

The Role of FADN/FSDN in CAP Management: A perspective from Ireland



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Overview: Role of FADN/FSDN in CAP Management

1. SWOT Analysis

- support **evidence-based CAP planning**
- identifying strengths, weaknesses, opportunities and threats in Irish agriculture

2. Policy Evaluation

- **track the impact of CAP measures** on various farm metrics
- farm incomes, environmental outcomes and social aspects

3. Scenario Analysis

- **simulate the effects of CAP reforms**, balancing economic, environmental and social goals

4. Farm Benchmarking

- **compare farm performance** across various domains to inform policy
- farm systems, farm size, regions etc.

Importance of FADN/FSDN in CAP Strategic Planning

- **FADN: Long-established network**
 - **tracking farm income, productivity and economic sustainability**
- **FSDN: Provides an expanded focus on new indicators**
 - **environmental**
 - **social**
- **CAP requires evidence-based MS National CAP Strategic Plans**
 - require a **solid evidence base** from FADN/FSDN
 - essential for creating data-driven **SWOT analyses**

FADN

Economic



FSDN

Environmental



Social



Examples of FADN/FSDN Use for SWOT Analysis

- **Farm Income Analysis: data by sector/region**
 - **disparities** in **income levels** across different farm types
 - identify areas of “weakness” requiring **targeted intervention**
- **Economic Viability of Farms: profitability/subsidies**
 - assess the **financial sustainability** of farms
 - CAP payments and farms with **vulnerability** to **subsidy changes**
- **Environmental Performance: GHGs, water, biodiversity**
 - insights into the **environmental impacts** of **farming practices**
 - identify where **farming intensity** is a “**Threat**” to water/soil quality
- **Social Indicators: labour, demographics, gender**
 - identify “**Opportunities**” for rural employment
 - identify “**Threats**” related to **ageing farmer populations**



CAP Policy Evaluations

- **Evaluating the effectiveness of CAP interventions requires robust data**
 - such as **detailed data on direct payments**
- **Impact of Direct Payments: FADN data on income stability**
 - **before and after reforms** to direct payments
 - assess their **effectiveness** in mitigating income volatility
- **Eco-Scheme uptake and impact:**
 - Using the **FSDN's environmental metrics**
 - Evaluate whether **eco-scheme payments** are resulting in positive **environmental outcomes**
- **Climate and GHG Mitigation:**
 - **GHG metrics**, emissions per ha or per kg of output, **derived from FSDN**
 - can **assess** whether **CAP policies** are **delivering** an improvement or deterioration in outcomes



Using FADN/FSDN to Assess Policy Success

• Direct Payments

- assessing **income stability**
- **trends in farm incomes** pre and post direct payments reform
- **vulnerability of small farms** without CAP support

• Climate Action Measures and other Environmental Impacts

- **reduced emissions** from livestock using **low-emission slurry spreading (LESS)**
- **uptake of LESS technology** in Ireland leading to **reduced ammonia emissions**
- **improved nitrogen use efficiency** and reducing nutrient runoff

• Economic Impacts

- Increase in **organic farming**: profitability of organic vs. conventional farms

• Social Impacts

- trends in **farmer demographics**: **working hours, off-farm income** reliance,



Scenario Analysis for Future CAP Adjustments

- **FADN/FSDN critical for ex-ante policy analysis**
 - Helping policymakers **simulate the impacts** of future CAP reforms
- **Policy Scenario example: Redistribution of support payments**
 - simulations using **FADN income data** can analyse how redistributing CAP payments might impact different farm types or regions
- **Policy Scenario example: Assessing synergies and trade offs in sustainability**
 - **synergies** and **trade offs** in meeting economic, environmental and social objectives



Farm Benchmarking

- **FADN/FSDN allows for benchmarking comparisons across various domains**
 - enabling farms in Member States to benchmark their performance
 - temporal and cross sectional benchmarking
- **Competitiveness**
 - compare farm income, efficiency and productivity metrics
 - make comparisons with other Member States
- **Environmental Sustainability**
 - GHG emissions or biodiversity indicators can identify lagging sectors of agriculture requiring more ambitious interventions

