

3rd Cattle Network – EAAP Workshop

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Implementation and Consequences of CAP Reform in Ireland

M.G. Keane

Teagasc, Grange Beef Research Centre, Dunsany,

Co. Meath, Ireland

Slide number 1

Topics

- **CAP implementation regulations**
- Structure of cattle farms
- Cattle numbers and output 2000-2006
- Cattle and beef prices 2000-2006
- Cattle breed mix 2000-2006
- Carcass traits 2000-2006

Premia Schemes Decoupled to Single Payment Scheme (SPS)

- Suckler Cow Premium (SCP)
- Special Beef Premium (SBP) – young bulls, 9 & 21 mts steers
- Slaughter premium (SP)
- Extensification premium (EP)
- National Envelope Top-up on heifers (dry, calved, slaughtered)

Application of Single Payment Scheme

- Must have farmed in reference years 2000, 2001 and 2002
- Must be still farming in 2005
- Based on average of 3 reference years but exceptions
- SPS not attached to land but to farmer
- Calculated on average no. of animals in reference years x 2002 rate of payment for each scheme
- Known as single annual payment or Single Farm Payment (SFP)

Entitlements Calculation and Activation

- To facilitate devision payment is expressed per ha
- SFP is divided by no. ha farmed in reference period
- This determines no. of entitlements and monetary value of each
- Application in 2005, otherwise → National Reserve
- To claim SFP must submit Area Aid application each year

Selling Entitlements

- Can only be sold to farmer in same member state
- Can be sold with or without land once activated
- Can only be leased with equivalent no. of ha.
- If obtained from National Reserve cannot be sold for 5 years
- To put 20% land to forestry must :
 - First activate 100% of entitlements
 - Draw 80% of entitlements and plant 20% of land
 - Can sell 20% of entitlements on forestry land

Other Regulations

- National Reserve
- Modulation
- Cross compliance
- Force Majeure
- Stacking (consolidation)

Consolidation (Stacking) Regulations

- Cannot always have the same land area as in reference period
- National Reserve used to consolidate entitlements on area currently farmed
- Original entitlements surrendered to National Reserve
- Receive lower number of higher unit value for same SFP

Consolidation Conditions

- Current area must be at least 50% of reference area
- Must not have sold/leased land other than to public authority for non agricultural use
- All consolidated entitlements have conditions attaching to entitlements from National Reserve

Who Benefits from Consolidation

- Some land forested since the reference period
- Disposed of land to public body for non agricultural use
- Had land rented in during reference period but cannot renew lease
- Land declared in Northern Ireland in the reference period

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Distribution of Farms and Cattle Across Farming Systems

	Dairy & Cattle		Cattle			
	<u>Dairy</u>	<u>Other</u>	<u>Rearing</u>	<u>Other</u>	<u>Sheep</u>	<u>Tillage</u>
% Farm population	16.3	9.4	24.6	26.8	16.3	6.6
% of Dairy cows	77.2	22.0	-	-	0.3	0.5
% of Other cows	2.8	8.6	45.9	24.0	13.6	5.0
% of Other cattle	24.3	17.2	15.1	30.9	6.8	5.7
% of Total cattle	29.8	16.6	17.5	24.6	6.8	4.7

Distribution of Farms Between Full and Part Time

	Dairy & Cattle			Cattle			
	<u>Dairy</u>	<u>Other</u>	<u>Rearing</u>	<u>Other</u>	<u>Sheep</u>	<u>Tillage</u>	<u>All</u>
Population %	16.3	9.4	24.6	26.8	16.3	6.6	100.0
Full time %	15.2	6.3	2.6	5.3	5.2	3.5	38.1
Part time %	1.0	3.1	22.0	21.6	11.1	3.1	61.9

Off-Farm Employment and Income on Full and Part Time Farms

	<u>Dairy</u>	<u>Dairy & Other</u>	<u>Cattle Rearing</u>	<u>Cattle Other</u>	<u>Sheep</u>	<u>Tillage</u>	<u>All</u>
<u>Off Farm Job-Farmer(%)</u>							
Full Time	13	10	25	23	25	25	18
Part Time	11	25	53	54	49	53	51
<u>Off Farm Job-Spouse(%)</u>							
Full Time	43	34	33	34	38	36	38
Part Time	42	21	28	31	32	7	29
<u>Other Off-Farm Income(%)</u>							
Full Time	11	8	10	9	14	9	11
Part Time	22	60	33	35	41	30	36

Distribution (%) of UAA Between Full and Part Time Farms

	<u>Dairy</u>	Dairy & <u>Other</u>	Cattle <u>Rearing</u>	Cattle <u>Other</u>	<u>Sheep</u>	<u>Tillage</u>	<u>All</u>
Population %	16.3	9.4	24.6	26.8	16.3	6.6	100.0
Full time	18.8	11.3	3.8	9.3	9.6	8.3	61.1
Part time	0.5	1.7	14.2	12.8	7.5	2.3	38.9

Distribution (%) of Cattle Systems UAA Between Full and Part Time Farms

	<u>Cattle Rearing</u>	<u>Cattle Other</u>	<u>All Cattle</u>
Full Time	9.4	23.2	32.6
Part Time	35.5	31.9	67.4

Distribution (%) of Total Cattle between Full and Part Time Farms

	<u>Dairy</u>	<u>Dairy & Other</u>	<u>Cattle Rearing</u>	<u>Cattle Other</u>	<u>Sheep</u>	<u>Tillage</u>	<u>All</u>
Population %	16.3	9.4	24.6	26.8	16.3	6.6	100.0
Full time	29.2	15.0	4.3	11.9	4.7	4.1	69.2
Part time	0.6	1.6	13.1	12.9	2.0	0.6	30.8

Distribution (%) of Cattle Systems Between Full and Part Time Farms

	Cattle <u>Rearing</u>	Cattle <u>Other</u>	All <u>Cattle</u>
Full Time	10.3	28.2	38.5
Part Time	31.0	30.5	61.5

Distribution of Income¹ on Full and Part Time Farms - 2005

	<u>Dairy</u>	<u>Dairy & Other</u>	<u>Cattle Rearing</u>	<u>Cattle Other</u>	<u>Sheep</u>	<u>Tillage</u>	<u>All</u>
<u>Full Time</u>							
Farm income	41.4	49.1	29.2	42.1	28.5	44.7	40.5
Direct payment	19.7	35.6	35.6	49.4	34.5	43.5	31.7
% Direct paym'ts	48	73	122	117	121	97	78
<u>Part Time</u>							
Farm income	16.9	8.8	10.8	12.5	10.0	13.2	11.4
Direct payment	7.8	12.1	14.3	16.4	13.0	14.0	14.6
% Direct paym'ts	46	137	132	132	130	106	128

