

**Minister McConalogue – Opening address to the Agriculture, Food and the
Marine Select Committee on the 2024 Revised Estimates**

31 January 2024

Chairman, Committee members, I welcome this opportunity to present to you the Revised Estimates for 2024.

My department's budget for 2024 was specifically designed to support farm and fishing families. This has been achieved with vital livestock schemes secured, environmental schemes bolstered in funding, new infrastructure measures introduced to support farmers impacted by the changes to the nitrates derogation and support provided for the development of our fishing sector and coastal communities. This is in addition to rolling out the largest ever Common Agricultural Policy, CAP Strategic Plan, amounting to just under €10 billion over the coming years.

For 2024, the total Exchequer contribution to the Vote of my Department amounts to €1.954 billion. That is comprised of €1.636 billion in current expenditure and €318 million in capital expenditure. The capital allocation excludes carry-over of €45.6 million in capital funding from 2023.

The 2024 provision reflects the discontinuation of funding available under the Brexit Adjustment Reserve (BAR), as the deadline for all expenditure under that fund expired at the end of December 2023. While the BAR funding was predominantly expended in the fisheries sector, in 2023 it also supported the genotyping programme for our livestock herd and the national beef welfare scheme for which I have now secured national funding to continue. When a number of once off provisions in 2023, including those arising from Brexit and

the war in the Ukraine are taken account of, the 2024 gross provision is 2% higher than that in 2023.

Appropriations in Aid are expected to increase significantly in 2024, to some €436.6 million. When these are considered, the 2024 net vote is €1.518 billion.

The Agriculture Vote is sub-divided into four expenditure programmes corresponding to the four key strategic objectives set out in the current Statement of Strategy. I will now speak about each of these four programmes (A – D) and the key themes.

Programme A relates to Food Safety, Animal and Plant Health and Animal Welfare

The total allocation for Programme A in 2024 is some €379 million.

Irish farmers, fishers and agri-food companies produce world-class food and products to the highest international standards of food safety and quality. Our food safety and traceability systems are critical to supporting the export of our produce across the globe. Regarding programme expenditure, I am continuing to fund vital services to ensure those standards are maintained, including the Meat Inspection Service and the various supports provided by the Department testing laboratories.

The reduction in funding under this heading is attributable principally to the presence in the 2023 estimate of once off items to be funded by the Brexit Reserve. For example, in 2023 approximately €64 million was paid to the OPW as part of my department's contribution to the development of the Border Control Post at Rosslare Europort.

Similarly, BAR funding of €20m was provided in 2023 to develop long-term, sustainable solutions for the disposal of meat and bonemeal (MBM). MBM is a by-product of the agri-food sector categorised as a high-risk Category 1 material. Pre-Brexit this material was exported to Great Britain. However, European regulations prohibit the export of CAT1 MBM to non-EU countries. Ireland has received a further dispensation from the EU to permit the continued exportation of this material to Great Britain until mid 2025. In the meantime, I am continuing, with the provision of a further €6m of national funds in 2024, to support the development of projects that can safely dispose of MBM within this jurisdiction.

Programme B: Farm Sector Supports & Controls

A total of just over €979 million is available to Programme B in 2024, an increase of 2% over 2023, to be paid almost exclusively to farmers. That is in addition to some €1.2 billion funding from the EU in respect of the various Direct Payment Schemes, meaning that over €2 billion will issue directly to Irish farmers in 2024. This support is vital to farmers who deliver public goods and environmental benefits. As well as the environmental benefits involved, this investment enhances our sustainability credentials, which are invaluable as we serve increasingly demanding and knowledgeable customers at home and around the world.

ACRES/Agri-Environment

I have increased the allocation for the Agri-Climate Rural Environment Scheme (ACRES) by €40 million bringing the total scheme allocation to €200 million – this is a substantial increase on the 2023 budget of €160 million. The level of interest

in ACRES was evident in the number of applications submitted for Tranche 1 of the Scheme and that this will allow us to deliver on the Government's commitment to have 50,000 farmers participating in the flagship environmental programme under Ireland's 2023-2027 CAP Strategic Plan.

