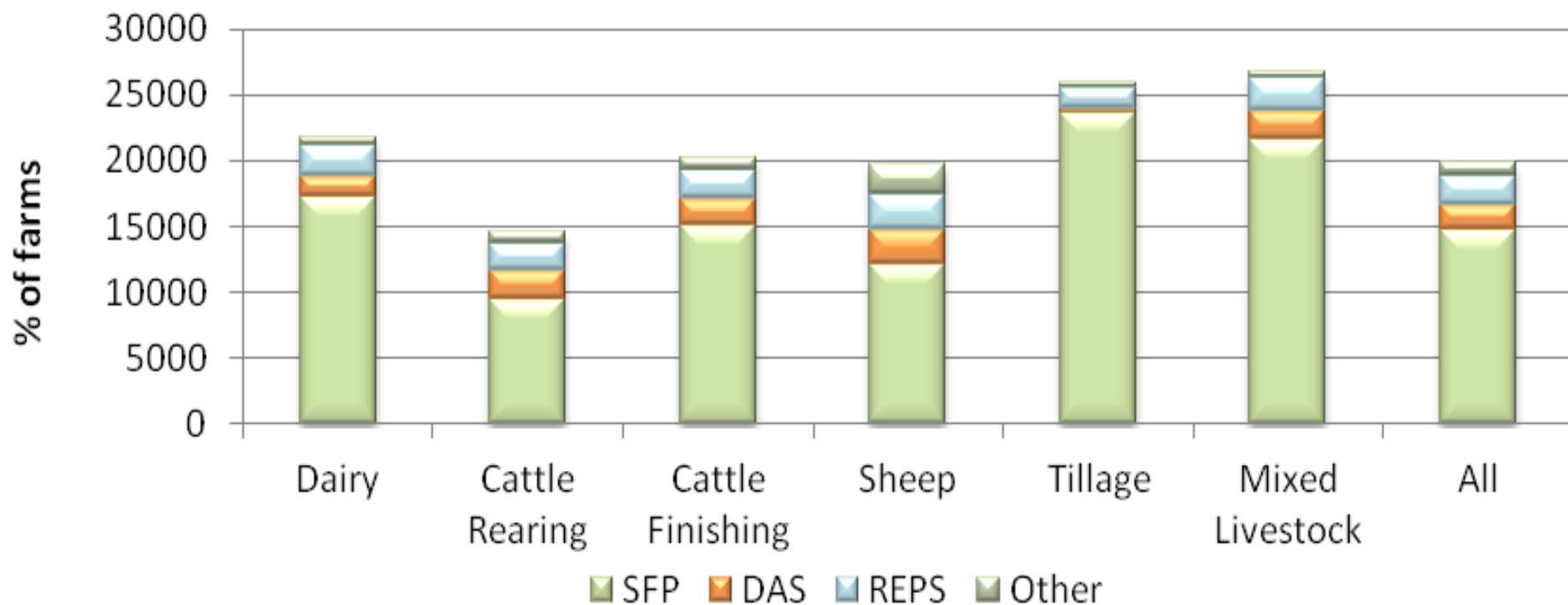


Income & Payments - 2012

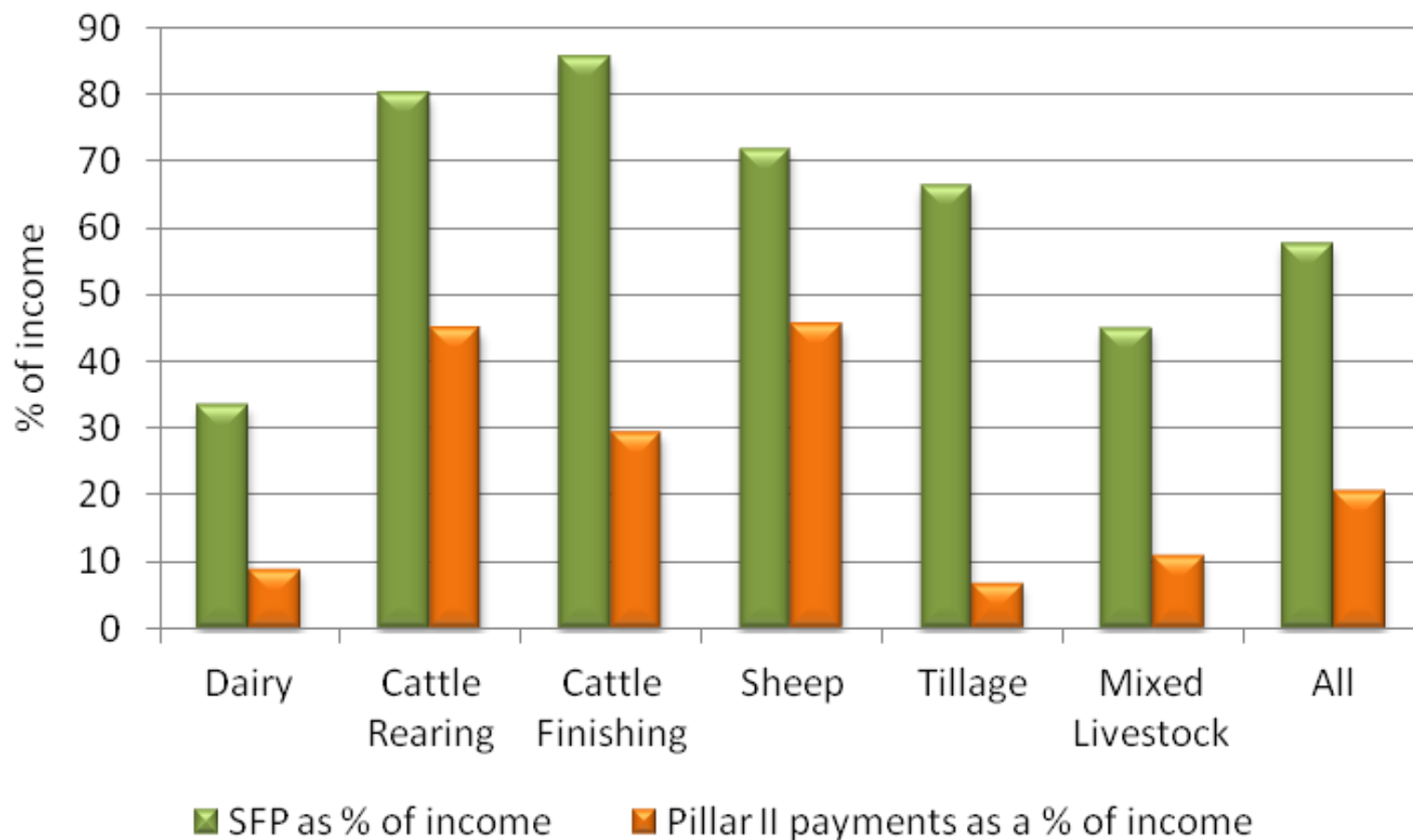


Composition of Payments - 2012

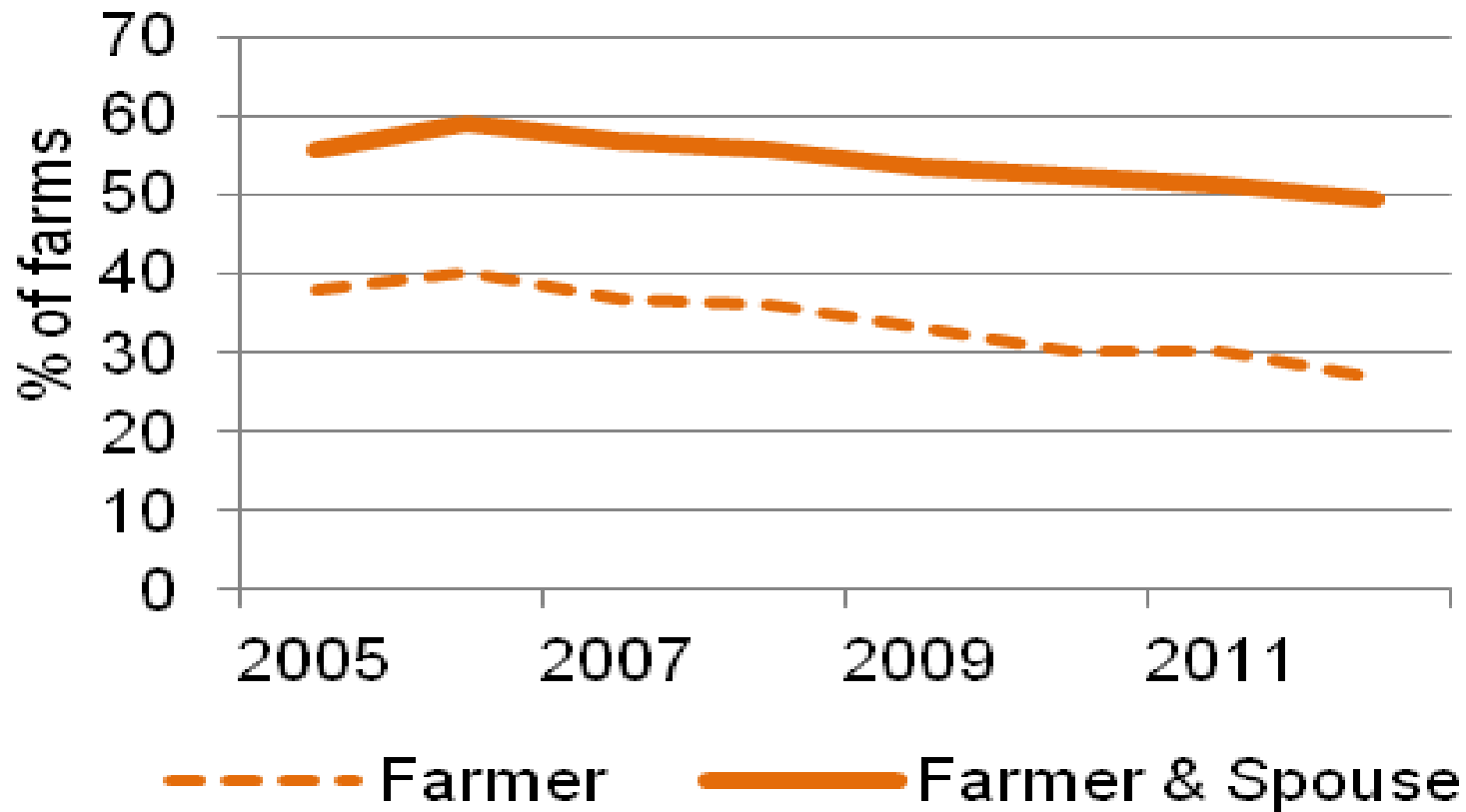
Composition of Direct Payments
€/farm



Importance of Payments - 2012



Off-farm employment 2005 to 2012



Main Points

- By system -varying importance of payments to income
- Pillar I – Single farm payment almost 3 times more important than Pillar II payments
- BUT – over 40% of income on cattle farms comes from Pillar II
- Off-farm employment opportunities declining – income generation from the farm more important than ever
- Are there regional differences?