¹€000

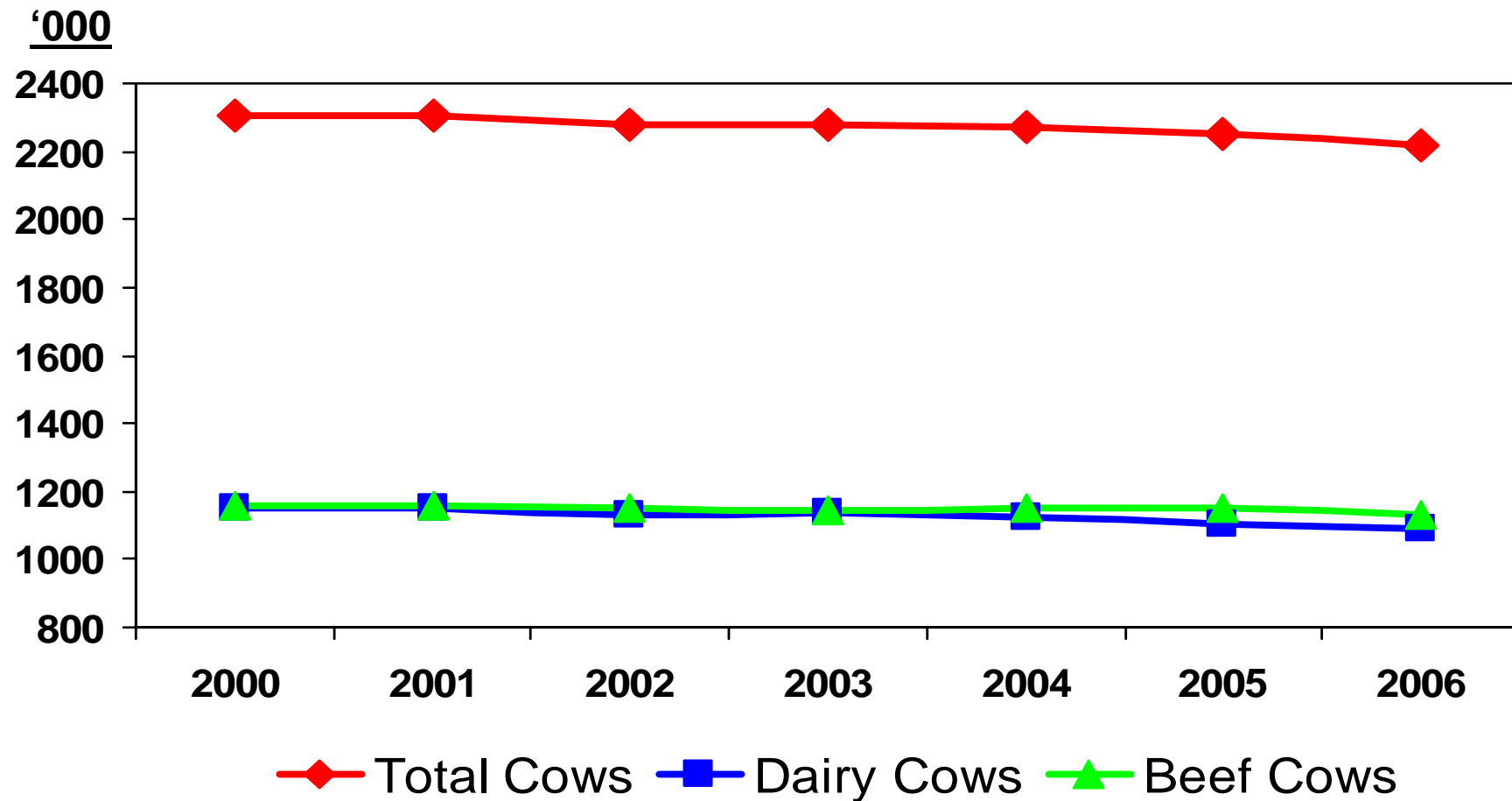
MTR Chronology of Events

<u>Year</u>	<u>Month</u>	<u>Event</u>
2002	July	MTR outline proposals
2003	January	MTR detailed proposals
2003	June	Luxembourg Council of Ministers Agreement
2003	Oct	Minister announces full decoupling
2003	Oct/Nov	Farmer information meetings on decoupling
2004	Sept/Oct	80% of farmers knew SFP- awareness of decoupling
2004	Dec	Full decoupling comes into operation
2005	All	First year of complete decoupling but carry over of DPs
2006	All	First year of SFP only