Beef and Sheep

I have provided targeted supports of more than €100 million for the livestock sectors within subheads B.6 Beef Sustainability Schemes and B.8 Animal Welfare Scheme for Sheep. This funding demonstrates my commitment to our beef and sheep farmers. I will continue to provide the €200 per cow payment delivered for our beef suckler cows and calves in 2024. I intend to provide an additional payment for sheep farmers which, together with the current sheep welfare scheme payments, will result in a payment equivalent to €20 per ewe in 2024. This will be the highest payment ever provided to our vital sheep sector. Beef and sheep farmers will also be well placed to benefit from the enhanced supports for environmental measures and the supports available for farmers transitioning to organic farming.

The funding under the CSP Suckler Carbon Efficiency Programme and the Sheep Improvement Scheme will support animal health and welfare and demonstrates the importance we put on the carbon efficiency of our grass-based and quality assured beef and lamb.

Programme C: Policy and Strategy

The total allocation for Programme C in 2024 is almost €425 million. Many of the programme C allocations reflect my Department's comprehensive approach to dealing with the challenges associated with the sustainable development of the agri-food sector.

To support our food industry a provision of €8 million has been made through the Enterprise Ireland capital investment scheme, to support the meat and dairy sectors to invest in greater product and market diversification. We will support Irish research and innovation activity to enable the sector to innovate and deliver greater efficiency and economic, environmental and social sustainability.

The Bord Bia grant for 2024, is €57 million. Bord Bia plays a vital role in the successful growth of our food and drink exports, by promoting the safety, quality and sustainability of our food exports. Critically it also supports the food industry in responding to the challenges and uncertainty that has arisen over the last few years including Brexit, COVID-19 and the ongoing war in Ukraine with its supply chain consequences.

Strong exchequer support for Teagasc activities is being maintained in 2024 – over €6m in additional grant aid is being made available bringing the overall Grant aid allocation to over €170 million. It comprises €112 million to pay staff salaries and pensions, €44 million to support current operational expenditure and some €14 million for the Teagasc Capital Programme.

C.13 is a new subhead in 2024. It provides funding for An Rialálaí Agraibhia, the new Agri-Food Regulator which was established as an independent state agency last December to promote fairness and transparency in the agri-food supply chain. The establishment of the Regulator will protect our agri-food suppliers, in particular, our farmers, fishers and small food businesses, from unlawful and unfair trading practices in the agricultural and food supply chain and will bring greater transparency to the Agri Food sector. They will do this by publishing analysis of information about price and market data relating to the agricultural and food supply chain and enforcing the rules on unfair trading practices.

Programme D: Seafood Sector

Over the lifetime of this Government, €500 million has been spent on the seafood sector. Over the past two years I announced a range of schemes, worth €271 million, designed to support the seafood sector and coastal communities in overcoming the impact of Brexit. In December 2022, the European Commission adopted the Seafood Development Programme 2021-2027.

The 2024 provision of approx. €171 million allows this programme to provide support to the sector over the coming years. The programme will ensure that the seafood sector will not only survive but generate economic growth and sustain jobs. Programme D will also provide funding to State bodies that carry out important work in the marine environment to protect our coastal natural resources.

The measures supported include capital investment on board vessels, marine environmental requirements, control work and investments in aquaculture, as well as support for young fishers, processors and the inshore sector, and the completion of the largest ever investment to our piers and harbours in the State.

Conclusion

In conclusion Chairman, this is a brief overview of the measures provided to support the agri-food and marine sectors for 2024. As Committee members are no doubt aware, the last three years have been about developing new policies and schemes, especially through the development and introduction of the new €9.8 billion CAP Strategic Plan. This support and the associated programmes provide certainty for the farming sector and provide the platform to allow Irish farmers focus on what they do best – producing safe, high-quality food in an

economic, environmental and socially sustainable manner. I am satisfied that 2024 allocation provides a good, balanced package of measures for farmers, fishers, coastal communities and the food sector.

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