Average Family Farm Income per NUTS III Region

Border

West

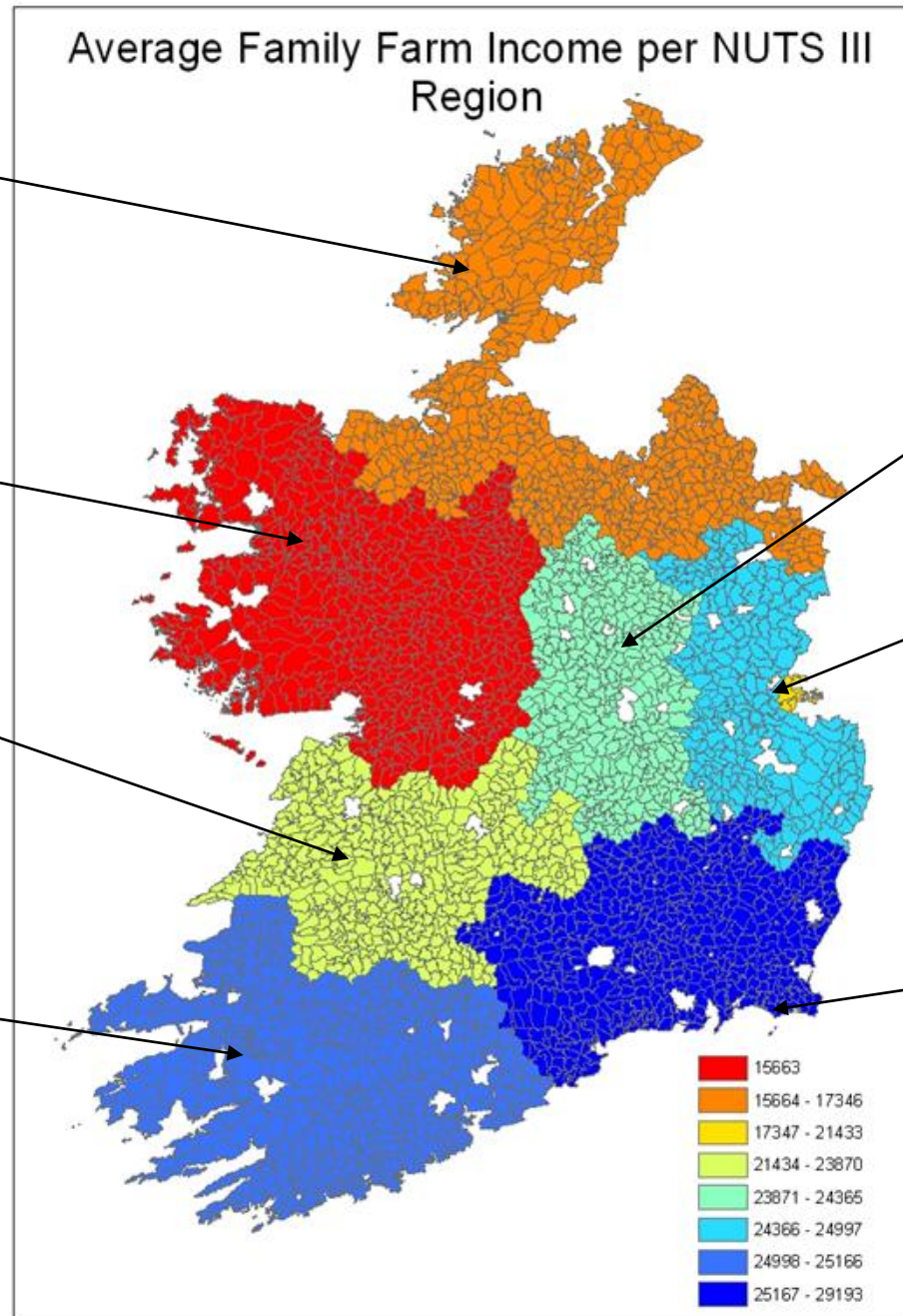
Southwest

South

Midlands

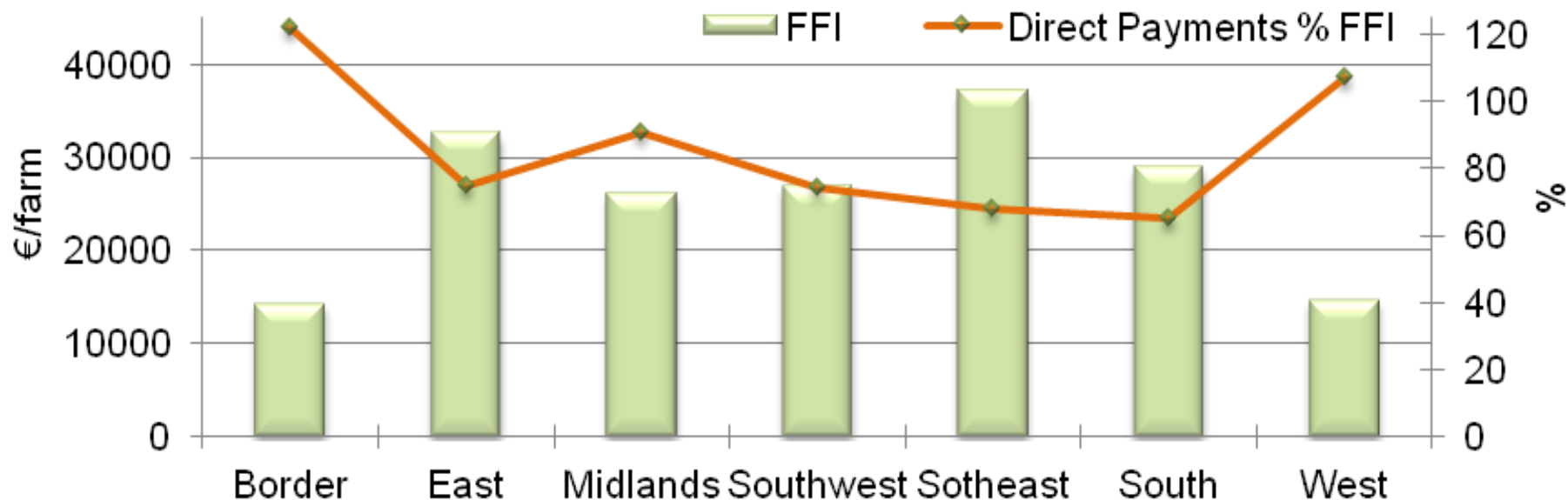
East

Southeast

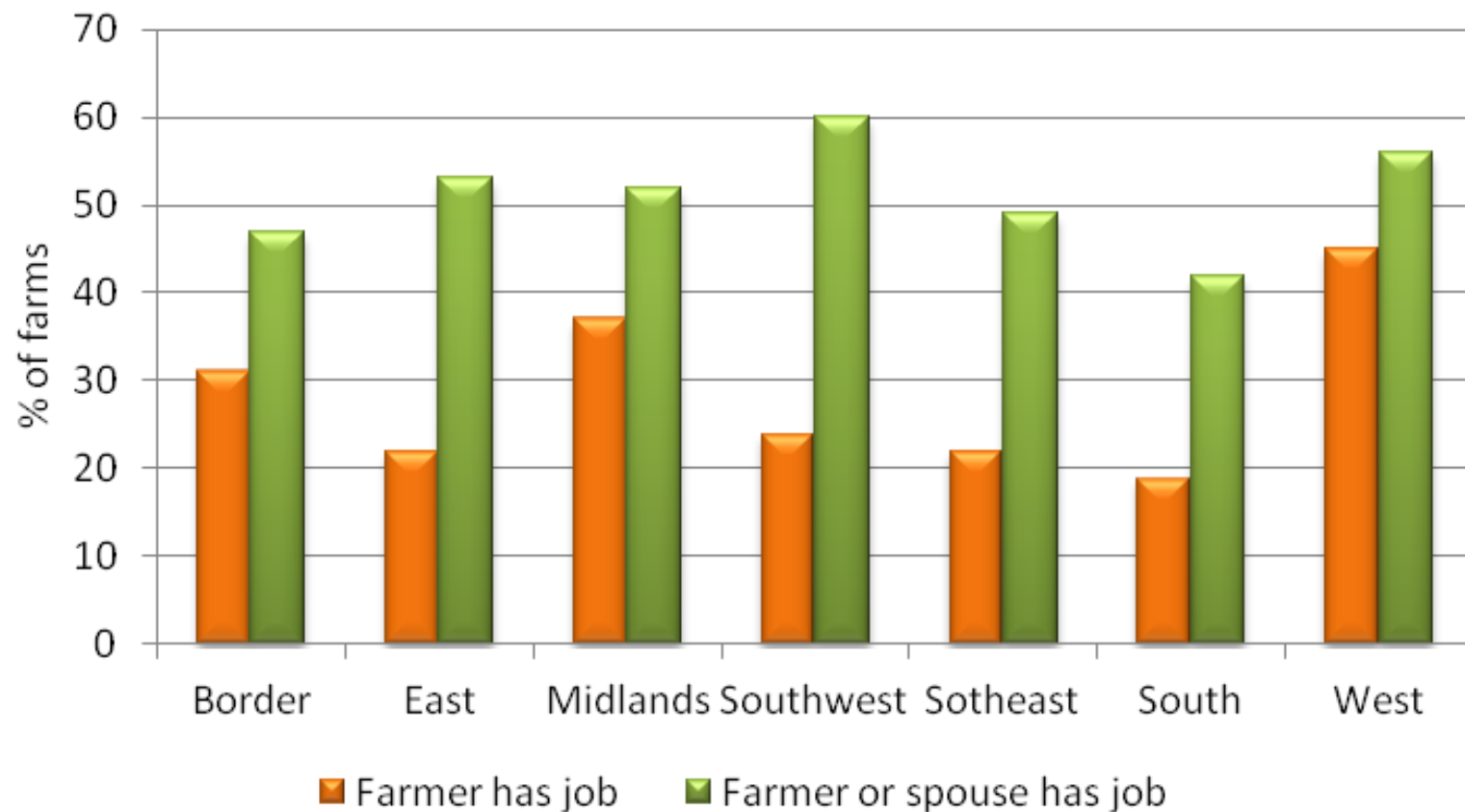


Income by Region

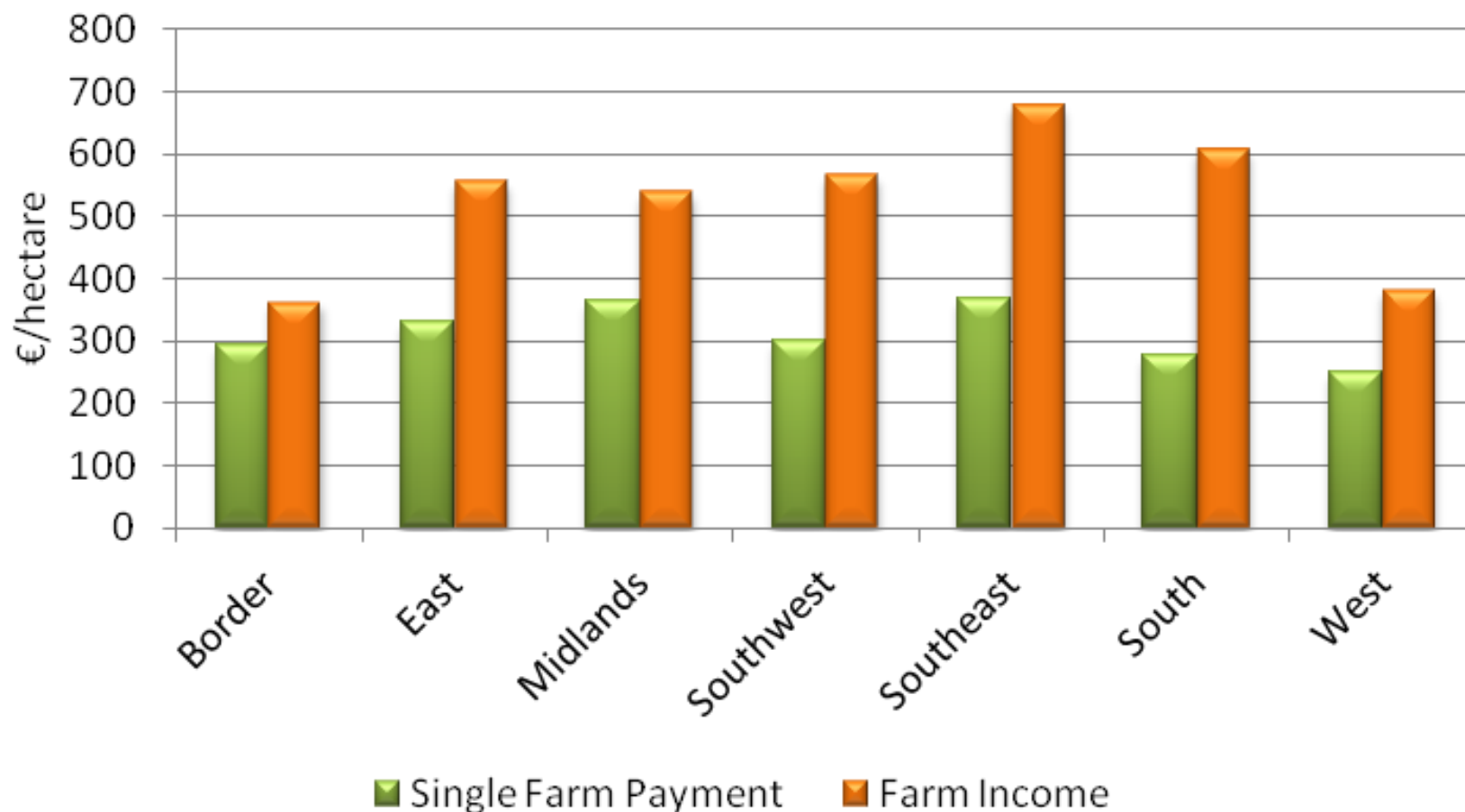