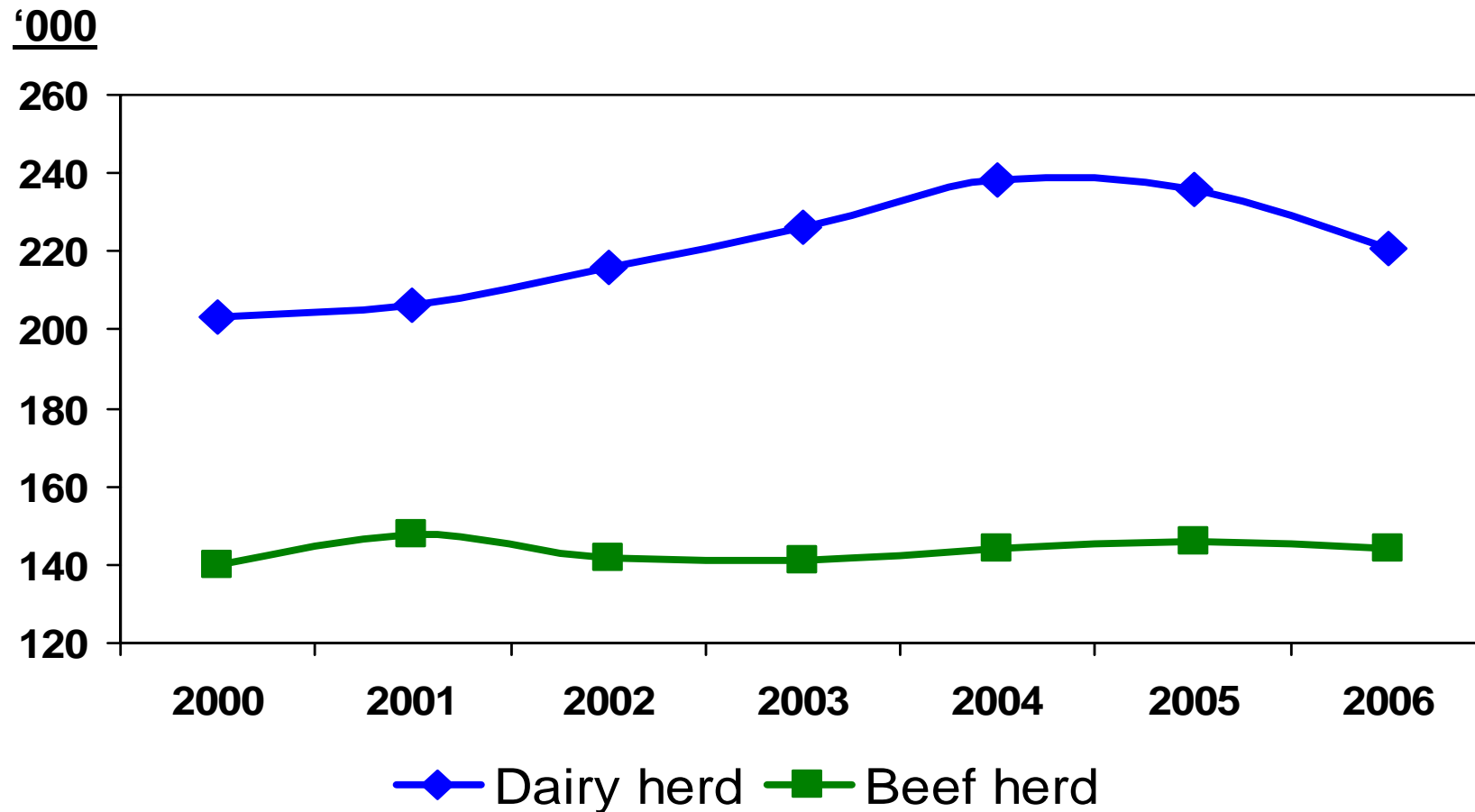
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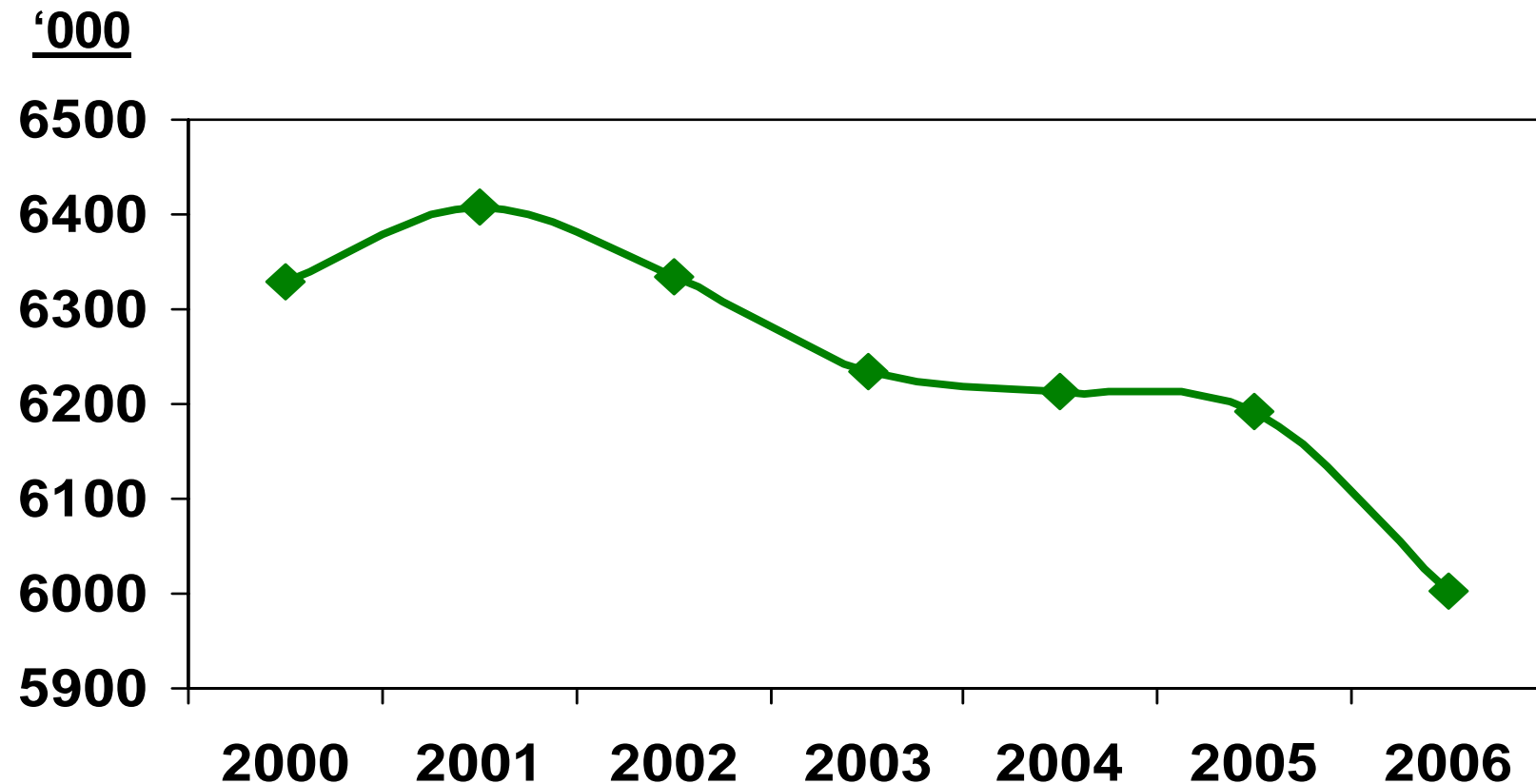
Total, Dairy and Beef Cow Numbers 2000-2006



