

# Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement

## Stakeholder Responses

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## **CARN / GLENSHANE FOCUS GROUP**

CARN/GLENSHANE is northern Ireland's largest Area of Special Scientific Interest. It is located in the eastern sperrins between Garvagh, Maghera and Dungiven. The group comprises of almost 100 farmer landowners whose ambition is to maintain traditional type of upland farming practice, carried on here by the many generations before us, trying to establish a balance between extreme environmental requirements and extreme productive objectives, thereby hopefully maintaining viability for the family's dependent upon this valuable way of life and preventing abandonment and the subsequent dangers that poses.

### **Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement - Questions**

- 1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?**

*Yes, they should be retained.*

- 2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?**

*Greening, the criteria and the payments around it should be retained.*

- 3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?**

*The ban should only relate specifically to the actual 'protected' area. There should be a higher tier rate of payment for these restrictions as one of the environmental funding streams.*

- 4. What are your views on those accepted into the YFP up to and including 2019 continuing to receive payment for as long as they are eligible to do so?**

*It should be retained.*

- 5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?**

*It should be retained as we must encourage younger farmers into the industry.*

**6. What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?**

*Farming needs to generate profits to give the basic encouragement. Top up grant rates of 10% for young farmers and 10% for those farming in the SDA, as has happened in other regions of the UK, would provide encouragement.*

**7. What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?**

*A minimum stocking density should be required. When a farm is being inspected a simplistic warning system should be introduced much the same way as when you would take your vehicle for an MOT, you are told what is required to pass the test and then you get it rectified. Any areas of land deemed ineligible should be specifically detailed on an actual map for the farmer.*

**8. Have you any specific suggestions for simplifying other aspects of the current direct payment in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these.**

*There should be a simplistic warning system introduced and penalties for non eligible land should only be percentage based.*

**9. What are your views on a “Productivity Grand Challenge” approach to delivering a step change in the rate of advance in science and innovation?**

*Any such work must be funded from the core departmental agricultural budget as all financial support should go direct to farmers to avoid wastage in administration etc.*

**10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?**

*Education is always to be encouraged but should not be essential. Level II should be sufficient for anyone entering the industry. There are many with immense practical ability but yet may be academically deficient.*

**11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?**

*The Level II agricultural qualification should be a sufficient standard.*

**12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?**

*The principle of CPD appears a worthy one but it should not be funded using direct payment funds, again to avoid wastage in administration etc.*

**13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?**

*Investment towards innovation and new technologies are to be welcomed but there needs to be a better understanding of the environmental issues and the works that have been carried out over the years on farms.*

**14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?**

*Agree in principle.*

**15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?**

*Long term land leases should be encouraged in our taxation system.*

**16. What are your views on the provision of a basic farm resilience support measure?**

*A basic farm resilience payment is very welcome. This needs to be set at a level of at least 50% of what farmers currently receive. Other environmental public goods can be rewarded via greening and targeted common sense simplistic environmental schemes. There is an opportunity to have various levels/tiers of environmental goods being provided with enhanced financial rewards. This is very important as, to date, farmers receive 80% of the income from the current direct payment system.*

**17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?**

*We should have a long term gradual movement.*

**18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage?**

*The 44% of NI which is classified as SDA needs to be targeted for extra funding as this is where the public good can best be attained. This is the area where the average farm size is smaller, requires the most maintenance and is least profitable.*

**19. What are your views on linking a farm resilience support measure with cross compliance obligations?**

*We need a simplistic warning system moving forward for inspections.*

**20. What are your views on the content of cross compliance/good farming practice associated with this provision?**

*We need to always monitor the worth of the same.*

**21. What issues would an appropriate cross compliance regime seek to encompass?**

*The current regime seems to be sufficient.*

**22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?**

*We would not favour either tiering or capping or any change to the threshold.*

**23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?**

*Not in favour.*

**24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?**

*Not in favour.*

**25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?**

*The taxation system should be looked at regarding long term land leases and a more beneficial capital allowance provision.*

**26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?**

*There always needs to be a financial reserve in the event of a natural disaster.*

**27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?**

*A realistic level of compensation needs to be available to farmers who protect the environment as so many of the current interpretations have a severe negative effect on the farm's profitability.*

**28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?**

*Research needs to be targeted at the uplands in a Northern Ireland context as current questionable advice/regulations appear to originate from elsewhere.*

**29. What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?**

*Co-design could work as long as practical working farmers can have a real meaningful say on the outcomes.*

**30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?**

*A new, realistic examination needs to be taken at future environmental schemes and their associated payments. The environmental work on farms to date appears to be taken for granted.*

**31. What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?**

*There is no reason why other actors cannot be included but the practical working farmers who have maintained the landscape for years, and know it better than anyone else must have a genuine real input into how to achieve any such environmental outcomes. Unfortunately recent past experiences have not been good when advice from impractical book led sources appear to have been utilised.*

**32. What are your views on the delivery models that would deliver the best uptake and outcomes?**

*The current schemes are excellent examples of how not to deliver any such desired environmental outcomes. These schemes appeared to be thrust upon farmers with*

*no practical consultation. The public good value of the landscape, its maintenance and habitats appear not to be recognised financially. All delivery models need to be practical, have common sense and be financially rewarding to the farmer.*

**33. What are your views on the role of government in ensuring market transparency?**

*Government's oversight role is to be welcomed, especially in the secondary and third processing stages.*

**34. What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?**

*Any such training should not be funded from the direct payment funding sources as, in so often can be the case, it can lead to 'jobs for the boys' and cause financial wastage.*

**35. What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?**

*Government has certainly a very meaningful role to fulfil.*

**36. Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

*The hill areas and the farmers within them need to be recognised as being equal partners in NI agriculture. This is even more important nowadays as these are the areas where most of the environmental 'public goods' can be obtained.*

**37. Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

**38. Are there any regulatory impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

*The destination of environmental sites, many of which are located in the SDA, should be adequately compensated on an ongoing basis as, in effect, the affected land is virtually vested with no meaningful compensation for the restrictions placed upon it.*

**39. Are there any environmental impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

*The farmers in these areas now find their normal farming practices constrained so, in effect, we have the public goods being delivered without adequate compensation. If common sense prevails, productive, profitable farming can sit side by side in these areas as it has done over many generations.*

**40. Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.**

*A new simplistic warning system for all aspects of cross compliance inspections would be welcomed. We need everyone working in partnership for the benefit of NI Agriculture plc and get back to a mindset of inspectors asking 'What can I do for you?' instead of 'How can I do you?'.*



**PATRICK CASEMENT**

10th October 2018

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**NORTHERN IRELAND FUTURE AGRICULTURAL POLICY FRAMEWORK**

My responses to the questions posed in this Stakeholder Engagement are set out below.

I submit these as a private individual, a retired farmer, and an advocate for the natural environment.

Patrick Casement

## **Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement - Questions**

### **1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?**

Given that our agricultural industry will require continued support in the period immediately post departure from the CAP, and that a new mechanism has not yet been developed, it would be sensible to retain the basis of direct support in the short term. It is important however that this is time-limited, and that work on a new system of agricultural support is developed and tested as soon as possible. The absence of the Stormont Government and therefore of a responsible Minister adds a considerable complication to the process unless further powers are given to Civil Servants to take policy forward,

### **2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?**

I would support the abolition of the greening requirements which have had little or no effect in Northern Ireland with our predominance of permanent pasture and structurally diverse landscape. I would however wish to see some of the greening payments diverted into pilot projects to test mechanisms for delivering an outcome-based system of agri-environment support which should become a major part of any future support for farming.

### **3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?**

The ploughing ban in these sensitive habitats should remain in force. Removing it would send a signal that our most important habitats are of no value. Plans should be developed for ensuring that the owners of such sites should be rewarded for maintaining them in a favourable condition.

**4. What are your views on those accepted into the YFP up to and including 2019 continuing to receive payment for as long as they are eligible to do so?**

**5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?**

**6. What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?**

Two key methods were set out in *Delivering Our Future, Valuing Our Soils: A Sustainable Agricultural Land Management Strategy for Northern Ireland*:

- Support the UFU and Young Farmers' Clubs of Ulster as they establish a Land Mobility Scheme for Northern Ireland.
- Provide a mentor on succession planning to farmers to broker conversations, outline the key elements of succession and signpost professional advice.

**7. What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?**

The retention of these elements seems sensible, subject to the suggested reviews.

**8. Have you any specific suggestions for simplifying other aspects of the current direct payment in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these.**

**9. What are your views on a "Productivity Grand Challenge" approach to delivering a step change in the rate of advance in science and innovation?**

The approach set out seems reasonable. It is however important to recognise that productivity should include quality of product in addition to quantity. Northern Ireland has a great opportunity to market its produce under a 'green' brand, but this needs to be underpinned by a genuine greening of our agriculture, producing high quality food. There would be merit in looking at 'profitability' rather than 'productivity' given the connotations of the latter term. All measures to improve productivity should be science-based and market-orientated, and without genuine integration with education and knowledge transfer will be ineffective. Policy needs to reflect the connections and facilitate effective co-ordination between the different elements. Built into the system should be methods of assessing the cost-effectiveness and, crucially, sustainability and environmental impact of any measures that are proposed.