Family Farm Income by Region



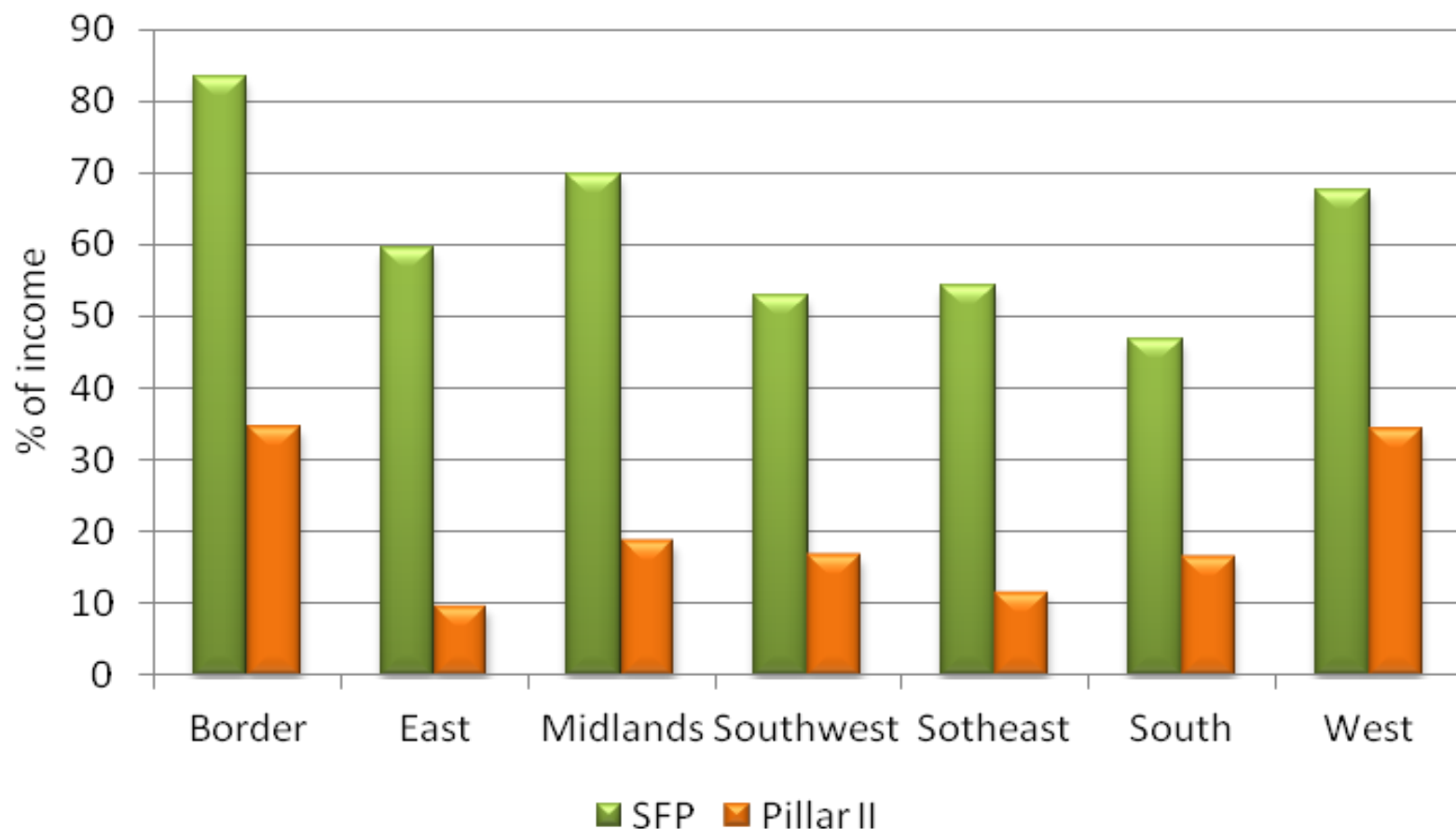
Part-time Farming by Region



Income per hectare by Region



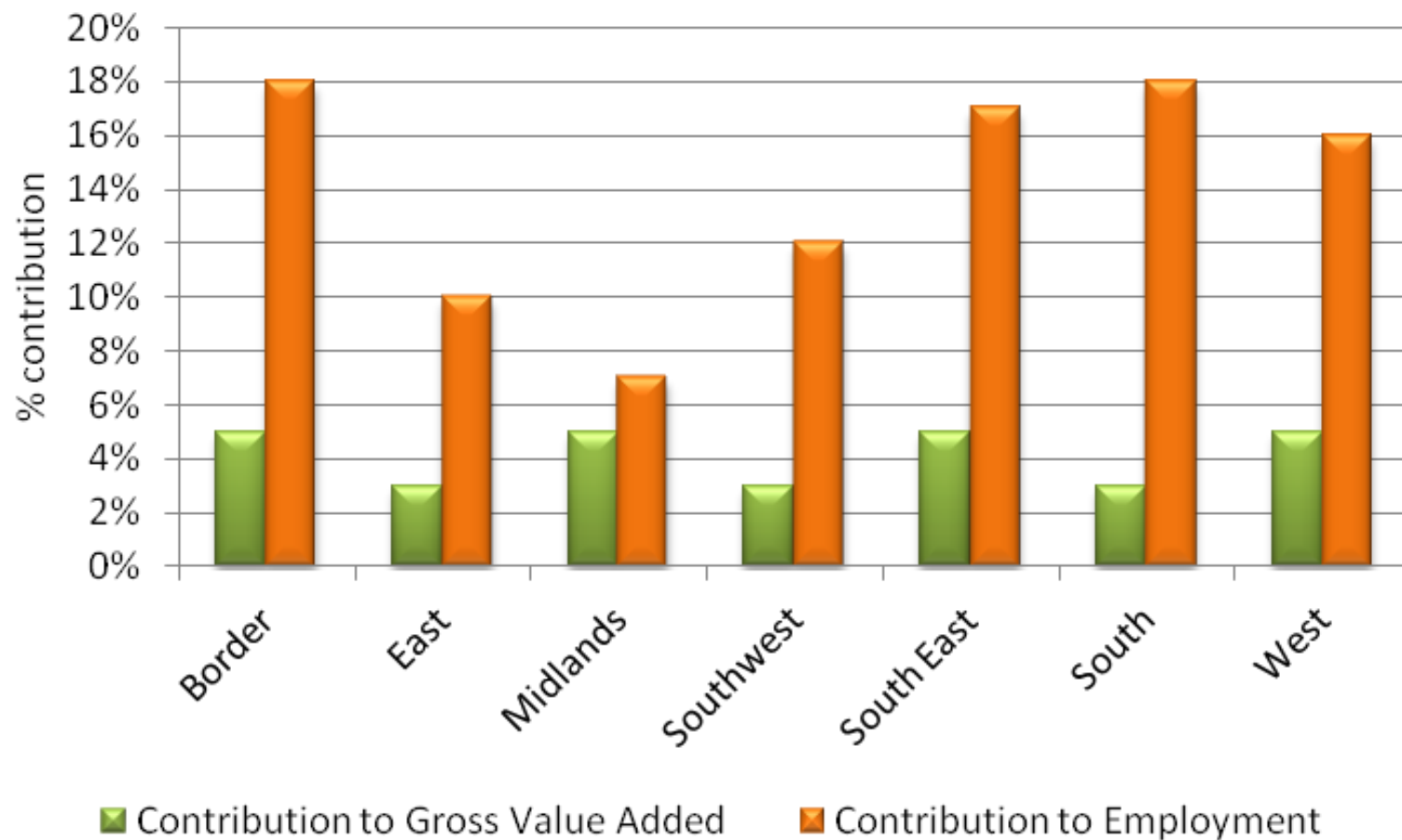
Importance of Payments by Region



Main Points

- Farm Incomes highest in the East & Southeast
 - Also highest Single Farm Payment per hectare
- Off-farm income most common in southwest (60%) and west (57%)
less common in the Border (45%)
- Border and west need payments most
 - Pillar II especially important
 - 35% of income in Border & West – only 10% East & Southeast

Does the importance of Agriculture vary by region



Main Points

- Contribution of agriculture important in Border and West
 - But smallest and least profitable farms in these regions
 - Stresses need for payments in these regions

Main Conclusions

- Payments a substantial portion of income
 - Importance varies by farm type and by region
- Single Farm Payment is main payments type
- Pillar II payments more important in the Border & West
- Given importance of agriculture in Border & West and poor viability of farming– Pillar II payments more important

Thank-you for your attention