In-Calf Heifers 2000-2006



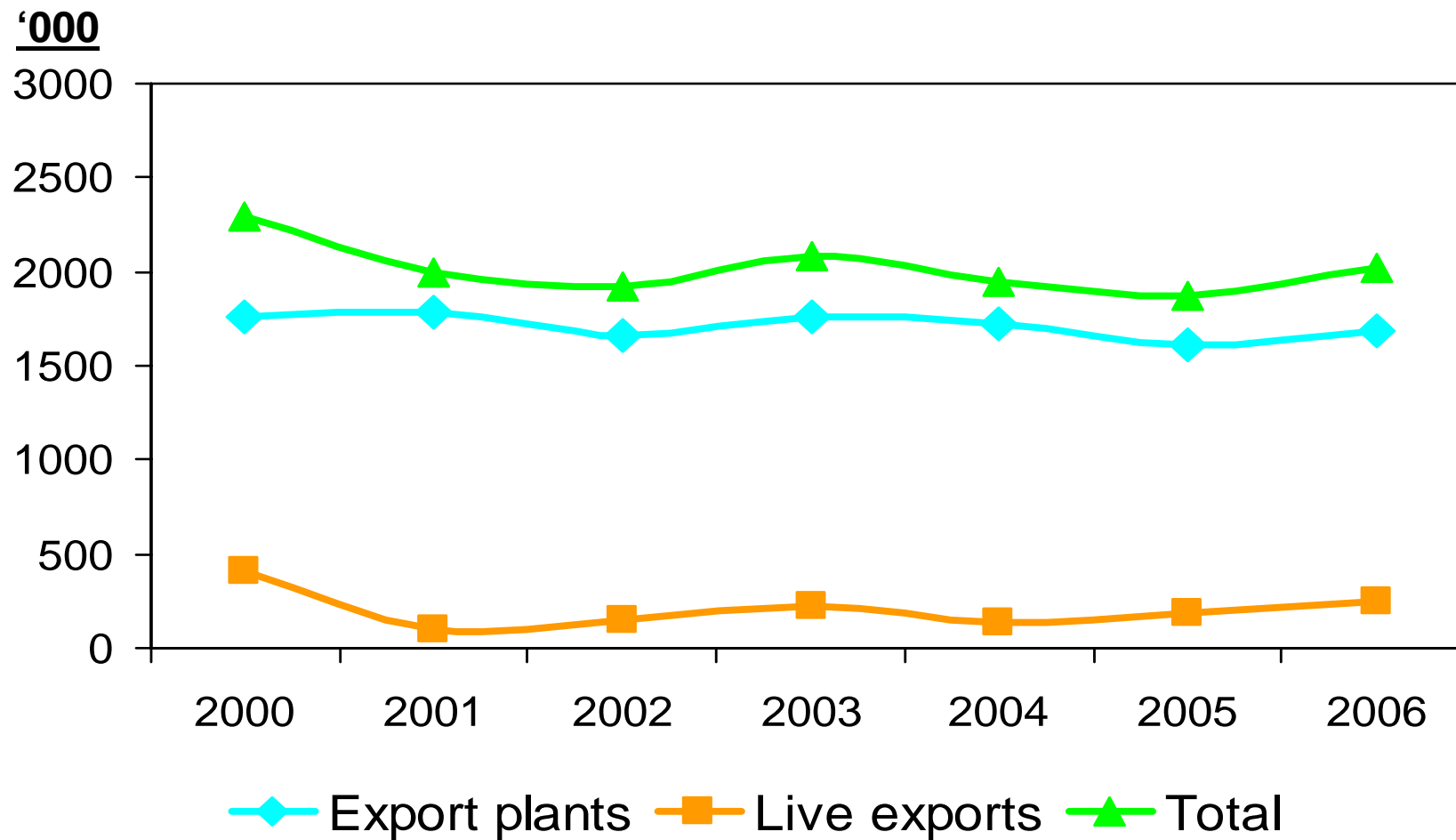
Total Number of Cattle 2000-2006



% Change in Cattle Numbers by Region 2000-2005

<u>2000/2005</u>	<u>West+Nth</u>	<u>Mid+East</u>	<u>Mid West</u>	<u>S East</u>	<u>S West</u>
Dairy cows	-12.2	-5.8	-4.4	-3.1	-3.7
Beef cows	0.5	6.3	8.6	5.8	0.7
Total cattle	-1.1	-0.1	2.8	-1.0	-0.5

Total Cattle Disposals 2000-2006



Irish Beef Exports ('000t cwe) 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
UK	112	225	257	251	270	260	250
Cont EU	135	72	116	162	173	192	228
3 rd Country	257	53	90	82	56	37	38
Total	504	350	463	495	499	489	516