**10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?**

This is essential as there remain huge gaps in many farmers' knowledge and understanding of the factors that underpin their businesses, such as soil science, nutrient cycles, and plant and animal health, and of course of the environmental impacts of farming systems. This is particularly true of the beef and sheep sectors. However there needs to be a great deal of thought given to the 'how' as well as the 'who' and the 'why', given the fear and suspicion with which many farmers treat the written word. Jonathan Birnie's 2015 Nuffield Farming Scholarships Trust report *Facilitating change within the red meat chain through knowledge transfer, feedback and technology uptake* provides an important insight and lessons into the problem.

**11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?**

In theory this is an excellent idea. However there is a real concern that it might act as a deterrent to a significant number of farmers who retain a genuine fear of formal training, particularly when it involves interacting with a group of their peers. Reaching these people will require a different and perhaps radical approach, but will need to be based on the concept of one-to-one engagement, preferably on the home territory of the person involved. Where this has been tried it has proved very successful, but requires a significant input of time and other resources.

There will also need to be a very considerable cultural shift in the provision of formal training to reflect changes in the support system towards one based on the concept of delivery of public goods.

**12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?**

See the previous question. This will work well with more progressive and many younger farmers, but will prove difficult with a significant proportion of the target group.

**13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?**

This is a positive step, and could be an important intervention to improve environmental performance and the overall sustainability of farming, provided that it is genuinely aligned towards those objectives. Good examples would be in nutrient management through GPS-targeted applications, reductions in ammonia and greenhouse gas emissions, increased green infrastructure on farms, and reduced use of pesticides.

**14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?**

**15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?**

The Land Mobility Scheme should be encouraged, and its remit widened to provide sound advice on succession planning which is a major issue within the farming community. While the industry is currently driving this Scheme there is a strong argument that government should provide meaningful support.

There should be fiscal incentives for entering longer term tenancies, though this will be difficult in the current climate of uncertainty around Brexit. In theory, and probably in practice, Farm Business Tenancy type agreements should boost productivity, and could make a major difference in environmental terms as well, through providing a basis for taking action for the longer term.

**16. What are your views on the provision of a basic farm resilience support measure?**

Given the structure of farming in Northern Ireland it would seem that this is essential if we are to retain farmers on the land to provide the much-needed combination of good quality food and a healthy environment. However it is important that the present distribution of funding through the two Pillars of the CAP is radically rebalanced to ensure that a significant proportion of the total goes towards environmental measures that produce real outcomes in terms of improved biodiversity, better water quality, natural flood protection measures, carbon sequestration and storage and generally better quality landscapes. A basic farm resilience payment should no longer form the primary support mechanism for farmers.

**17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?**

As suggested above the primary resilience support should be provided by payments for environmental enhancement and the provision of public goods such as carbon sequestration, water retention and flood abatement, clean water, improved biodiversity and public access to the countryside. Payment should be established on outcomes rather than simply on signing up to a scheme.

**18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage?**

If resilience is taken to include environmental benefit and provision of public goods areas considered to be at a natural disadvantage should be well placed to receive significantly higher payments than intensive lowland farms because they are already providing significant benefits without recognition, and have the potential to deliver much more. It would be important to include areas of natural disadvantage in any pilot projects that are carried out to establish whether any additional resources or targeting would be required in the future.

**19. What are your views on linking a farm resilience support measure with cross compliance obligations?**

It is important that we maintain the existing regulatory standards, and examine them closely to ensure that they are compatible with enhancing our environment. This will ensure that all recipients of any support will be operating on a level playing field. It could also form the basis for a powerful marketing tool for Northern Ireland produce.

**20. What are your views on the content of cross compliance/good farming practice associated with this provision?**

The current cross compliance/good farming practice arrangements are a good starting point covering most of the important areas of environment and welfare. However they would need to be revisited to ensure that they are still appropriate for a different support regime that focused on the provision of public goods in the form of environmental care and enhancement.

It is also important that there is an appropriate inspection and enforcement mechanism to ensure full compliance and protect the farmer who conforms against those who seek to cut corners or ignore regulation. The system at present is unfortunately heavily weighted towards enforcement through fines and loss of payments, when it would be more appropriate to have a rather different approach based on the concept of advocacy and advice first, followed by serious punishment for continuing breaches of regulation. This is the approach recommended in the Sustainable Agricultural Land Management Strategy, and which works well in Scotland.

**21. What issues would an appropriate cross compliance regime seek to encompass?**



The cross-compliance regime should be based on the environmental principles set out by the EU:

- Prevention
- Precaution
- Polluter/Transgressor pays
- Rectification at source
- Environmental integration

However it is important that these are underlain by common UK frameworks and are enshrined in UK legislation.

**22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?**

While capping payments based on land area or stocking levels makes good sense in terms of fairness and equitability, it could present problems when applied to the outcome-based provision of environmental benefit. Under such a system one would ideally prefer to see payment being proportional to the benefit provided. However, if this system led to the bulk of the resources available going to a few recipients it would clearly fail in its purpose, so it will be necessary to introduce some form of checks and balances.

At the other end of the scale an eligibility threshold makes sense as long as it is set at a very low level. It is important that owners of small parcels of land can participate in appropriate schemes to ensure that benefit is spread across the landscape in an effective way. Many smallholders may well be enthusiastic about environmental schemes and given encouragement could deliver disproportionate benefit.

**23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?**

No comment.

**24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?**

No comment

**25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?**

No comment.

**26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?**

No comment

**27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?**

The stated environmental principles are sound and provide a strong basis on which to build a thriving and sustainable agricultural sector, producing high quality food from healthy soils while delivering genuine environmental benefit. Failure to incorporate these principles will lead to more unsustainable practices, with soil quality and productivity dropping through loss of nutrients and organic matter, and further losses in biodiversity and wider environmental quality. In addition more environmentally friendly farming is likely to be significantly more resilient in terms of the range of threats that face us, such as climate change, leaving the European Union, and exposure to trade deals with countries with lower standards than our own. Finally, the delivery of well-identified and measurable public goods will be significantly more acceptable to the wider public than the system of supporting farmers currently operating through the CAP.

**28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?**

Significant investment will be required in both research and education targeted at environmental and conservation management if we are to achieve genuine and lasting benefit for both agriculture and the environment. However, the problems facing the environment are of such a serious nature we cannot wait to have every available fact before we take action to try and improve the situation. We already have enough knowledge to make an enormous difference, and have learnt a great deal from earlier attempts to halt the declines in biodiversity and water quality, including through previous agri-environment schemes.

The major emphasis needs to be on education of farmers and land managers to ensure that they understand that the proposed process can benefit both the profitability and resilience of their agricultural business as well as the environment. Small-scale pilots, such as the Resilient Farms project run by the Heart of the Glens Landscape Partnership and the Woodland Trust have highlighted possible approaches to this issue, but have significant implications in terms of manpower and engagement with farmers on a one-to-one basis.



**29. What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?**

This approach is the only viable way of achieving genuinely sustainable and resilient farming in Northern Ireland, given the scale and structure of our agricultural system. However, if the shift is to be successful there will have to be a strong emphasis on co-design with the farmers and managers involved, and a recognition that every farm and farmer is different, requiring carefully tailored approaches rather than a one-size-fits-all prescription. This will require significant resources and careful handling, but results from pilots such as the Resilient Farms project and the National Trust's scheme at Malham in Yorkshire, suggest that the outcomes could be dramatic with strong farmer buy-in and uptake producing rapid environmental changes.

**30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?**

This may be necessary to 'kick-start' the process, encouraging farmers to participate and become positively engaged in sustainable land management. There may also be other models of paying for public goods, such as finding ways in which those that benefit directly from environmental services provided might contribute directly to the cost. For example local authorities which have settlements that are prone to flooding might pay something to farmers in the headwaters of the problem catchment for undertaking work that slows and evens out river flows thereby reducing the risk of flooding downstream.

**31. What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?**

There are numerous examples of 'market pull' influencing farming practices, though not all of them provide environmental benefit. However if the agri-food industry can be persuaded to develop a 'green brand' for Northern Ireland (taking the example of Origin Green in ROI, but building on it ) there is a huge opportunity for a positive move towards much more environmentally sympathetic farming systems. This will probably require a combination of consumer pressure and government encouragement, but there are encouraging signs that there are influential players in the industry who understand the potential of this concept and are keen to promote it.

**32. What are your views on the delivery models that would deliver the best uptake and outcomes?**

There are a considerable number of successes in agri-environment type schemes both across the UK and beyond which can be incorporated into a major system for delivering sustainable agriculture. Some of the more recent examples, such as the NT project at Malham, and the Burren Life project in Ireland, are based on payment for outcomes and have been very successful. Other schemes, such as the Resilient Farms project have appeared to focus more on farm profitability, but have delivered

considerable environmental benefit in a short space of time. All of these examples have involved significant initial facilitation, but generally have become increasingly farmer-driven as they develop and the participants become more engaged and more knowledgeable about what they are doing.

Perhaps the biggest challenge will be to select a few clear outcomes that are achievable and measurable and which will provide wider benefit beyond helping one or two species of bird or butterfly. Again some of the ongoing pilot work will help in identifying suitable targets, and further local pilots should also contribute to the development of viable schemes. The other major issue will always be monitoring and measuring the outcomes, and there are again various pointers to the way forward. These include a range of remote sensing techniques, including a sophisticated tool that has been developed and trialled by JNCC and which is available immediately to all nature conservation agencies in the UK.

**33. What are your views on the role of government in ensuring market transparency?**

No comment

**34. What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?**

No comment

**35. What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?**

No comment

**36. Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

No comment

**37. Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

It is disappointing that there has been little or no rural development or rural networking input into this Framework. Given the huge interdependence of the large non-farming rural community and the agricultural sector it would have been very useful to have sought greater input from the former at this development stage.