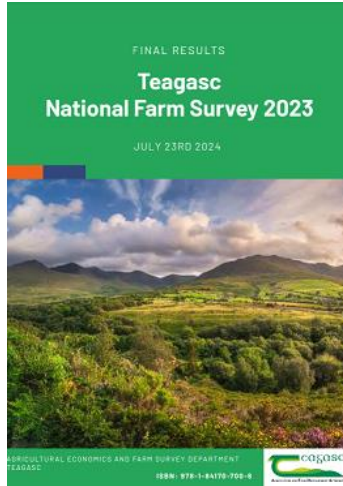


Conclusions and Recommendations

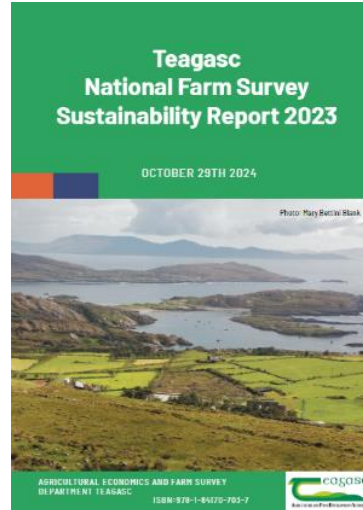
- **FADN/FSDN data are and will be indispensable**
 - used for managing CAP policies and wider policies effecting agriculture in Ireland
- **Data-driven approaches are vital**
 - provide actionable insights for sustainability and competitiveness
- **Continue to invest in robust data infrastructure**
 - deliver better informed decision making and superior policy outcomes
- **Leverage FSDN to maximise its usefulness**
 - for integrated environmental, social, and economic evaluations



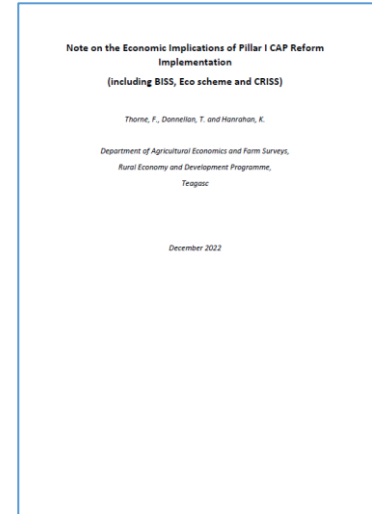
Example Publications



<https://www.teagasc.ie/media/website/publications/2024/National-Farm-Survey-2023.pdf>



<https://www.teagasc.ie/media/website/publications/2024/2023-Sustainability-Report.pdf>



https://www.teagasc.ie/media/website/publications/2022/Analysis-of-CAP-Reform-Implementation-Options_Dec-8-2022.pdf

Popular Article: CAP Reform Payments Scenario

RESEARCH Economic implications of Pillar I CAP reform implementation

If the CAP fits...

Pillar I Common Agricultural Policy (CAP) support represents a significant proportion of income for certain cohorts of the farming population. Researchers at Teagasc set out to examine what the changes to how the support is distributed mean.

Research undertaken by economists in Teagasc suggests that the changes to the Pillar I Common Agricultural Policy (CAP) will not significantly impact the number of farms that are economically viable.

Fiona Thomas, one of the authors of the report, says: "The change in incomes that result from the Pillar I CAP reforms are, in general, small relative to the scale of the income changes required to shift farms from being economically unviable to economically viable."

As part of the CAP reform process, the new CAP strategic plan for Ireland came into operation from 1 January 2023. New research by Teagasc examines the impact of the reforms to the implementation of Pillar I under the new agreed CAP strategic plan for Ireland, 2023-2027. The analysis did not consider the changes to Pillar II under the recently approved CAP Strategic Plan.