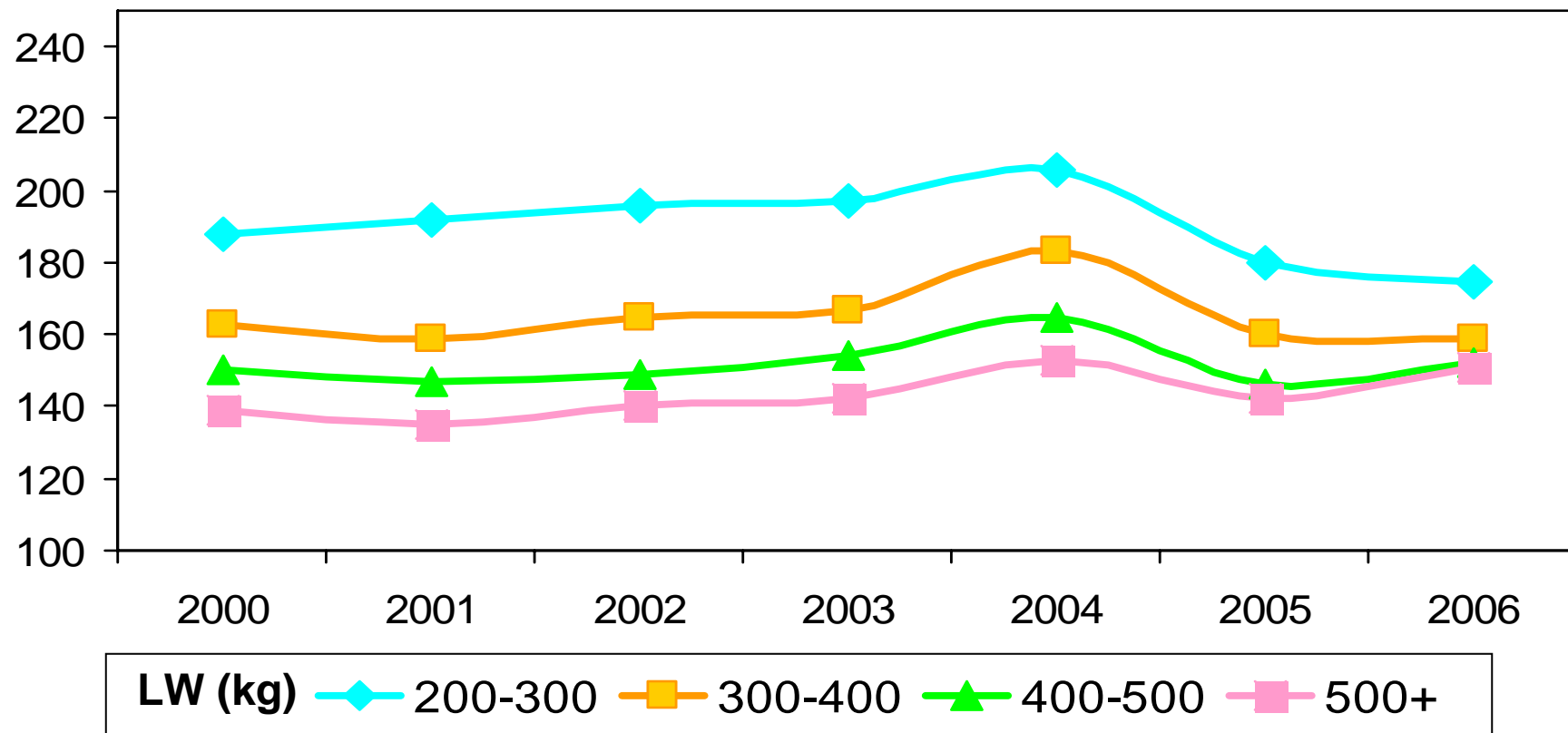
Live Cattle Exports 2000-2006

<u>'000 head</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Cont. EU	311	40	73	141	74	148	221
UK	27	50	42	40	48	28	28
3 rd world country	65	11	32	37	12	10	1
Total	403	101	147	218	134	185	250

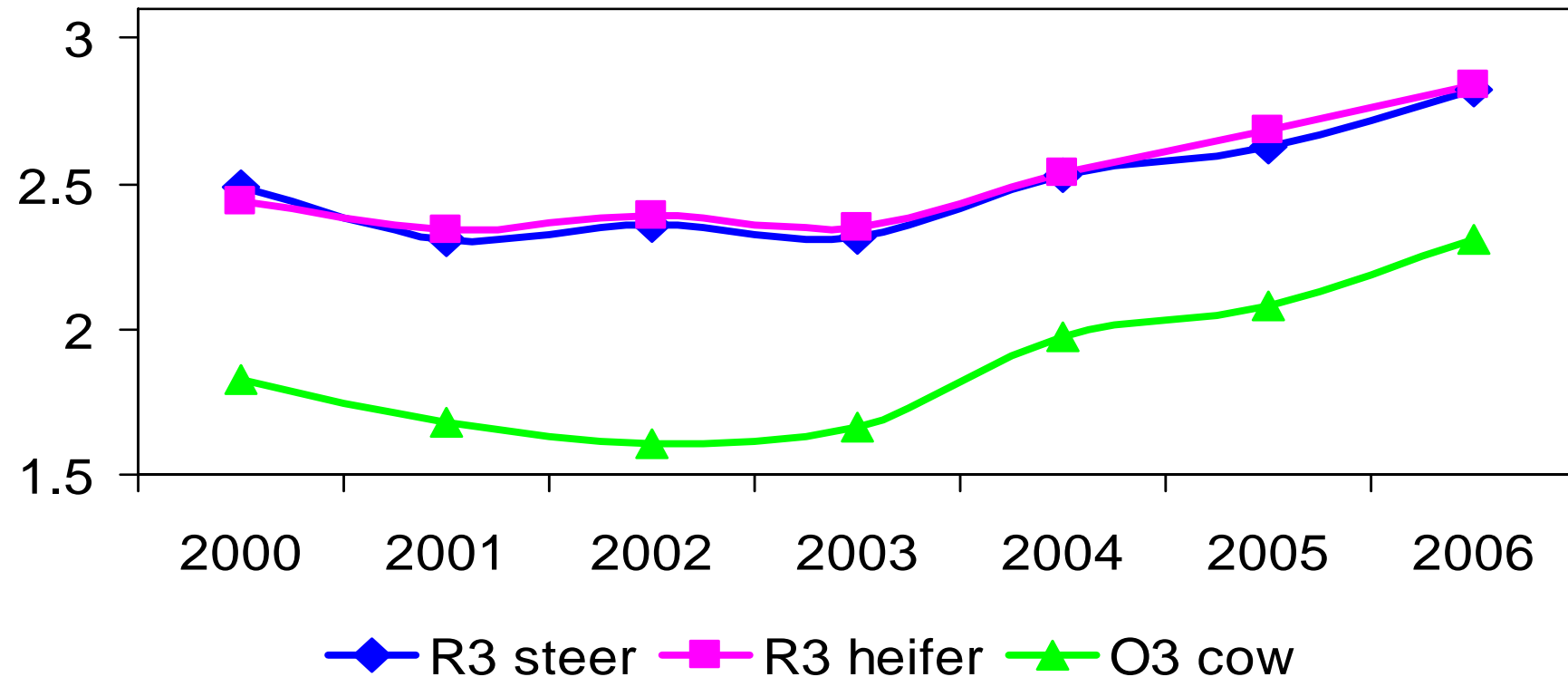
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Mean Cattle Price (€/100kg) 2000-2006



Mean Beef Prices (€/kg carcass) 2000-2006



Ratio of Highest to Lowest Monthly Steer Price 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Highest/Lowest	1.22	1.15	1.12	1.06	1.17	1.20	1.09