**38. Are there any regulatory impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

No comment

**39. Are there any environmental impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

None at this stage.

**40. Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.**

None at this stage.

# CENTRAL ASSOCIATION OF AGRICULTURAL VALUERS

Jeremy Moody



Secretary and  
Adviser

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10<sup>th</sup> October, 2018

Dear Sirs,

## **Northern Ireland Future Agricultural Policy Framework Response from CAAV and NIRVA**

### **The CAAV and NIRVA**

I write on behalf of the Central Association of Agricultural Valuers (CAAV) and the Northern Irish Rural Valuers Association (NIRVA) in response to the stakeholder engagement document produced by the Department of Agriculture, Environment and Rural Affairs, Northern Ireland Future Agricultural Policy Framework.

The CAAV is the specialist national professional association for those advising and acting for agricultural and rural businesses. It represents, briefs and qualifies some 2,700 members (some 1,700 Fellows) who advise and act on the very varied matters affecting rural and agricultural businesses and property throughout the United Kingdom. In Northern Ireland, NIRVA is affiliated to the CAAV and has some 70 members active in these areas.

Instructed by a wide range of clients, including farmers, owners, lenders, public authorities, conservation bodies, utility providers, government agencies and others. Members' work requires an understanding of practical issues, bringing together a wide range of skills with an emphasis on appraisal and practical judgment. The economics and practicalities of agriculture and farm businesses, including the various support, agri-environment and business improvement schemes, are all material to this work and see members closely involved.

The CAAV and NIRVA do not exist to lobby on behalf of any particular interest but rather, knowing members will be called on to act for or advise both Government and private interests under developing policies, aims to ensure that they are designed in as practical a way as possible, taking account of circumstances. Our concern is that policies work, do not have unintended side effects and enable farmers, owners and others to be given an accurate understanding of their situation and so make decisions.

### **Overview: The Productivity Case for Reform**

We see the prospects for the agricultural economy and policies after Brexit as both challenge and opportunity, often forcing us to face problems and solutions that face us anyway but potentially with greater freedom over designing future policies to suit not just the United Kingdom but, with the scale of devolution, Northern Ireland. In that, the, as yet, unknown future trading relationships are material with the possible challenges of tariff changes for the red meat sectors while, especially in Northern Ireland, the future arrangements for the substantial local cross-border movement of agricultural and agri-food goods is a major consideration.

Nationally, we face a major problem with the lagging of agricultural productivity behind EU competitor nations since the early 1990s – while EU productivity growth has lagged behind major global competitors since 2005. The adverse trend in the UK is apparently coincident with development of area aid as a prime form of agricultural policy, with the impression that the assurance it gives to present occupiers of land has tended to restrain change and innovation rather than stimulate improvement. More sharply, it is income they can only achieve by continuing to occupy the land that enables payment, so tending to freeze farm structures. Businesses have, perhaps often unknowingly, tended to design themselves to depend on what is now the Basic Payment, an income transfer from taxpayers.

The answers to the productivity challenge, tackling efficiency and competitiveness, appear to lie substantially in skills and investment, an openness to innovation, particularly with the new technology becoming available for farming. A major role for agricultural policy in all its guises, not just payments, is to facilitate a more productive and environmentally sustainable sector, ready to be capable of meeting the future challenges as they happen – most obviously any reduction in the present tariff wall. That drives early reform – in this context, there is no argument or reward for tackling improvement. Clear signals of the prospects of change will give an honesty that would help farming respond effectively to what will be large challenge.

Northern Ireland can already be seen to have set its hand to these issues:

- The Agri-Food Growth Strategy, with the political backing for it, represented a major review while within the structures of the CAP; Brexit will remove that constraint.
- The Sustainable Agricultural Land Management Report delivered by the committee chaired by Dr John Gilliland focused on important and specifically agricultural reforms from taking and acting on nutrient analysis through to the promotion of tenancies as a basis for investment and land management.

The settlement of the future agricultural policy framework for Northern Ireland should build on those foundations to support the changes that will enable Northern Irish agriculture to be ready for the coming challenges. This is the historic moment.

In that, we support the four objectives set out in the previous DAERA Minister's letter to DEFRA of 2<sup>nd</sup> March 2017:

- increased productivity in international terms
- improved resilience to external shocks
- an environmentally sustainable industry
- one within an integrated, efficient, sustainable, competitive and responsive supply chain.

We agree that there should generally be a desirable synergy between these aims, reinforcing our view that businesses and policy need to be open to the flexibility needed for success, and not be restrictive.

Measures to those ends should tackle:

- skills
- effective investment
- open and innovative attitudes with a greater acceptance of risk in the hope of reward.

This will see opportunities for good existing farmers and new entrants, between them providing resources for those who make land available to them. The importance of the supply side reform of ensuring flexible markets in land occupation and use cannot be underestimated. The CAAV and NIRVA have worked with and built on the Sustainable Agricultural Land Management report's recommendations on land tenure models.

We draw particular attention to the success in the comparable circumstances of the Irish Republic's extension from 2015 of Income Tax relief on arms-length lettings of farmland for terms of five years and more. We now have two years hard data from the Irish Revenue (moving 4 per cent of the Republic's land area in just two years at cost of €19m before considering the productivity benefits) and over three years' worth of market reports to show how this is moving land from both conacre and owner occupation. Believing this to have a particular relevance for Northern Ireland, we also see it as a desirable step for the whole United Kingdom and so urge DAERA to press the United Kingdom authorities for the adoption of a United Kingdom version of this relief. Having done a body of analytical work in this area, we are happy to work with DAERA on taking this forward.

### **The Two (or Three) Stage Approach**

While Wales, similarly exposed on livestock issues but with payment phasing complete in 2019, is proposing to begin its process of post-CAP adjustment from the first opportunity in 2020, both England and Scotland are adopting an approach similar to that canvassed in the paper:

- an initial period of bedding down and, potentially, simplifying the inherited CAP – in England in 2020 and in Scotland until April 2024 - while design and testing work on new policies is undertaken

- an agricultural transition period in which that immediate post-CAP policy is phased out and new policies introduced – in England from 2021 to 2027 but not yet determined in Scotland’s slower approach
- a final stage after that when the new policies are fully in place and then, doubtless, further evolve.

With Northern Ireland not completing the phasing of BPS payment rates until 2021, the point of that initial phase (with its future policy development) running to 2021 is understood. However, that is not seen to preclude some earlier measures – such as those around generational change - being taken to begin the process of change.

### **The Pressures for Change**

It is noteworthy that Wales, with an overwhelmingly livestock-based farming sector in relatively comparable circumstances, has set out the case for early and substantial change, moving completely away from support payments to an economic resilience programme and payments for public goods. We consider that those arguments are worth bearing in mind as policies are designed for Northern Ireland.

In addition to the obvious prospect of challenges to the red meat sectors from changes in trading arrangements whether in the later 2020s as might flow under the Chequers package or earlier under more radical change, we see the constraints of:

- increased domestic scrutiny over policy and its delivery on farms
- challenges in future public spending reviews to the amount of money devoted to agricultural support, especially were EU spending on the CAP to fall
- the other calls on that money for climate change, environmental and land management goals
- the extent to which area payments have simply been taken as a reward for occupying land and so muffled the pressure for productivity improvement and the changes that would deliver it

Independently of those factors more closely associated with the Brexit process, we also see:

- the rapid development of new farming technologies
- the probability of greater demands from environmental policy and climate change mitigation, noting among matters the recent IPCC report on climate change issues
- the potential for significant changes in the demand for food.

As is clear from the wider economy, continually improving productivity is needed to support desired living standards and to compete effectively in world markets. So far as farming in Northern Ireland cannot maintain viability in the market place, it will fade away.

We endorse the observations in the paper that:

“... productivity growth must become a deeply embedded driver and objective for the future development of the Northern Irish industry and one which can be accelerated ... However, these gains cannot be at the expense of environmental sustainability.”



The arguments for policy to focus on productivity, the efficient and competitive use of resources, as a goal led to the Agri-Food Strategy and are now even more important with the coming challenges while we may now have more freedom in our choice of tools to tackle it.

### **The Consultation Questions**

#### **The “Transitional Agricultural Support Regime” 2019-2021**

With so many uses of the concept of transition at EU, UK and agricultural levels, it is perhaps slightly awkward for this, perhaps largely preparatory and interim, period to be described as “transitional”, especially with the phasing of change likely to be required after 2021.

#### **1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?**

We think it inevitable that entitlements will need to be retained in the near future at least until the earlier of:

- the completion of the present phasing process when all payments will have reached a standard payment value. At that point, a simpler payment system based just on areas declared could be run without the additional complications of entitlements. However, we understand that entitlements are often thought to be required as part of showing compliance with WTO rules
- the introduction of a new system not dependent on entitlements.

Favouring the completion of the phasing of payment values, it might be that entitlements are not needed for 2021 claims, once all payments are at the same value. Of itself that would also remove the argument over retention of the regional reserve.

#### **2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?**

We agree with the proposal that the present system of greening being inherited from the EU’s Common Agricultural Policy should be abandoned in Northern Ireland, as it serves very little purpose in a province whose agriculture is overwhelmingly based on grass and where most farms are small. In practice, the greening rules affect few in Northern Ireland but still complicate the rules and add to administration. The greening payment should be incorporated into the payment values for the continuing Basic Payment System.