Key changes of new Strategic Plan

- Pillar I CAP support in Ireland's National Strategic Plan includes:
 - Clipping: further contribution of clipping of payments

- BISS: a ring-fenced percentage of the direct payments to be paid as a Basic Income Support for Sustainability (BISS)
- Eco Schemes: an allocation of 25% of the direct payments to ring-fenced schemes reflects the strong environmental ambition of the CAP programme
- CRIS: redistribution of funds by front-loading direct payments through the Complementary Redistribution Income Support for Sustainability (CRISIS) scheme
- Internal convergence: continuing convergence of payment entitlement values
 - a process to redistribute and flatten the value of payment entitlements in Ireland



Cattle other farms, as well as dairy and tillage farms, will, on average, be worse off than before the Pillar I CAP reform

• National Reserve: a minimum ring-fenced sum for generational renewal (3%)

In general, specialist dairy farms tend to have a lower reliance on Pillar I direct payment support as a source of Family Farm Income (FFI) compared with other farm systems, while specialist cattle systems – such as cattle rearing and cattle other – tend to be the most reliant on direct income support.

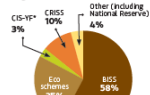
"Based on data from 2015", says Fiona, "other things being equal, a 10% reduction in the combined Basic Payment Support scheme and Greening payment schemes from the Pillar I support from CAP 2015-2019 received by specialist dairy farms would reduce FFI on these farms by 7%. However, a 10% reduction in these supports provided to cattle farms would lead to an FFI reduction of approximately 25%."

Conducting the research

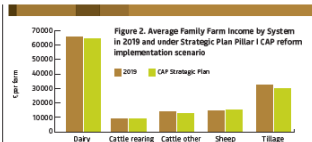
Teagasc National Farm Survey (NFS) data from 2015 was the main source of information used in this analysis. The NFS surveyed a sample of 978 farms representing a farm population of 92,390 farms. 'Small' farms – those with a standard farm output of less than €80,000 – are excluded from the annual NFS sampling frame.

The Teagasc analysis was based on the CAP Reform Plan 2023-2027 submitted by Ireland and agreed by the European Commission in 2023. The analysis assumes an average BISS of €26.36 per ha, with all farmers receiving at least 85% of this level by 2027. An eco-scheme payment of €77 per ha, and a CRIS payment of €43 on the first 30 hectares of each holding. The mandatory inclusion of a convergence strategy for Pillar I payments in the CAP reform implies reduced levels of income support for some

Figure 1 A summary of the decomposition of the Pillar I CAP budget for Ireland.



*Complementary Income Support for Young Farmers



cohorts of the population, while providing additional levels of income support to other cohorts.

Distributional Impact of the reform

The results (Figure 2) show that the standard effect on FFI as a farm level as a result of the Pillar I CAP reform depends on an individual farm's starting position in terms of its Basic Payment Scheme level and Greening payment per hectare (both components of the CAP scheme 2015-2019), and the importance of Pillar I direct income subsidies in the farms' overall FFI.

For the average farmer, the change in income that would be experienced as a result of the CAP reform of Pillar I payments is relatively small. Figure shows that, on average, dairy, tillage and cattle other farms will be worse off than they were before the reform was implemented, with sheep and cattle rearing farms gaining on average as a result of the implementation of the reform.

Only a small proportion of specialist tillage farms gain in terms of direct income support receipts or FFI under the CAP reform analysed. However, in contrast to the implications of the scenario for dairy farm incomes, a considerable proportion of specialist tillage farms would experience a redistribution in income effects of at least 10% under the CAP reform scenario.

Unlike dairy and tillage farms, the implications for specialist sheep farms are more mixed when the proportion of sheep farms represented by those in income gain and loss categories is examined. Just over half of specialist sheep farms represented by the Teagasc NFS would gain in terms of a

Economic implications of Pillar I CAP reform implementation

Figure 2. Average Family Farm Income by System in 2019 and under Strategic Plan Pillar I CAP reform implementation scenario

change in FFI when the reform, as analysed in the Teagasc report, is fully implemented.

The pattern of income gains and losses is different for the two specialist cattle systems. The proportion of farms losing in terms of changes in FFI under the reform is greater for cattle other (nonably finished) farms than it is for cattle rearing farms, where a slightly greater proportion of the farms represented by the NFS see gains in income due to the CAP reform.

A greater number of 'small' farms gain in income rather than lose under the CAP reform relative to income in the status quo.