Topics

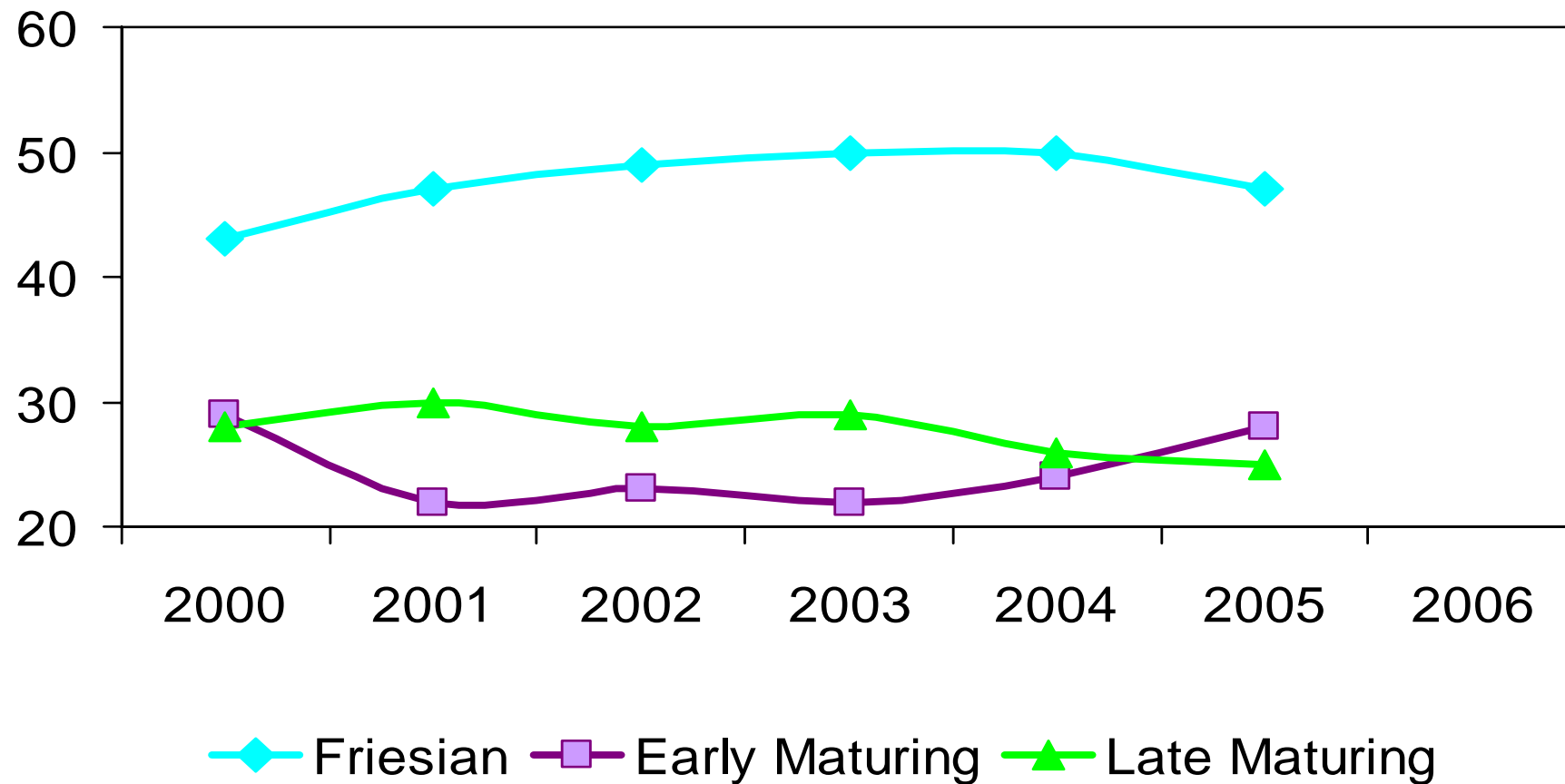
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Mean Insemination Usage by Breed Category 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
No ('000)	826	756	713	657	639	626	596
Dairy %	40.3	39.8	42.6	42.6	40.4	40.0	45.0
Early maturing %	11.0	12.1	13.3	14.0	16.4	16.6	14.7
Late maturing % ⁺	48.6	48.1	44.1	43.4	43.4	43.5	40.3