New policies tailored to Northern Ireland’s circumstances can better address environmental issues.

#### **3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?**

We agree that this should be retained.



We suggest that in the continued pursuit of simplifying the system for the long term, this protection be achieved through the Environmental Impact Assessment Regulations rather than through Basic Payment cross compliance.

**4. What are your views on those accepted into the YFP up to and including 2019 continuing to receive payment for as long as they are eligible to do so?**

We consider that existing commitments should be honoured and so this payment should be made for the required period to claimants who were successful in their applications under the present direct payments regulation of the CAP while it applies until the end of 2019.

**5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?**

Once the direct payments regulation of the CAP no longer applies, other policies should be used for the measures considered appropriate for the, possibly distinct, goals of generational change and new entrants (not simply those currently defined as young farmer new entrants).

Encouraging flexibility here (and building on the start now made by Land Mobility) is sufficiently important to look to take it forward as early as possible rather than seek to carry forward the present regime. In that much of the work that could have been done by the Young Farmer Top Up and grants of entitlements from the Regional Reserve will have been done. It would though be right to make it clear from as early as possible that 2019 was the last claim year for these so that those who wish to take this route can do so.

The experience of the Cornish Fresh Start work points to ways in which loans to new entrants can usefully meet a practical need in this area.

We see no need to retain the regional reserve.

**6. What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?**

This can be analysed as three overlapping questions: that could be expressed

- what would encourage withdrawal – at any age - from a farm business where that is appropriate?
- what would encourage entry by the proficient?
- the support mechanisms to promote discussion and implementation at a farm level.

In this, generational change need not only be within families but can also be outside families, so that the model applies where there are no farming heirs. The real concern is to see more farmland in the hands of proficient people who will meet the coming challenges.

A background of expecting proficiency can be part of this. The experience of the Irish tax relief on rents is that it releases land from owner occupation as well as from conacre, as owners,

not only elderly ones, find other and better things to do with their time while seeing their land better managed and yielding an income. The paper's thinking that future access to schemes might be skewed towards those with training might again promote this.

If simply considering a retirement scheme, our analysis of schemes that have been run are that the most effective ones have been those that simply focus on withdrawal from farming, with no constraints as to how the land is then occupied. The more complex the scheme, as where it is linked to a qualifying new entrant, the less effective it is likely to be. In practice, it may be as good for future productivity and competitiveness for the land to be run by another existing proficient farmer building a good business as by a new entrant; previous new entrants anyway need subsequent opportunities to expand.

New entrant policy needs to find a balance between genuine progressive assistance and unintentionally driving an inflated market, distorting other choices, especially where that impedes other businesses seeking to achieve a scale that makes most margin. Loans and, as changes in state aid rules may in time allow, loan guarantee schemes may be the optimal way forward, chiming with the sense of a business approach that is characteristic of many seeking to enter farming. A commitment to further improvement might be a condition. It is not obvious that mentoring by the previous farmer is necessarily sufficient or sometimes desirable.

Much of this can require a process of conversation and developing thinking at farm level requiring a framework for trusted advisers to help with the case-by-case implementation of this process.

It also requires a clear basis of information, exposing, for example, the widespread misapprehension that simply having been a farmer enables the person's house to qualify as a farmhouse for Agricultural Property Relief from Inheritance Tax. A more accurate understanding of such matters could clarify thinking and choices.

**7. What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?**

We see that, in carrying forward the present regime on a temporary basis, the rules are likely to remain largely similar. Policy effort is better spent on designing the post 2021 regime.

Taking the Northern Ireland reference to "active farmer" provisions as being in effect to the "land at disposal test", it seems reasonable to continue that at this stage simply for certainty and continuity of policy.

The familiarity of the present key dates of May 15<sup>th</sup> for applications (and the dates associated with it) and the December 1<sup>st</sup> opening of the payment window (with Northern Ireland's record in achieving advance payments) combined with the extent that the administrative delivery system is built around them suggest no reason for change so long as there is a direct land-based payment. However, and away from direct payments, we would like to see a move to much more flexible start dates for agri-environment agreements than is now imposed by the EU thinking that would be more practical for both DAERA and claimants.

A move to more proportionate penalties would be welcome, if outside the EU's horizontal regulation in 2021.

On inspections there may be observations from DEFRA's Stacey Review that may be pertinent, though experience to date has suggested it has been hard to reduce this burden. Again, if outside the EU's horizontal regulation in 2021, it would be possible to move towards a more risk-based approach in selecting who is inspected and for what.

**8. Have you any specific suggestions for simplifying other aspects of the current direct payment in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these.**

We suggest that, while entitlements should be kept until they reach a standard payment value, the "use or lose" rule for entitlements could be removed, seeing this as an unnecessary source of extra confusion, especially if the regional reserve is being removed.

**Agricultural Policy Framework Beyond 2021**

As noted above, we think there should be a phased process of transition in the early years of this period for both farming and DAERA to develop and adapt to what will work best and manage the change well and so that the largest number of potentially successful businesses can come through this in better fettle.

In noting the reference to the comparative advance of productivity in the USA since 2000, that will, in part, have come from an openness to innovation and technology that appears to have been limited in the EU whose productivity has then fallen behind other countries, including the USA since 2005. Tackling that requires a more positive regulatory approach by government as well as interest in the industry in innovation and risk.

**9. What are your views on a "Productivity Grand Challenge" approach to delivering a step change in the rate of advance in science and innovation?**

We favour this but do not see that the concept should be limited to science and innovation but rather applied across all the four broad themes set out here, giving a simplicity and unity of message in promoting the theme across the industry. That step change needs to be secured across the board.

That said, its application in each area needs to be given a more defined and clear shape and focus so that it has meaning as a concept and prospects of success in delivery.

This will include clarity in both policy making and public understanding about the measure of productivity, whether, as may be most usual overall, total factor productivity or, as may be more apt for some individual topics, in terms of unit areas of land, units of labour, units of capital investment involved or also incorporating some measures of other outputs such as environmental ones.

For the development of science and innovation and the adoption of its results by farmers, we need an accommodating regulatory framework, making it very important how such internationally used principles as the precautionary principle are actually defined on the ground for use in Northern Ireland. The EU's approach to these matters is limiting its member states ability to be productive, innovative and competitive.

We agree that this work is also required for knowledge and techniques supporting environmental sustainability, animal and plant health and animal welfare.

**10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?**

We see that improving both productivity and environmental land management will be associated with increased skills and proficiency in agriculture and business management. With the United Kingdom having lower levels of agricultural training than competitor nations, we note that the report by Indecon that underpinned the Republic of Ireland's agri-taxation reforms of 2014 found significantly greater gains in land moving into the hands of the trained than in moving it out of the hands of older farmers. That can be achieved by both:

- improving the standards of those in the industry
- enabling an open and effective market in access to land occupation and use to give opportunities to existing and new proficient farmers.

We also highlight the need to address the challenge of reaching those on whom knowledge transfer initiatives have so far had little impact. The land they hold will have its role in raising the productivity and the environmental performance of the industry.

**11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?**

Since proficiency in farming practice is not limited to those who have had formal training (and, indeed, not all those with formal training go on to be proficient), we do not see that this approach can be applied in an absolute way. However, the clear benefits of training and encouraging openness to new experience are such that it seems reasonable that policy on the use of public money be weighted towards those who can show those attributes. That perhaps makes it more relevant where there is some competitive element to scheme entry, when those who have this experience can be recognised more than those who do not.

Of itself, the public adoption of such an approach should in turn stimulate greater interest in self-improvement, provided that:

- this is open to those already in the industry by virtue of experience and will participate by being open to new experience and innovation
- its operation is not simply built on formulaic attendance at routine events.

This may in turn as noted above, become a driver of generational change, within and outside families.

Previous work we have been involved with has tended to show that attempts to use measures of earned recognition to reduce inspections offer less relief than might be thought. Some of that may change if a more risk-based approach can be adopted once the EU's horizontal regulation ceases to apply but, even then, the gains on this score may be limited.

**12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?**

We see continuing openness to new experience and development as essential, especially with pressures for change that we expect. All too often, farmers can bury themselves in the day to day work of farming and not look wider at what else is going on and seeing the practical demonstration of new developments. Very often, they may best absorb the examples of what other respected farmers are already doing rather than accepting the advice of researchers. This may be achieved through a variety of channels, including, alongside organisations like CAFRE, others in the supply chain, whether supermarkets, processors, banks and machinery or supply firms as much as by direct official action. There may be a place for stimulating direct farmer collaborative vehicles for this, whether through existing or new bodies, with some pump priming or other support from public funds. These may also prove a means to reach those that have so far been difficult to influence.

While such routes may most readily apply to technical development, the development of other skills such as business management and marketing may need other mechanisms as well, possibly involving other members of the family or business than the operational farmer. The paper's suggestion of knowledge vouchers might be especially apt for these uses.

Regarding the proposal of vouchers, we are not quite clear as to what is meant by the suggested re-imburement arrangement. The wording used suggests that it would involve the course provider charging an additional (but refundable) premium making the course appear more expensive than it needed to be. We are not clear that would be an effective mechanism for promoting participation.

**13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?**

Alongside improved skills, appropriate investment is essential for improving productivity whether by using capital to make labour or land more effective or enabling new more efficient ways of business. As suggested, we see that much of that investment will concern the adoption of innovation and new technology.

We share the concern that this be consistent with environmental objectives and not encourage investment that does not assist value. Those points go to scheme design. In general, it seems likely that investment in new technology is more likely to be compatible with other goals; the challenge may rather be to ensure that it is made by those who will use it properly and effectively.



