Consultation on the Proposal to Introduce a Protein Crops Payment Pilot Scheme

**Regulatory Impact Screening**

**December 2020**

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# INTRODUCTION

1. Protein crop production (peas, beans and sweet lupins) has traditionally been very small in Northern Ireland. These crops are grown primarily to provide a break in rotation of wheat or barley which can have the effect of reducing soil borne disease burden and increasing soil nitrogen levels.
2. Northern Ireland is currently almost totally dependent on imported soya and other proteins in animal feed manufacture. In 2019, the use of soya alone in feedstuffs manufacture was 369,000 tonnes and adding other high protein animal feeds would bring the total to well over half a million tonnes.
3. A Protein Crop Payment is proposed to be introduced in the context of Northern Ireland’s continued dependence on imported plant protein and will also encourage best practice in crop rotation, pest management and crop diversity.
4. Stakeholders are asked for their views on the proposal to introduce the Protein Crops Payment Pilot Scheme to help shape the debate in future support arrangements for NI now that the United Kingdom (UK) has left the European Union (EU) and the Common Agricultural Policy no longer applies in Northern Ireland.
5. It is intended to introduce the coupled support scheme for 2021 on a pilot basis and then refine the approach for subsequent years to maximise the economic and environmental benefits.

**Effect of EU Exit on Coupled Support Rules**

1. The following limitations that European Regulations placed on coupled support have been removed following Brexit -
* Coupled support could only be granted where a qualifying sector was undergoing certain difficulties and it was particularly important for economic, social or environmental reasons.
* Coupled support could only be granted to the extent necessary to maintain current levels of production.
* There is no longer any need to have objective justification as to why this support was necessary in Northern Ireland and not other parts of the UK which would be rather challenging and perhaps impossible.

These changes provide more scope in the development of coupled support schemes going forward.

**Future Policy**

1. The Department, in conjunction with key food, farming and environmental stakeholders, has identified the following key desired outcomes and long term vision for the Northern Ireland agricultural industry; (i) increased productivity in international terms; (ii) improved resilience to external shocks; (ii) environmental sustainability; and, (iv) an integrated, efficient, sustainable, competitive and responsive supply chain.
2. DAERA carried out a stakeholder engagement exercise in 2018 on these outcomes to assist in the development of the future agricultural policy for NI following the UK’s exit from the EU. This prompted over 1200 responses from a broad range of stakeholders.
3. A number of projects have since been established to collate evidence, identify gaps, and develop policies on agri-environment; capital support; food; knowledge and technology transfer; science and innovation; supply chains; transition and resilience; monitoring and surveillance; controls and assurance; horticulture and generational renewal.
4. Work is well underway to develop this framework, which includes looking at what future payments can do to support sustainable farming and our cultural landscape.
5. This coupled support scheme for 2021 will be introduced on a pilot basis to encourage best practice in crop rotation, pest management and crop diversity, and will be refined for subsequent years to maximise the economic and environmental benefits.

# REGULATORY IMPACTS

1. Regulation can be defined as: “A rule or guidance with which failure to comply would result in the regulated entity or person coming into conflict with the law or being ineligible for continued funding, grants and other applied for schemes.” This can be summarised as all measures with legal force imposed by central government and other schemes operated by central government. The Regulatory Impact Assessment (RIA) process is not necessary for certain identified activities:
* where policy changes will not lead to costs or savings for business;
* road closure orders; or
* changes to statutory fees by a predetermined formula such as the rate of inflation.
1. There would be no additional compliance or administrative burdens placed on farm business. The scheme is optional and NI businesses would neither be placed at a disadvantage compared with other businesses elsewhere in the UK, nor would they have any special advantages. For these reasons, a full RIA has been screened out.

## REGULATORY IMPACT ASSESSMENT (RIA)

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| **Screening Questions** | **Response to Screening Questions** |  | **Full Impact Assessment Required** | **Justification / Key issues and groups to focus on** |
|  | **Yes** | **No** |  | **Yes** | **No** |  |
| Is the policy or amendment to the policy likely to have a direct or indirect impact on businesses? | 🗸 |  |  |  | 🗸 | Financial support for businesses to participate in a protein crop pilot payment scheme to encourage best practice in crop rotation, pest management and crop diversity. The scheme is optional. |
| Is the policy or amendment to the policy likely to have a direct or indirect impact on the voluntary / community sector? |  | 🗸 |  |  | 🗸 |  |
| **CONCLUSION**  |  |  |  |  | 🗸 | There would be no additional compliance or administrative burdens placed on farm business. The scheme is optional and for this reason, a full RIA has been screened out. |

**When is regulatory impact assessment required?**

If the answer to any of the above is yes, consideration should be given to undertaking a Regulatory Impact Assessment. However, the level of appraisal should be proportionate to the costs involved. A Regulatory Impact Assessment is not required for:

1. proposals which impose no costs or no savings, or negligible costs or savings on business, charities, social economy enterprises or the voluntary sector;
2. increases in statutory fees by a predetermined formula such as the rate of inflation; or
3. Road closure orders.

## APPROVAL and AUTHORISATION

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| **Screened by:** | **Position/Job Title** | **Date** |
| Sharon Cabecinha  | Grade 7, Future Agricultural Policy | 15 December 2020 |
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| **Approved by:** | **Position/Job Title** | **Date** |
| Norman Fulton | Deputy Secretary, Food and Farming Group | 15 December 2020 |
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