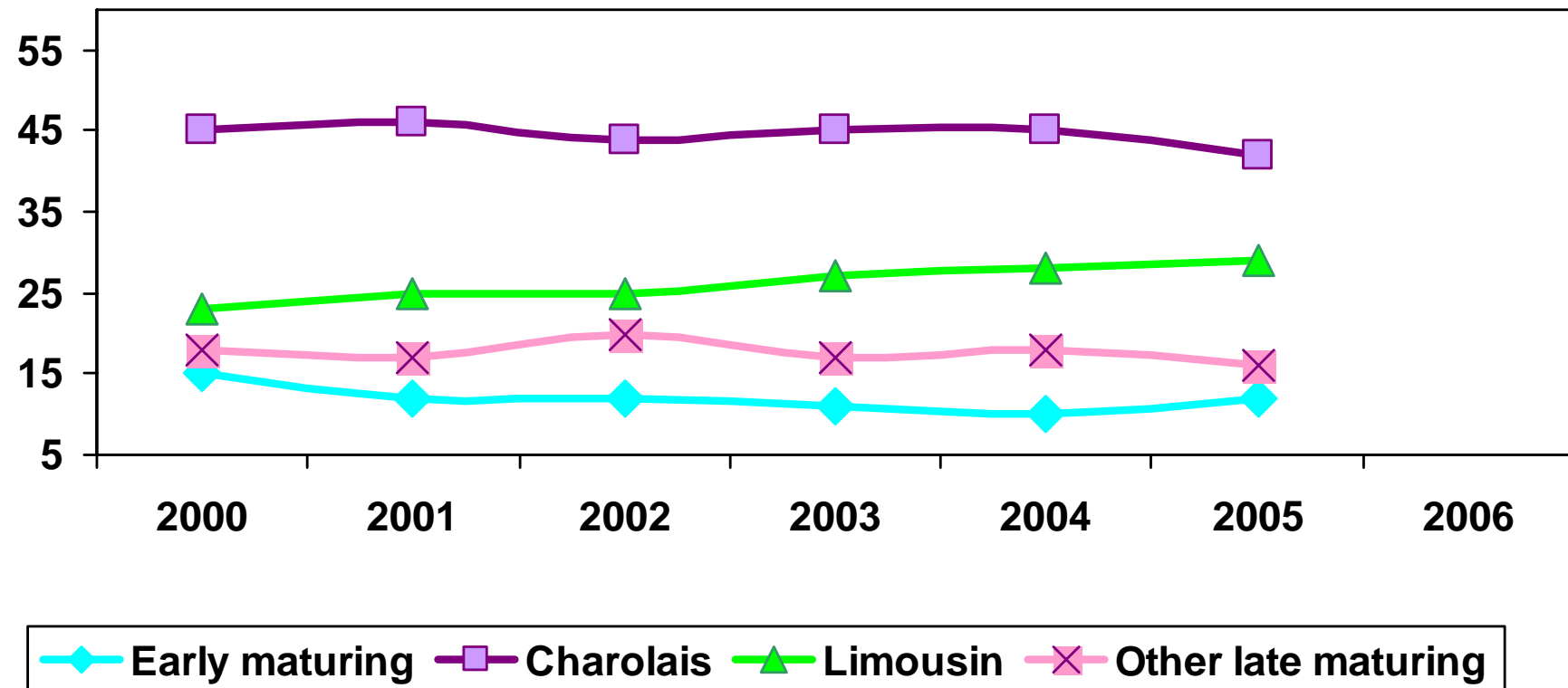
⁺ includes others

Sires Breeds Used on Dairy Cows (%) 2000-2006

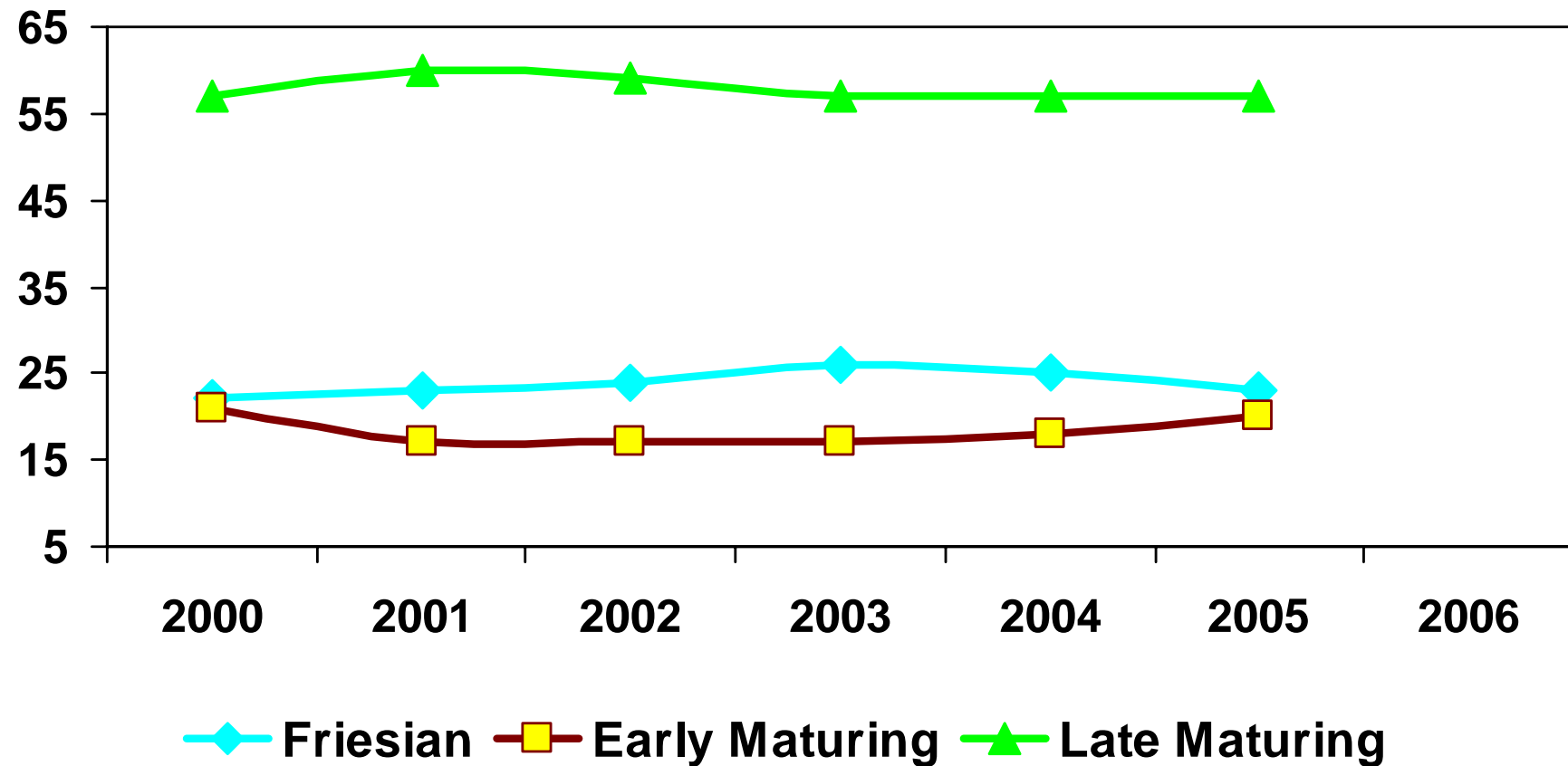


Sire Breeds Used on Beef Cows (%)

2000-2006



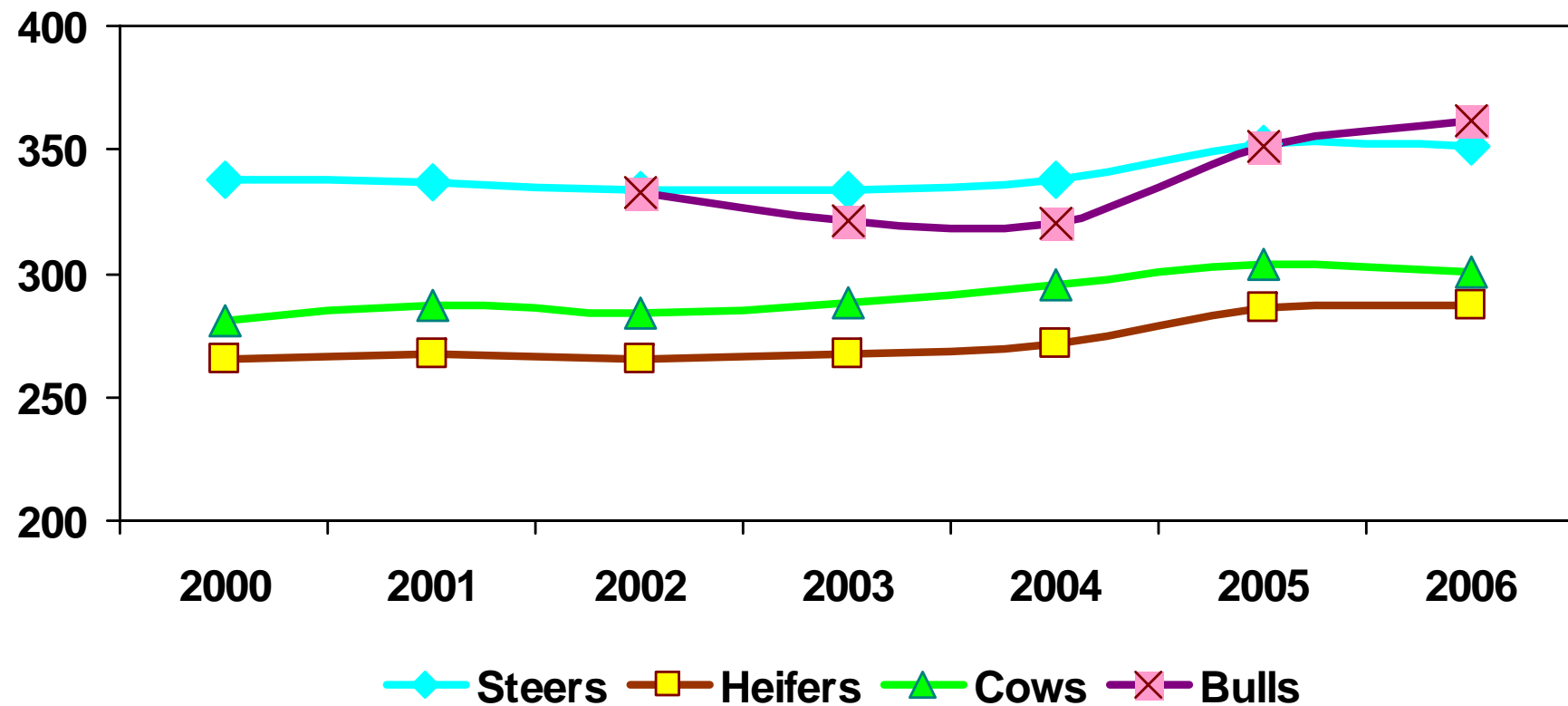
Calf Births by Sire Breed 2000-2005 (%)