All schemes must be well thought-through and deliverable. Simplicity of policy is more likely to lead to simplicity of administration. Success can also be aided by effective prior consultation and a willingness to engage in co-design with key bodies and consideration of what is needed for practical implementation. As well as the practical advice that the CAAV and NIRVA are happy to offer in this, the development control and banking sectors should be involved as part of the design discussion so that the desired projects are not frustrated or delayed by planning, financial or environmental constraints. Funding needs to be delivered quickly, particularly if new trading arrangements mean that Northern Ireland may have to achieve improvements in efficiency very rapidly.

**14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?**

Alongside skills, investment is one of the keys to improving productivity but it has got to be investment that genuinely drives the business forward. That may now include investment to adopt new technology as much as in machinery or buildings. As the rules around capital grants can be restrictive as to the types of investment, we favour having a range of other incentives such as loans, loan guarantees and interest rate subsidies as being aligned to the logic of proper business decisions.

Useful experience in offering loans was gained by the former Fresh Start scheme in Cornwall using the then Objective 1 funds to create a loan scheme for new entrants. Even though those helped did not qualify for bank loans, the selection process saw a very low failure rate and signs that the money would then be recycled as loans were repaid.

We understand that a loan guarantee scheme, seen as attractive in discussions with farmers, is currently not possible while we are within the EU's state aid rules. If the outcome of the United Kingdom's negotiations with the EU results in more freedom from those rules for agriculture, then this might be feasible.

There is perhaps a stronger case for direct funding support for environmentally desirable investment that may not add to profitability, such as pollution control works.

Were the resilience payment to require soil testing, there may be an argument for some direct support of what should follow, perhaps the development of the soil nutrient plan, with the object of encouraging the drive towards improved practice in this area and so improved productivity. If this were developed it could be seen as an aspect of what might perhaps be called a "partnership for productivity" approach.

**15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?**

As recognised by both the Agri-Food Growth Strategy and the Sustainable Agricultural Land Management report, the place of what is here called "restructuring" is a critical part of any programme of reform to improve productivity and long run competitiveness. While "restructuring" is often seen as having connotations of reducing the numbers of farms and

increasing their scale, we see the focus here being more on a goal, parallel to that of the Republic of Ireland's taxation review, of helping land become available to those who will farm it proficiently, whether existing farmers, the next generation of farming families or new entrants.

That is an essential complement to programmes improving the skills and investment of existing farmers, bringing in new skills, investment and insights to farming land. We see this as being about land occupation and use, not about its ownership. That land might currently be in hand or on conacre and, as in the Republic and promoted by the Agri-Food Growth Strategy and the Sustainable Agricultural Land Management report, we see the role of a revival of tenancies as a key means to give the occupiers of land the confidence to invest in liming, fencing, land improvement and environmental management, while underpinning their relationship with the banks that support them. We welcome the interest in this shown by the engagement paper.

As advanced above, we then see the power of the example and accumulating evidence of the effect of the Republic's Income Tax relief for rent from letting farmland at arms-length for five years or more. A UK version of this should be adopted as a stimulus to such change, useful in Northern Ireland and Great Britain, and we are happy to work with DAERA on this – as we are working with others elsewhere in the UK.

Again, the design of future schemes, especially those with an environmental component, could include recognition of longer term arrangements for those actively using the land rather than its owners.

With tenancies as part of the tool kit for future choices, there is a need for a level of information and advice for the right answer to be found for each set of circumstances, with erroneous myths debunked. Land Mobility is already finding its place while NIRVA and CAAV members with the wide range of skills and knowledge of the rural valuer can do much on this as trusted advisers to owners and farmers, alongside others in the private sector.

### **Improved Resilience**

Resilience can mean many things. One important insight is that from the AHDB's modelling for post-Brexit scenarios, it found that high business performance is the key to be able to stand shocks and change. With the range of performance between farms, it is more important to be in the top 25 per cent of a sector than what the sector was or how large the farm might be. Improved productivity and improved profitability are key to achieving improved resilience. The current performance of that top quartile shows what can be achieved, though they too will still need to move forward.

It is then notable that the most successful sectors are those that have developed commercially rather than with the assistance of support, especially area aid with its associated problems noted on page 29 of the engagement paper. That points to careful thought about the design of the suggested resilience payment as well as the management of change over the period from 2022 in which we see a reducing area payment having a continuing role as part of that transition, not being removed overnight.

With the defined amount of money available for agricultural policy goals at any given time, basic arithmetic makes it clear that what is spent on other desirable goals (improving productivity, supporting investment and skills and restructuring, environmental measures) cannot be spent again on maintaining the present size of an area payment. Its size will, therefore, reduce as new schemes are introduced. We see this section as being about both how that is done and what might be the longer run position.

That transition to the longer run position is an essential part of the delivery of reform. It is needed to accommodate the processes of change for the farm businesses that have been dependent on support arrangements, not only in their current form but as they have been for decades, transmuted from one regime to another since the days of intervention.

We see the Northern Irish provisions of the current Agriculture Bill as providing a framework for that to be over the period to 2027 and think that is not an unreasonable period, especially if there is to be a continuing resilience payment at the end of it. That provides a decade from now for small family businesses to review their positions and adapt, whether that is by the negotiation of generational change, new enterprises or business changes needing new planning permissions or investment, larger restructuring, changes to the land base to focus on land that supports a business margin, new approaches to innovation and marketing, or other means.

One important start to that process is for DAERA to lay out clearly how that process of change to schemes will be implemented so that farmers can see the time paths by which current payments would be reduced and changed and new schemes introduced. That will enable all to see how they might manage change and so help do that successfully.

That process of reduction to whatever might be the final level, will be a function of:

- the overall sum of money to support agriculture, as determined by successive public spending reviews
- the requirements for money to support the agendas for productivity and environmental sustainability, seen as likely to increase over the years as schemes develop and are taken up
- the size of payment judged worthwhile for resilience purposes
- administrative constraints – at what point is it not worth the overhead effort?

#### **16. What are your views on the provision of a basic farm resilience support measure?**

Members see that the practicalities of farming in Northern Ireland, with a higher costs and lower prices than in Great Britain driven by geography and the costs of transport into and out of the province, require some continuing area support, at least ahead of an understanding of the likely regime for agri-food trade. It then matters how it is designed, whether it is to be supportive of productivity and environmental goals or be more akin to a social security payment, not available to others in the rural economy. It can be argued that the apparent need for a resilience payment demonstrates, of itself, the lack of resilience of the business model for many farms and so points to a more fundamental appraisal to tackle such inherent vulnerability. As well as linking the payment directly to measures and actions to improve underlying profitability it could also be linked to the delivery of some public goods, those benefits that



farming industry can supply to wider society but which are not currently recognised in the market place. That income stream from recognising with payment the delivery of the wider value that can be provided by land management can then drive an improved business model. We are engaged in a variety of discussions and technical development around the United Kingdom on the potential for more market approaches for public goods to assist transactions that could be successful for both buyer and seller. It could be that the resilience payment could be designed in part as the base layer for such an approach, alongside more conventional business improvement requirements.

The practicalities of starting transition from 2022 mean that an area payment, with or without new obligations, is likely to be available, if at a reducing scale, over the years to 2027. Designing that remaining payment to be supportive of productivity improvement would be consistent with the declared aim.

It can be noted that Wales is moving from area payments to an economic resilience programme, not believing that it can fund both with the scale of possible challenge to its livestock sectors.

**17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?**

Northern Ireland has the highest average levels of Basic Payment in the United Kingdom. It is not apparent that the levels offered elsewhere in the United Kingdom have been less supportive of productivity or, indeed, less effective at countering volatility. While that may then frame the size of payment, it highlights the need to consider its requirements and design so that it more clearly supports those goals.

**18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage?**

If the object of the payment is to assist resilience, with the implication that that is in large measure about volatility, it is not clear that volatility is especially related to natural disadvantage rather than, say, scale of exposure to world produce markets or variations in input costs.

There feels from reading the engagement paper to be a risk of the resilience payment trying to meet too many objectives. If farms in naturally disadvantaged areas are larger, then that would be an argument against capping their scale.

**19. What are your views on linking a farm resilience support measure with cross compliance obligations?**

The payment should not just be an unqualified income transfer from the generality of taxpayers. Both the Single and Basic Payment Schemes show that that approach is consistent in United Kingdom circumstances with a poorer performance on productivity. The payments reward occupation but do not offer a stimulus to productive use of that occupation. While that is, in

part, a function of their being decoupled payments, we should not repeat this experience if we are looking to achieve a more effective farming sector.

Rather than simply discussing cross compliance, we see three classes of issue here:

- the payment must actually give positive support to business resilience and so should be accompanied by requirements as to management that would do this, including nutrient analysis, testing pH and other measures commended by the Sustainable Agricultural Land Management report.
- one of the arguments over cross compliance was that it imposed additional penalties for actions or failures that were already punishable under the law. While what was seen as double jeopardy seems unattractive, we know that governments have seen cross compliance as a more direct and useable enforcement mechanism, removing the need to have recourse to the law. The extent to which that mechanism is a proper use of government power can be revisited.
- how far the payment can be used to require basic environmental standards, effectively using the payment as a broad and shallow agri-environmental scheme.

The level of obligation will be linked to the scale of the resilience payment which in turn will be a function of:

- what is worth administering
- what will be perceived as sufficient reward for the objectives so achieving outcomes
- the other calls on the money available for agriculture
- the overall sum available.

