

## Budget 2020 - PBO Vote Factsheet and Analysis

### PBO Publication 59 of 2019

#### Agriculture, Food and the Marine – Vote 30 (2020: €1,647 million)

This Note gives an overview and brief analysis of how Budget 2020 will affect the money spent by the Agriculture, Food and the Marine Vote in 2020. Further details on how the 2020 allocation will be spent will be provided at Christmas when the *Revised Estimates for Public Services 2020* will be published by Government. The Revised Estimates will be scrutinised by the select sectoral committees before being referred back to the Dáil.

### Budget 2020 changes

Additional spending in 2020<sup>1</sup>

- Current: +€32 million (+2.4%)<sup>2</sup>
  - Capital: +€19 million (+7.5%)
- Total increase: €51 million (+3.2%)**

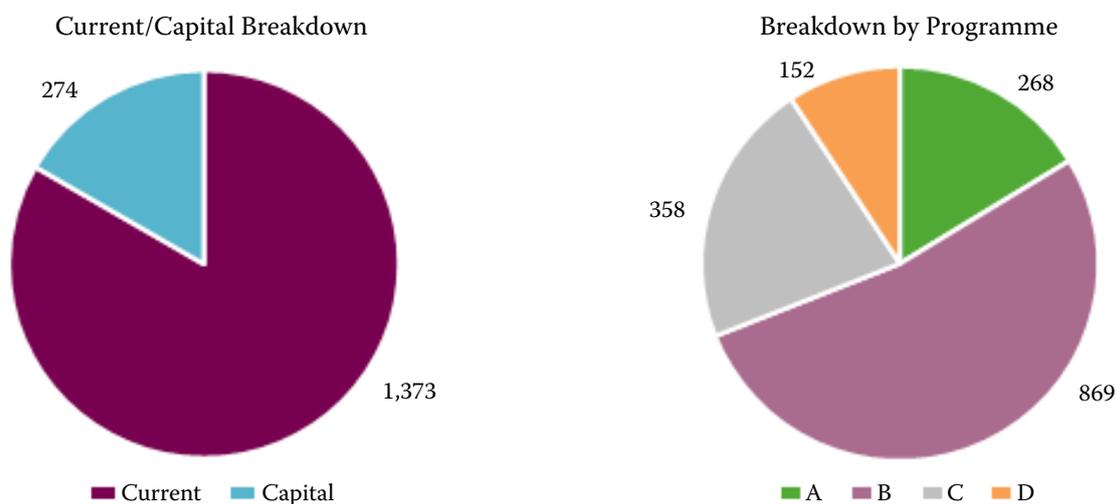
Of that increase of €51 million, a total of **€40.1 million**<sup>3</sup> has been detailed in Budget 2020:

- » €20 million - Enhanced BEEP for Suckler farmers
- » €12.1 million – Targeted Agricultural Modernisation Scheme
- » €8 million – Climate action / Agri-environmental

This leaves **almost €11 million** in “Additional Resources” which will be set out in the *Revised Estimates for Public Services 2020* – to be published at Christmas.

### Programme expenditure

Figure 1: Vote 30: 2020 Gross Voted allocation (€ millions)



There are **4 programmes in Vote 30**. The overall spending of three programmes are being increased, and one decreased in 2020 (net, +€51 million):

- **+€21 million: Programme A** (Food Safety, Animal and Plant Health and Animal Welfare)
- **+€28 million: Programme B** (Farm/Sector Supports and Controls)
- **-€4 million: Programme C** (Policy and Strategy)
- **+€6 million: Programme D** (Seafood sector)

1 Comparing the final allocation for 2019 with Budget 2020.

2 Includes ‘Brexit compliance’ of €15 million in current spending which is not included in the 2020 expenditure on p.40 of the *Budget 2020 Expenditure Report* but is included in the ceiling on p.54.

3 The breakdown between current and capital for the €40.1 million is not detailed.



## Changes in Pay and Public Service employee numbers

Exchequer pay will rise by €22 million (+8%) to €280 million, and the number of employees will rise by 65 (+1%).

This increase in spending on pay seems high in relation to the increase in the number of employees.

## Additional Exchequer spending in the case of a disorderly Brexit

**In addition** to the spending set out above, **€110 million** will be provided as **initial spending** for new interventions to help firms to adjust to a **disorderly Brexit** (if that happens).

This will be allocated as follows:

- €85 million - beef farmers
- €14 million - fisheries
- €6 million - other livestock farmers and the mushroom sector
- €5 million - the food and drinks processing industry

## EU matching spending in the case of a disorderly Brexit

Minister Creed stated on 8 October that the Exchequer spending of €110 million “can be augmented by supporting and **matching funds from the European Union** and also it is but phase one of that response.”<sup>4</sup>

## Questions arising from the *Budget 2020 Expenditure Report*

- » An additional €16 million has been allocated for capital spending in the Budget compared to the position in July – how will this be spent?<sup>5</sup>
- » It is unclear why the capital allocation for 2020 in Programmes A and C is decreasing.
- » Why will Exchequer pay rise by €22 million?
- » What will the €11 million in ‘additional resources’ (current spending) not detailed in Budget 2020 be spent on?
- » What mechanism is involved in securing and spending the matching EU funds of €110 million?
- » Does the Agri Cashflow Support Loan Scheme (introduced in Budget 2017) provide a model for some part of the Brexit response?<sup>6</sup>
- » Appropriations-in-Aid (the Department’s own income) is forecast to increase by €62 million (+21%) in 2020. What is the basis for this forecast? If this forecast is not accurate, additional funding will be needed to correct any shortfall.

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4 See news article, ‘[Budget 2020: No-deal Brexit funding ‘can be augmented’ by EU funds](#)’, Agriland, 8 October 2019.

5 The current expenditure ceiling for 2020 in the *Mid Year Expenditure Report 2019* (published in July) is the same as the final allocation for 2019, but the capital ceiling was €3 million higher at €258 million.

6 See Budget 2019 paper, [State Supported Loan Schemes: A Preliminary Analysis](#).