

Speech by Commissioner Phil Hogan to the Macra na Feirme Annual Conference

24 October 2015, Cork

Many thanks for your introduction, President Finan.

(Introduction)

Ladies and gentlemen, Macra delegates and members, fellow Macra alumni,

I'm truly delighted to be here this evening. I think it says a lot about the influence and strength of this organisation, that a former branch president, who is now EU Agriculture Commissioner, is addressing the current president and membership, while another former president, who now leads the European Young Farmers Organisation CEJA, is also in attendance!

I have nothing but fond memories of my own days with Macra UCC, and I'm glad to hear the branch is still going strong.

In fact, Macra UCC has nearly 1200 Facebook "likes", while Macra itself has north of 5000. I'm well behind on 800 "likes" – ye might give me a few clicks!

Macra has been a mainstay of Irish rural life for generations, and will continue to be so for generations to come.

Since being appointed Commissioner, I have travelled widely throughout the EU, meeting Young Farmers Organisations in a variety of regions and agricultural contexts. And I'm always proud to tell them that their Irish counterparts, of which I was a member myself, have a number of excellent initiatives that they could learn from.

(Young Farmers provisions in CAP)

Folks, the main message I want to give you tonight is that the Commission is firmly on the side of young farmers. **We recognise and value that the future of farming and agri-business belongs to you! We need your energy and new ideas.**

My job as European Agriculture Commissioner is to smooth the path for your future by giving you the right tools and supports in the present.

I firmly believe that Irish and European farmers can and must face the future with real ambition. **You deserve nothing less, and the agri-food sector needs you to take up the challenge.**

I am keen to work closely with you to develop the policy supports and incentives you need, and I have listened closely to your presentations here tonight.

You're familiar with the background: the stark reality is that the farming community around Europe is ageing. The CAP has therefore identified young farmers as a specific target group to drive generational renewal of the sector.

And you are well aware that young farmers face various difficulties, especially in terms of access to land and credit. The attractions of lifestyles in towns and cities can also deter young people from entering into rural-based career paths. Only six per cent of EU farmers are aged below 35, and the figure is falling.

The reformed CAP aims to encourage young people to set up or take over agricultural holdings. It also seeks to diversify income opportunities by providing non-agricultural opportunities in rural areas. Therefore, the support provided through both pillars of the CAP to young farmers should increase the competitiveness and sustainability of farming in Europe.

Under the first pillar young farmers can get compulsory payments under the direct payment system.

The second pillar provides Member States with a range of options focusing more on the specific needs of young farmers. In Ireland, for example, TAMS II provided a Young Farmer Capital Investment Scheme to cover an array of equipment and buildings.

The budget was increased significantly to €395m, with a special provision for young farmers to apply for up to 60% funding aid, towards a maximum total investment of €80 000.

(Market Orientation - Exports)

These measures will set the ball rolling, but there are also other changes within the reformed CAP which will broaden your opportunities. We now have a more market-oriented policy, meaning that your future farm businesses can decide for themselves what they want to produce based on their own strengths and market opportunities.

And the international agri-business climate is full of opportunity. Each year until 2030, at least 150 million people will enter the global middle class. This massive growth in disposable income will result in significant changes to dietary patterns, as families worldwide demand better quality and more nutritious food. Irish farmers are well placed to meet this demand, but the agri-food sector must become more productive, more efficient and more innovative if it is to rise to the challenge.

Numerous CAP provisions aim to encourage young innovators to see farming as an attractive, high tech and rewarding career choice.

However, we cannot lose sight of the environmental dimension. Stark reality informs us that our land banks are finite. So we still face the fundamental challenge of how to increase production while respecting our natural resources – in other words, how to produce more, using less.

(Sustainable intensification/innovation)

In order to achieve this “sustainable intensification” we must harness the power of innovation to address various issues, including land management, pest management, nutrient management, rotational grazing and soil conservation, crop diversity and water conservation.

And I believe further training opportunities and new forums for collaboration will be they key. As you seek to embrace innovation on your farms and in your agri-businesses, it is vital that you have the tools and confidence to reach out to new partners. **This is what some people call thinking outside the box, and what I like to call thinking outside the silo.**

Access to knowledge is fundamental. Young farmers need to know which investments will improve the economic and environmental performance of their agricultural holdings. You need quick access to best practice in the latest technological developments as well as new production methods.