**20. What are your views on the content of cross compliance/good farming practice associated with this provision?**

As in our reply to the previous question, we see that the payments should be accompanied by requirements to adopt the land management recommendations of the Sustainable Agricultural Land Management report, as supportive of productivity gains.

We have already raised the issue of how far the present cross compliance and penalty mechanism should be carried forward, perhaps requiring an issue-by-issue review. Our concern is that, as a resilience tool, this payment should be positive in its requirements.

The relationship with environmental requirements is considered in the next section of the engagement paper.

**21. What issues would an appropriate cross compliance regime seek to encompass?**

In practice, it may be politically difficult and send the wrong signals to remove the cross compliance obligations relating to pollution, the protection of habitats and species, and animal welfare.

With that thought, it again becomes important that the penalties are proportionate.

**22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?**

That depends entirely on what it is seeking to achieve. Capping is most consistent with the payment being seen as a social security payment for those with qualifying land and least consistent with land management, perhaps especially environmental, objectives where the rewards come from the area drawn in. If the payment is intended to be an aid against volatility, then we do not see that exposure to volatility decreases with size. If anything, a part-time small farm with off-farm income is less exposed to volatility than a full-time farmer on a larger unit, especially if in a single enterprise such as dairying.

**23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?**

Our initial review of the experience of insurance schemes elsewhere, notably in North America, is to be very sceptical about government funded schemes while, to date, the level of premiums for unsupported schemes have not proved attractive to farmers.

The risks appear difficult to manage and to make widely varying calls between years on public expenditure. The supported schemes seem to be much more attractive for cropping businesses than livestock ones – a point also seen in the take up for the French scheme – which, in itself makes this less plausible as an option for Northern Ireland with its pasture-based farming economy. In the USA, they have tended to encourage perverse outcomes with farming being undertaken in riskier ways because it is supported. There have been significant instances of fraud.

The Canadian model may be more sophisticated but relies on the volume of historic farm level data available to underpin its operation. We lack that background and would anyway need to be able to adjust it for claimants who changed their farming areas or scale between years.

There are likely to be quite long lags in securing the data from farms to validate or exclude claims, perhaps especially where there is a trade-off between lower yields and higher prices and typical obligations to mitigate losses. That extended uncertainty as to whether there would be a payment and for how much would probably not ease the difficulties of those affected.

The WTO requirement that subsidised insurance schemes only pay out when there is a fall of more than 30 per cent in output value may make such measures more illusory in maritime temperate areas like Northern Ireland.

We note that DEFRA's Agriculture Bill provides for the mandatory collection of food supply chain data and understand that this is partly to assist the development of more effective private sector farm insurance. At least one company, Stable, is developing models for this but their effectiveness has yet to be shown in the new markets as they may develop with possibly different dynamics outside the CAP. Stable is understood to think that it can offer premiums attractive to farmers for insurance against falls in the milk price.

Finally, there may be a question of identifying the farming sectors for which Northern Ireland could support an insurance scheme with its pooling of risk. Is there sufficient scale and diversity for this to work as a financial model? How would it handle a major and sustained fall in the milk price or in livestock prices?

In principle, we think it better to support measures to improve businesses and their margins. We share the view of the House of Lords report on farming volatility that sustained low rewards are more damaging.

**24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?**

Our observation of schemes abroad is that, however they are designed (necessarily with different approaches between sectors), the take up is concentrated only in certain sectors, more often arable than red meat, that differential take up then affecting the viability of any scheme.

**25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?**

We have considerable sympathy with the deposit scheme adopted by Australia (and so WTO compliant) as a means of transferring money between years, put away, tax-free, when it can be (typically in good years) drawn down (and taxable) when it is needed whether in a poor year or for investment.

The complex and ineffective French attempt to mimic this shows that it perhaps cannot be achieved within EU state aid rules. If the outcome of the United Kingdom's negotiations with the EU results in more freedom from those rules for agriculture, then this might be feasible.

However, we detect that the Treasury does not share this sympathy.

We do not see significant further scope to enhance the benefits of farmers' averaging for Income Tax. The recent option for five years averaging is reported to be more useful than we first thought but is still complex when it comes to businesses with several partners.

**26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?**

We suspect that it would be difficult to pre-define what might be a crisis of sufficient magnitude, whether across the United Kingdom, in Northern Ireland or in a locality, for a larger scale intervention to be right and be triggered. Whether the flooding seen in East Anglia in 1953 or the 2001 Foot and Mouth outbreak or some new and unforeseen extreme event for a specific part of Northern Ireland, this is naturally a question of political judgment for which such rules might be more of a fetter than an aid.

**Environmental Sustainability**

**27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?**

One important aspect of this is the larger legislation on environmental principles needed after Brexit and on which both England and Scotland have consulted. The domestic interpretation of such principles as the precautionary principle will then affect how more detailed measures in agricultural policy then unfold. The EU has been seen to apply the precautionary principle in a very strong way, restrictive of innovation.

That said, we see the four principles set out in the paper as appropriate:

- the environmental impacts of farming should be recognised
- the value of public goods provided by farming should be recognised in future schemes
- this turns on behavioural change and requires good information
- collaborative policy development is likely to be more effective and have results more compatible with profitable farming.

**28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?**

We agree it is important since any policy in this area must, especially if it is not to have an adverse impact on viable businesses, be based on good and current science as it develops and be supported by effective and practical information.

**29. What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?**

While it is currently very fashionable to talk of outcomes-based schemes, schemes that are based on actual outcomes being achieved are hard to design and deliver while costly to administer. The variability of natural systems, the problems of fair assessment of both initial base lines and final outcomes when years vary so much all make it difficult. Further, they would, in principle, see payment only made on the outcome being achieved or, if advance payments were made, see the prospect of recovery of that money on under-achievement or failure – either approach posing a level of risk that is likely to reduce farmer interest. Such an approach is also likely to be expensive to administer and inspect because of the individual nature of outcomes at a farm level, and so the more difficult to justify as a business case within government business cases. There are also problems for collaborative or landscape wide schemes where some achieve but others do not.

It is much more realistic to talk of schemes requiring practices and behaviour that, taken in the round, over time and across the people involved, are consistent with the intended outcomes being achieved. That seems a desirable approach, though much then still turns on design and practicality which may be helped by the suggested co-design with the additional commitment it may tend to engage from farmers in the delivery of the scheme.



**30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?**

This is necessary and we understand it to be possible once outside EU state aid rules but within WTO rules.

We are involved in other discussions about the use of the still nascent and developing techniques for natural capital analysis to identify the possible values for particular measures to society that is not expressed in the market place. Where that value is higher than can both inform priorities as to value for public spending and warrant a payment that may offer a farmer a margin that makes it attractive for the farmer to sell the public goods that may be desired. That approach is then consistent with more innovation in both policy design and the ways in which farmers deliver outcomes.

That approach then offers new income streams for more marginal land, including that on more productive farms, so helping the process of economic adjustment to the new challenges while serving the public good. For such land, it could, subject to design and funding, be as effective a resilience payment as the discussion above might provide since it effectively creates a profitable business model by recognising and paying for non-monetary benefits.

One possible example is the way in which Alberta and Manitoba have developed their agri-environment schemes to broker industrial carbon quotas, so that behaviour that is consistent with carbon sequestration can be aggregated across a number of farms to offset larger scale emissions. Few individual farms in the province might be able to offer much value but, aggregated through such a scheme, this might be feasible as a way of further developing that as a market.

**31. What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?**

With this already happening in some of the specialist sectors and where it protects a firm's reputation, we hope that will see some of that value passed back along the supply chain, rather than being imposed as a condition of current prices. This is both most likely and most feasible where the supply chain relationships are longer term, well defined and stable. It may be less apt for more diffuse markets for commodities.

The Green Alliance has outlined experimental thinking about natural capital allowances for others in the supply chain where farmers agree to adopt certain changes or practices. While we see some problems of principle and practice with the specific concept, there may be other approaches that can build on such thinking with benefits for other parts of the supply chain made available by negotiation with farmers.

**32. What are your views on the delivery models that would deliver the best uptake and outcomes?**

The essential point for achieving large scale and continuing success in this area is that farming the environment must offer a useful margin for businesses to engage with it positively. That is the importance of moving from income foregone/costs incurred to a natural capital approach to valuation, enabling a discussion between state and farmer over value and service with the scope for innovation in delivery. Without a margin, the model is not that of businesses operating in markets but just one of people seeking cash flow.

On the state's side (as agent for a wider society) that enables a view of what changes are most desirable with a sense of their worth relative to other changes. It allows the farmer to look at what can best be offered that is consistent with the business and contribute to its economic success. In some cases, measures may be fully consistent with improving productivity – as with increasing soil organic matter. In others, this may offer a better margin than farming on specific less productive parts of the farm. In yet other cases, this may become the prime enterprise, with farming as an ancillary means of delivering it. In all cases, it is recognising that the reduction of area payments will be removing a very significant source of margin for farmers, requiring them to adapt more to the market place in ways from which many have been shielded for decades. Opening up markets in environmental services potentially answers some of the needs of the environment and of farmers.

The delivery model for that is one of identifying potentially deliverable public goods that might sought or might be offered, pricing them and then putting in place an agreement to achieve change and then maintain a given status, the latter possibly at a lower rate of payment.