Fiona concludes: "Focusing on the proportion of output produced by gaining and losing farms, the value of output produced by farms gaining under the reform was less than the value of output produced by the farms experiencing losses in income as a result of the CAP reform."

"The implications is that farmers who benefit from the changes to Pillar I payments tend to produce less agricultural output."

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CONTRIBUTORS

- Fiona Thomas, Senior Research Officer, Agricultural Economics and Farm Surveys Department, Teagasc.
- Trevor Donnellan, Head of Department, Agricultural Economics and Farm Surveys, Teagasc.
- Kevin Hanrahan, Head of Programs, Agricultural Economics and Farm Surveys, Teagasc.

See https://www.teagasc.ie/media/website/publications/2023/TResearch-Spring-2023_36-pages.pdf

(pp 8-9)

Ireland's CAP Strategic Plan Website

Publication

The CAP Strategic Plan 2023 -2027

From [Department of Agriculture, Food and the Marine \(/en/organisation/department-of-agriculture-food-and-the-marine/\)](#)

Published on 1 September 2020

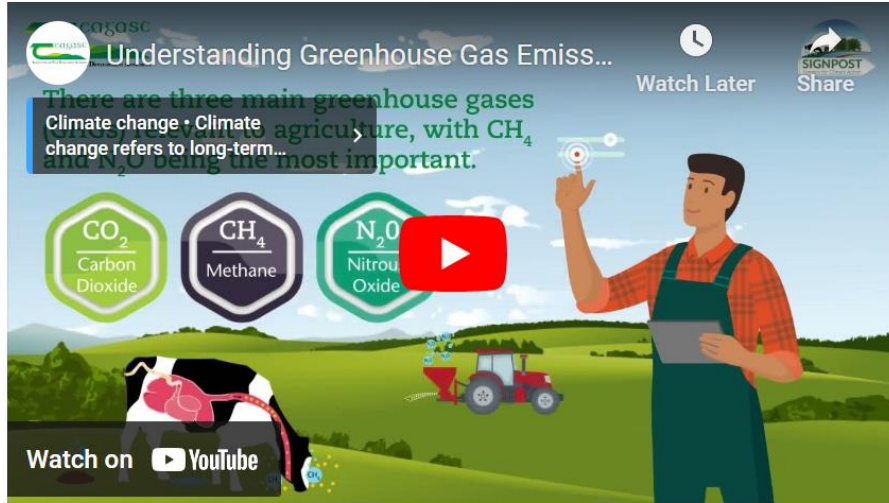
Last updated on 13 January 2025

<https://www.gov.ie/en/publication/76026-common-agricultural-policy-cap-post-2020/>

1. [Ireland's CAP Strategic Plan 2023-2027](#)
2. [Development of Ireland's CAP Strategic Plan 2023-2027](#)
3. [European Commission's observations letter on Ireland's draft CAP Strategic Plan 2023-27](#)
4. [Ex-Ante Evaluation Report](#)
5. [Environmental Assessment Reports](#)
6. [CAP reform - public consultations and public engagements](#)
7. [CAP reform - Consultative Committee](#)
8. [CAP Strategic Plan - SWOT analysis and needs assessment](#)
9. [CAP Strategic Plan - Public submissions and information sessions](#)
10. [Watch CAP videos](#)

Ireland's CAP Strategic Plan 2023-2027

YouTube: Greenhouse Gases



- <https://www.youtube.com/watch?v=nHqGwGorTdw&t=3s>

YouTube: Webinar Sustainability Report 2023



Launch of the Teagasc
Sustainability Report

Tuesday, 29 October | 2pm

This online webinar will report on Economic, Social & Environmental Metrics, using nationally representative data from the Teagasc National Farm Survey

Prof. Frank O'Mara
Director, Teagasc

Dr. Cathal Buckley,
Economist, Teagasc

Trevor Donnellan
Head of Agricultural Economics & Farm Surveys

Kevin Hanrahan
Head of Rural Economy & Development Programme

teagasc
1:26:06

<https://www.youtube.com/watch?v=vMbbpv3rtTU>

Thank You



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