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- **Carcass traits 2000-2006**

Mean Carcass Weights (kg) 2000-2006



Mean Carcass Conformation of Steers 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
U	4.9	3.3	4.5	7.7	7.0	6.3	6.2
R	43.7	43.4	47.7	51.0	50.9	45.7	42.9
O	46.4	48.3	42.1	35.5	36.3	41.2	43.5
P	5.0	5.0	5.7	5.9	5.6	6.5	7.5

Mean Carcass Fat Class of Steers 2000-2006

<u>Fat class</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
1 & 2	2.8	3.3	5.8	5.3	5.5	11.5	15.0
3	17.0	17.9	31.2	38.5	44.3	51.6	54.6
4	70.1	70.1	59.3	55.0	49.3	35.4	29.5
5	10.1	8.6	3.7	1.3	0.7	1.2	1.0

Actual and Predicted Total Cattle Numbers 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Actual	6.33	6.41	6.33	6.22	6.21	6.19	6.00
FAPRI min			6.41	6.34	6.25	6.16	6.08
FAPRI max			6.41	6.34	6.25	6.16	5.82

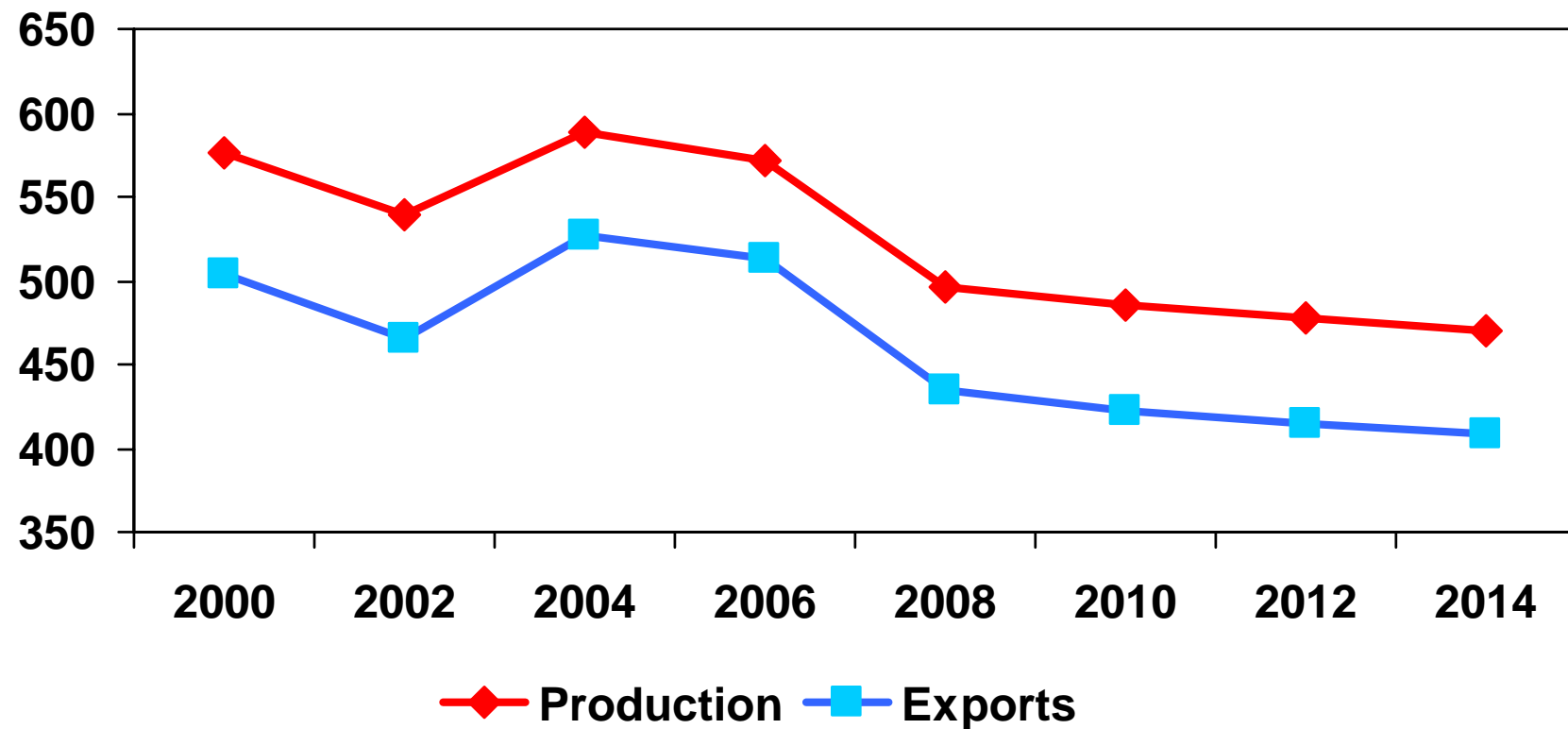
Actual and Predicted Dairy Cow Numbers 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Actual	1.15	1.15	1.13	1.14	1.12	1.10	1.10
FAPRI min			1.15	1.13	1.12	1.11	1.09
FAPRI max			1.15	1.13	1.12	1.11	1.09

Actual and Predicted Suckler Cow Numbers 2000-2006

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Actual	2.31	2.31	2.28	2.28	2.27	2.25	2.22
FAPRI min						2.22	2.20
FAPRI max						2.11	2.06

Beef Output ('000t) Post Luxembourg



Conclusions

- Full decoupling – system working well
- Cattle numbers and output – marginal decrease
- Beef prices increased – price ratio of smaller to larger decreased
- Small increase in EM and decrease in LM
- Carcass weight increased, but fatness decreased
- Overall impact less than predicted

Go raibh míle maith agaibh