Beyond that, we are happy to discuss with DAERA the potential concept of conservation covenants to allow the acceptance for land of positive covenants as to management that would bind successors. In practice, these should not be drafted to last for more than a generation and contain review mechanisms to remain realistic as knowledge and circumstances change. We see the USA model as more productive than the Scottish conservation burdens.

### **Supply Chain Functionality**

#### **33. What are your views on the role of government in ensuring market transparency?**

Agriculture is unusual in that it consists of many very small businesses that are commonly price taking commodity producers, sandwiched between what are often larger or very much larger businesses, some with considerable market power.

That position is then compounded by instinctive levels of mistrust, sometimes warranted by experience.

With that background, many farmers tend to feel that their economics are transparent enough to those with whom they deal while processors can often want to preserve their commercial confidentiality.

Markets turn in part on knowledge of prices and volumes of supply but also on the scale of demand. Much data transparency may appear to be more about the former than the latter yet, in principle, farmers should have knowledge of that in order to respond more effectively to

price signals, albeit within the framework of the annual cycle of many lines of agricultural production.

It may be relevant to look again at how specifications are defined and whether there should be identifiable supplements or deductions for certain points to aid production choices. However, it is not clear how much complexity the market will stand and how far the assessments of bonuses or penalties would have credibility.

Livestock markets offer one of the means to achieve price transparency for the beef and sheep sectors, with processors often taking the results from open auctions as a base for setting their prices.

Many in the more specialist sectors may already be dealing with downstream buyers on some form of open-book relationship as to prices and substantial traceability as to management. Such relationships turn on acts of faith that trust will be rewarded over time in continuing engagement – perhaps one of Government’s roles is to create the climate in which that is more likely to be achieved. There has been progress since the appointment of the Grocery Code Adjudicator but also a sense that more could be done.

We note the provisions in DEFRA’s Agriculture Bill for the mandatory collection of data in the food supply chain but have yet to see how this might work and with what consequences.

It may, in due course, be that a different approach, perhaps such as using distributed ledger technology (“blockchain”) for a complete supply chain may offer a better answer with all in the supply chain on a more equal footing in using it. We do not appear to be near there yet.

**34. What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?**

With the prospects of farming being expected to be more business-like and of the challenges it is likely to face, this seems very important and has been touched on in our response to Question 12.

**35. What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?**

The Government cannot do this single-handedly with any prospect of success. It may, however, be able to sponsor or facilitate collaborative ventures proposed by farmers and others perhaps linked to collaborative schemes for landscape or environmental management. Collaborative ventures need to be large enough and have appropriate governance to retain competent skilled management

**Equality, Rural Needs, Rural Proofing, Regulatory and Environmental Impact Assessment**



**36. Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

We can only offer limited comments on this topic.

A less standardised industry and more commercial and innovative approaches to farming, business management, marketing and the use of new technology is likely to call on skills wherever they may be found.

It is striking that the Indecon report mentioned earlier found that there was a significantly greater gain in production where land passed into the occupation of the trained (we might say the proficient) than that realised from land ceasing to be used by those over 65.

**37. Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

Enhancing productivity, good and proactive businesses and environmental performance should all of themselves aid the strength of the rural economy, especially as farmers tend to spend locally.

**38. Are there any regulatory impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

It is important that as much forward notice is given of the shape of changes that are proposed from 2022 so that all businesses can adapt with that knowledge in the ways that best suit them.

**39. Are there any environmental impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

We think we have covered the opportunities for environmental policy above. Experience suggests that a more proficient, productive and profitable industry is more capable of turning the same skills and greater financial resources to the task of environmental improvement.

**40. Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.**

We confirm our willingness to continue to work with the Department in the development of the proposals as we are anxious that whatever emerges will work in practice and achieve the intended improvements.

We see this as a very important moment with the opportunity to settle policy across agriculture in a way that has not been possible for many years and with many challenges to tackle. Clear signposts are needed to show the direction of travel to improve productivity, increase resilience and promote financial and environmental performance. That is a large process with much change that must be managed well.

As trusted advisers to Northern Ireland's farmers and landowners we see that we have much to give in the overall process and so are very happy to continue to discuss and help develop these themes with DAERA to ensure the most practical and effective design and implementation of the way forward.

Yours faithfully

**Jeremy Moody**  
**Secretary and Adviser, Central Association of Agricultural Valuers**  
**for and on behalf of the CAAV and NIRVA**

## ALLAN CHAMBERS

Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement

Annex A Questions

### **PERSONAL VIEWS AS TO WHY PAST FORMS OF AGRICULTURAL SUPPORT HAVE FAILED TO DELIVER PRODUCTIVITY IMPROVEMENTS FOR THE LAND BASED(non intensive) SECTORS AND A FUTURE BETTER WAY.**

#### **Soil Fertility---The problem**

*A recent, July 2018, statement at a CAFRE soil fertility/health event, detailing the results of a free soil analysis survey showed that only 5% of the soils tested were at optimum levels of P, K, & pH. As this soil survey was voluntary, and disinterested landowners probably did not partake, the actual average fertility status of NI soils is likely to be even worse.*

*Again in 2018, at a AFBI, conference it was stated that by correcting soil pH levels, yields of dry matter will increase with a return of £5/£7 for every £1 spent on lime. Not only will productivity increase dramatically, but nutrient uptake by plants increases, thereby reducing potential pollution.*

*Area payments with no link to soil fertility, capital grants, coupled livestock payments, and all other historic forms of farm support payments have failed to address the most basic corrective action which will bring the highest financial reward to willing participants.*

#### **Soil Fertility---The Solution**

*Farmers must, if they wish to receive a potential area production payment on a farm field by field basis, partake in established science based soil analysis, in order to identify if there is a problem. They must then draw up a nutrient management plan in conjunction with a qualified advisor to correct a given problem. The LIPUS system is capable of identifying every individual field and flagging up each one for an "ability to produce" area payment when, and only when, these fields achieve the desired target*

*Farmers whose fields are at the optimum, or who by corrective action at their own expense reach the optimum, should then reap the financial rewards in terms of an area payment equal to that being paid to farmers in a comparable EU state(R of I)*

*. The Nett Gain for All----*

**BY INCREASING DRY MATTER YIELDS THIS SYSTEM WILL IMPROVE SUSTAINABLE ECONOMIC PRODUCTION AND CAN ACHIEVE ENVIRONMENTAL TARGETS BY FREEING UP LAND ON FARMS TO DEVOTE TO BENEFICIAL ECO-SYSTEMS.**

1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?

***There is simply no alternative in the short term as farming in NI will be bankrupt without financial support. DAERA's economic statistics confirm this. Entitlements are the only tool available until a better form of basic food production support is evolved***

2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?

***The EU greening requirements add around 44 % to the BPS payments to compliant farmers. Only one of these, the 3 crop rule, gave any difficulty, and should be removed. Greening provides a reassurance to tax payers that the funding to farming is providing some degree of "public goods". This should remain until and when a new targeted structure for support and improved environmental sustainability is agreed under Brexit post 2021.***

3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?

***Retain as part of any new greening requirements post 2021***

4. What are your views on those accepted into the YFP up to and including 2019 continuing to receive payment for as long as they are eligible to do so?

***Keep as is until end of 5 year signed up for scheme. Some recipients will have made financial projections based on the expectation of this support. Government cannot renege on agreed commitments.***

5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?

***No further applications should be allowed until a new agricultural policy is in place post 2021. If the correct visionary policy is introduced the tax payer may well benefit from the additional funding of a young, well qualified farmer.***

6. What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?

***Fiscal measures can drive this. Fee charging professionals, (accountants and solicitors) are listened to by farming clients and any well thought through measures would be taken up. For example:- Tax incentives for landlords entering long term leasing agreements, as opposed to conacre, with young (under 40years old) head of holding farmers. Why would a young person foresee a rewarding career based on an eleven month land tenure system? (See also answer 15)***

7. What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?

***Retain all as outlined in 2.7 bullet points in consultation document.***

8. Have you any specific suggestions for simplifying other aspects of the current direct payment in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these.

***None***

9. What are your views on a "Productivity Grand Challenge" approach to delivering a step change in the rate of advance in science and innovation?

***"The Productivity Grand Challenge" can be met by the industry. Productivity WILL increase without environmental damage if the current land fertility status is improved to the correct levels. This will, in turn, enable farmers to dedicate more of their holdings to environmentally beneficial areas. However Northern Ireland Nature Matters and DAERA need to step up to the mark and spell out exactly what is required. To date only "green welly" broad brush wish lists have been forth coming. Farmers must be told exactly what is required from them. Also recognition MUST be given to farmers who have already devoted some of their holdings to environmental benefits since concerns were first raised in the 1970`s.***

***DAERA hold the view that benchmarking data shows the potential for profitable farming across the sectors. It would extremely interesting to know if those land based sector farms in the most profitable top 25%, have their farmland (particularly their owned land) at the correct levels of soil fertility. They are probably close to the mark.***



10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?

***Education is the best way to improve all things. So educate, educate, educate! K T can be further improved by having more information available on line. The AHDB, particularly the cereals division, is a fantastic example of what can be done. Have a look!***

11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?

***Agree provided sufficient time is given for farmers to reach the required standards using a modular system.***

12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?

***As 11 above.***

13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?