EAFRD supports knowledge transfer activities which include trainings, demonstration activities, farm visits and exchanges for a more practical-oriented learning process.

Tailor-made advice to respond to farmers' specific needs is also supported under the second pillar of the CAP. In particular, the measure grants advice to farmers setting up for the first time.

The Irish rural development programme includes knowledge transfer activities and advisory services targeting more than 120 000 beneficiaries. They are available to young farmers on particularly favourable terms.

Besides the exchanges schemes supported by the EAFRD, young farmers can also participate in the initiative "Erasmus for Young Entrepreneurs" and take part in "Leonardo Da Vinci programmes" aiming to contribute to their professional and personal development.

I know you feel more needs to be done at European level to improve these opportunities, and I will listen closely to any proposals you have.

I also salute the work you are doing with your two flagship initiatives on Land Mobility and Collaborative Farming Arrangements. I hope that these continue to yield positive results. And please be assured that my services are following these developments closely.

The opportunities offered by precision farming require specialised knowledge and quite often also specialised machinery.

Under rural development, farmers may receive investment support to purchase precision farming machinery, sensors and ICT tools. In addition support is available for training, demonstration and advice.

On the developmental side, Rural Development also supports practical innovation projects under the European Innovation Partnership. We expect to fund a total of 2 900 projects in the 2014-2020 period, including up to 70 in Ireland).

The introduction of ICT would be an obvious area of action, and we would like to urge young progressive farmers to be part of or start up such projects.

We are also keen to see farmers participate more actively in research projects under Horizon 2020. Farmers the on-farm knowledge which is a crucial component in developing research-based readily applicable solutions.

(Broadband)

I also know that your ambition won't end at the farm gate.

My hope for young farmers across Europe is that they will contribute to every aspect of rural life, and be leading lights in their communities. Macra remains a shining beacon in this regard.

And I'm acutely aware that connecting you to each other and to the outside world with high-speed broadband will be a vital step to achieving this.

Improving connectivity for rural and remote regions will be a critical step to keeping jobs, families and communities in local areas. This is why I have placed the prioritisation of high speed broadband for rural areas as an important policy objective for my mandate. I am working closely with the Commissioner for Regional Development Corina Cretu to deliver a good result.

Again, Ireland is leading the way. At this year's National Ploughing Championships, I was honoured to launch a rural broadband trial by the fibre broadband provider SIRO.

This company is already developing a fibre to the building (of "FTTB") broadband network in a number of Irish regional towns, and has now selected Ratheniska, a small village in County Laois, as a trial centre for high-speed connectivity.

Policymakers throughout Europe will watch this trial closely. Ratheniska typifies a rural Irish community, with its local national school, community hall, GAA club, farming community and smattering of local entrepreneurs.

So let's see what the village can do when given the fastest fibre connection in the country!

With broadband speeds of up to 1 gigabit, Ratheniska's connection will be 4 times faster than the fastest connection in Dublin. Indeed, it will be on a par with some of the world's leading cities, such as Tokyo and Hong Kong.

(Access to Finance & Investment)

Let me now turn to the question of credit. Accessing finance remains the greatest obstacle for many young farmers' development.

We're fully aware of this at Commission level, and we're looking at a variety of options.

The Commission and the European Investment Bank have signed a special Memorandum of Understanding to develop financial instruments.

The design will reflect the need for preferable conditions for young farmers as well as price volatility in repayment schemes.

The EIB is also supporting young farmers with dedicated credit lines to intermediary institutions (in this case, banks), providing better conditions and longer repayment periods. So far, about 550 million euro has been given out to young farmers through this "channel" in France and Italy, and I hope other countries will follow suit.

I also believe more can be done in national budgeting. Yet again, Ireland is leading the way. **This month's budget is one of the most positive policy statements across Europe in terms of supporting young farmers.**

(Conclusion)

Ladies and gentlemen, the future of European agriculture depends largely on the willingness and capability of your generation to choose farming as a lifestyle and main source of income

You, Ireland's young farmers, have massive potential to be more productive, more sustainable, and more profitable than your predecessors.

And let me leave you tonight with the message that the European Commission stands ready to support you in whatever way we can.

Thank you for your attention and enjoy the rest of your night, and I wish you the very best of luck in your future careers!