



**Opening Statement to the Joint Oireachtas Committee on
Social Protection, Community and Rural Development and the Islands.**

IFA Deputy President Alice Doyle

The impact of means testing on Farm Assist and other Social Welfare schemes

Wednesday, 17th April 2024

Chairman and Committee Members, I would like to thank you for inviting IFA to address you today. I am joined by IFA Director of Policy Tadhg Buckley and Social Affairs Policy Executive Claire McGlynn.

Farm Assist

Farm Assist plays a crucial role in supporting the livelihoods and well-being of low-income farmers in Ireland. It helps ensure that all farmers have the opportunity to participate in and benefit from agricultural activities, contributing to sustainable rural development and well-being of rural communities.

Farm Assist has more often been seen to benefit the western seaboard; however, it is becoming more important for the eastern seaboard in recent times due to falling incomes and increasing inflation. According to the Teagasc National Farm Survey 2022, only 43% of farmers are deemed viable, 25% are vulnerable. For those deemed unviable, struggling to make ends meet amidst fluctuating market conditions, unpredictable weather patterns, and rising input costs, Farm Assist provides essential support that extends far beyond mere financial aid.

Means Assessment

Farm Assist is a means tested social welfare scheme. Applicants for Farm Assist are typically required to provide information about their income from farming activities, off-farm employment, self-employment, rental income, or other sources. Farmers may also need to disclose details about their assets, such as land, livestock, machinery, savings, investments and property ownership. If the applicant has a spouse or partner, their income will also be included.

Farming income is assessed as gross income over the past 12 months. Assessing farmers' income as gross income is a major barrier to farmers being eligible for Farm Assist. Assessing Farm Assist based on net income provides a more accurate and comprehensive assessment of farmers financial need, profitability, and viability. By accounting for business expenses and aligning with taxation principles, net income assessment ensures fairness, equity, and effectiveness in targeting support to farmers facing economic challenges and promoting the sustainability of agriculture in rural communities.

Farm income is often seasonal and subject to fluctuations due to factors such as weather conditions, market prices, and input costs. Therefore, means testing may not accurately reflect the cyclical nature of farm income, leading to inconsistencies in eligibility and benefit levels for farmers whose income varies throughout the year. Currently, recipients on Farm Assist are reviewed on a yearly basis, this should be increased to a minimum of 3 yearly intervals.

Currently, recipients on Farm Assist do not receive credit social insurance contributions, this differs to those on Jobseekers allowance who qualify for social insurance contributions. This should be rectified and recipients on Farm Assist must receive social insurance contributions for pension purposes. Strengthening pension provision for Farm Assist recipients contributes to the sustainability and resilience of rural communities.

Rural Social Scheme

Farm Assist and the Rural Social Scheme (RSS) goes hand in hand. The Rural Social Scheme plays a crucial role in supporting rural communities and addressing social and economic challenges in Ireland. The RSS aims to address the provision of certain services of benefit to rural communities, by harnessing skills and talents available among low-income farmers and fisherpersons, while continuing to provide income support where eligible persons are in receipt of specified, primarily, long-term social welfare payments.

The RSS is considered an income support initiative to provide part-time employment opportunities in the community and voluntary organisations. Communities in turn benefit from the skills and talents of local farmers and fisherpersons as their overall involvement in local projects and initiatives contributes to the overall well being and development of Rural areas.

However, in recent years there has been a decline in participation on the Rural Social Scheme. In the years 2016-2019, the RSS had over 3,000 participants on the scheme. However, since then participation on the scheme has been reducing.

The reduction in Farm Assist participants is likely to be related to the changes in the means testing in Budget reforms of 2012 and 2013 which saw the percentage of farm income and off-farm self-employment income which is assessed increased from 70% to 85% and then to 100%.

In 2014, the re-introduction of the 70% assessment came back into effect, however the numbers on the scheme continued to fall.

Conclusion

Together, Farm Assist and the Rural Social Scheme play critical roles in fostering social inclusion, economic sustainability, and community resilience in rural Ireland. By supporting farmers, fishers and rural residents facing financial hardship and employment challenges, these programs contribute to the vitality and well-being of rural communities, ensuring that all residents have the opportunity to thrive in their local areas. However, participants have reduced significantly on Farm Assist which points to the need for change. A full reassessment of the means testing requirement is needed to ensure a fairer approach for people to access Farm Assist and to help increase numbers on such an important scheme. The requirement and appetite for change in the schemes are apparent and it is important to continue to provide financial security, social inclusion and service provision to communities into the future.

ENDS.

Background

The IFA is Ireland's largest farming organisation, with over 72,000 farmer members covering all production systems. The Association is structured with 947 branches and 29 County Executives across the country. The IFA President and various Committee Chairmen, along with branch and county representatives are democratically elected by the farmer membership. IFA represents all farming sectors at National, European and International level. Through our office in Brussels, the IFA represents Irish farmers on the European umbrella body of farm organisations COPA/COGECA. In addition, the IFA is the representative for Irish farmers on the World Farmers' Organisation.