***In a situation where over 95% of agricultural land in Northern Ireland is NOT in its correct productivity capacity status there is NO point in targeting new technology when the basic tool (the soil) is not being cared for. It must also be noted that in many cases new technology is prohibitively expensive for typical family farms. Any investments on farms must show a return on capital over the shorter term***

***Innovative commercial companies and innovative farmers will get there. Reward the business that gets the basics correct. They are, and will be, the pioneering innovators.***

***With regard to environmental performance, farmers are willing to meet targets. The problem is DEARA has yet to spell out exactly what is required. Is it 5% new woodland on every holding? Is it riparian tree zones along every water course on a farm? Is it a no Phosphate nutrient plan for certain fields? Farmers need to know in order to be responsible contributors. DAERA and Northern Ireland Nature Matters must define what "notable environmental performance" requirements are, on an individual Farm basis. Can a points scoring table be devised in conjunction with farmers to allow them to target a "pass mark"? It is difficult to understand the link to new technology and the environment.***

14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?

***Government should NOT become involved in such financial matters other than to assist in the provision of skilled help in preparing cash flow projections for longer term investments. Good projects will receive backing at favourable rates from existing lenders.***

15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?

***The Treasury MUST be lobbied to introduce a tax saving benefit to non farming landowners in order to incentivise long term leasing of farmland. This is a major success story in the R of I. Currently one third of NI farmland is under the antiquated conacre system. This is the root cause of most of our productivity problems. Without a proper modern land tenure system in place our farmers will not be in a position to address the inherent soil fertility problems. What conacre tenant would spend potentially large amounts of money on lime etc. and then find out after eleven months that they are to be evicted? Without a massive change to our current inefficient land tenure system any drive for productivity, restructuring and investment will be a waste of public funding. Non farming landowners must either be incentivised into long term leases (minimum 7 years) or taxed out of the conacre system, or both! See also answer to 16 below.***

16. What are your views on the provision of a basic farm resilience support measure?

***The current area based support should cease after the 2021 year and notice of such be given as soon as possible. This will give farmers time to prepare. Post 2021, and over a three year period, individual field based payments should be reduced to zero and replaced with a payment based on the known science around the productivity of the soil in the individual field in any one farm business. This will drive a sea change in attitude to the soil. It is soil fertility, and nothing else, that will retain a farmer's ability to provide food for future generations.***

17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?

***There should be no farm resilience support measures after 2024. By this time, to be paid monies from the public purse, farmers MUST be providing food from scientifically proven***

***productive fields in order to receive a payment or else provide defined environmental goods to gain reward, or a combination of both.***

18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage?

***In the past it has proven impossible to define and categorise farmers' fields into naturally disadvantaged leagues. Many "disadvantaged" fields are extremely capable of producing top quality crops and animals from land that is farmed to its productive capacity. The proposal outlined in 16 above is equally applicable to land with a "natural disadvantage". All fields, irrespective of their geographical location can be brought up to their maximum productive capacity as defined by clear scientific criteria for their location. Paying basic farm resilience support, across the board, to any farm, is not a solution. This has failed in the past. Do not go back to this.***

19. What are your views on linking a farm resilience support measure with cross compliance obligations?

***The term "farm resilience support" appears to mean a payment for the privilege of "farming" land. This has failed to deliver improved productivity in the past. Why consider it as a possible future form of support? Under the current EU system farmers must keep land in "good agricultural condition" in order to qualify for area payments. There is no compulsion to produce for consumption or any form of outcome driven environmental gain. This type of cross compliance only served to keep inefficient farmers in business. However if the point outlined in 16 above were to be made the major cross compliance criteria then it would be acceptable. See also 20 below.***

20. What are your views on the content of cross compliance/good farming practice associated with this provision?

***Abandon the current concept of cross compliance/good farming practice and change the culture to one of being rewarded for having fields under the control of an individual farm businesses being in a fit state to produce to its maximum.***

21. What issues would an appropriate cross compliance regime seek to encompass?

***As above with industry agreed environmental regulation similar to that currently in place.***

22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?

***There should be no capping of support payments for farm businesses that meet the scientifically proven criteria for soil productivity provided these businesses are pro active on environmental matters.***

23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?

***This is not a task for Government legislation. Farmers should be encouraged to "put by for a rainy day"***

24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?

***See 23 above.***

25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?

***Cannot answer this question with regard to taxation changes. Accountants with experience are best placed to do so.***

26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?

***Pre-defined response frameworks would be impossible to set up and would always be subject to interpretation. Therefore farmers must carry the risk.***

27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?

***There is an unmistakable inference in the statement of the four principals listed in number 6 that farmers have not, in the past, carried out ANY positive environmental works. This is unfair and incorrect. Acknowledgement must be made to those who have been pro active. Apart from this omission the stated principals deserve full support.***

28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?

***Agree***

29. What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?

***Strongly agree. Farmers must be involved in the co-design of outcome based environmental measures.***

30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?

***Strongly agree. However there seems to be much more emphasis on changing farmer attitude on environmental stewardship than on soil fertility management. Why is there no desire to change farming practice with regard to the latter?***

- 31 What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?

***Retailers have the right to drive environmental outcome on behalf of their customer base. However their local primary producers must be rewarded for producing to supermarket specification. Thankfully this is currently happening and should continue to expand.***

***NGOs are powerful lobby organisations and their views must be taken into account. However, their umbrella organisation, Northern Ireland Nature Matters, must put "flesh" on their proposals. Their recent document on environmental goals for agriculture post Brexit is lacking any detail as to how farmers can be pro active and still run profitable businesses.***

- 32 What are your views on the delivery models that would deliver the best uptake and outcomes?

***It is unfortunate that this consultation document lists 7 target outcomes(bullet point 6.5) for long term environmental gain, but omits to give improved production efficiency the same type of goals with associated pathways to successful outcome.***

***No one could possible find fault with long time desires listed in bullet point 6.5. However past history shows that DAERA and NIEA have a poor record in selling their vision without antagonising the farming industry. Include the farmers in all the proposal discussions. Agreement is achievable.***

[REDACTED]

- 33 What are your views on the role of government in ensuring market transparency?

***Strong legislation on country of origin labelling will be called for, but producers NI producers need to be aware that this may not always be to their advantage.***

- 34 What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?

***This has been successful in the past and should be supported. There is a need for those further up the supply chain to be aware of the challenges that basic producers face. Banks, processors, wholesalers, supermarkets, etc must join in and be involved from the bottom up.***

35 What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?

***The intensive pig and poultry sectors are already there without government interference. The land based sector has begun to integrate the supply chain (Tesco Lamb). Government should only observe and encourage.***

36 Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

***None***

37 Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

***None***

38 Are there any regulatory impacts comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

***None***

39 Are there any environmental impacts comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

***None***

40 Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.



**FRONT PAGE OF CONSULTATION DOCUMENT:** - The artwork on the front page of the consultation document depicts Northern Ireland as a totally grassland area. The choice to showcase the consultation as only about the future of the grass based sector is insulting to other vital sectors which have been more successful than DAERA's leading preference.

**COUPLED SUPPORT:** - There is no specific mention of the possibility of coupled support for vulnerable sectors such as suckler cows and breeding sheep. It should be possible, with modern traceability, to devise a targeted quality improvement scheme whereby progressive farmers in these sectors can receive financial help after achieving targets.

**COMBINABLE CROPS:** - This sector has decreased by 66% in the last 50 years. (DAERA's own statistics). Farmers committed to this sector should be rewarded, provided they farm land which is at its maximum productive capacity, for the biodiversity and supply benefits they bring to the region. They compete at world market prices and will be eradicated unless support is maintained at a comparable level available to competitors in neighbouring states (R of I)

**NEW ZEALAND:** - In 1984 the New Zealand Government removed all farming subsidies. The result has been the creation of the most efficient farming nation in the world. A responsible devolved regional Government should prepare its farmers for a similar scenario in the future.

95% of Northern Ireland's soils are **BELOW** the scientific optimum for production. (Most are critically below)

95% of New Zealand soils are **AT** the scientific optimum for production.

**ARE POLICY MAKERS UP TO THE CHALLENGE?**

# CONSULTATION

## Response Document



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**Submission on the**  
**Agricultural Policy Framework for Northern Ireland**

to

Department of Agriculture, Environment and Rural Affairs,

10 October 2018

## Introduction to CIEEM

The Chartered Institute of Ecology and Environmental Management (CIEEM), being the leading membership organisation supporting professional ecologists and environmental managers in the United Kingdom and Ireland, welcomes the opportunity to participate in this consultation process.

CIEEM was established in 1991 and has more than 5,000 members drawn from local authorities, government agencies, industry, environmental consultancy, teaching/research, and voluntary environmental organisations. The Chartered Institute has led the way in defining and raising the standards of ecological and environmental management practice with regard to biodiversity protection and enhancement. It promotes knowledge sharing through events and publications, skills development through its comprehensive training and development programme and best practice through the dissemination of technical guidance for the profession and related disciplines.

Amongst others, CIEEM is a member of:

- National Biodiversity Forum (Ireland)
- Irish Forum on Natural Capital (working group member)
- The Environmental Science Association of Ireland
- Europarc Federation
- IUCN – The World Conservation Union
- Professional Associations Research Network
- Society for the Environment
- United Nations Decade on Biodiversity 2011-2020 Network
- The UK All Party Parliamentary Group on Biodiversity
- The UK Environmental Policy Forum
- Greener UK

CIEEM has approximately 250 members in Ireland (North and South) who are drawn from across the private consultancy sector, NGOs, government and semi-state agencies, local authorities, academia and industry. They are practising ecologists and environmental managers whose work involves sustainably managing habitats - terrestrial and aquatic habitats (marine and freshwater) - and species.

## Comments from CIEEM

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CIEEM welcomes the opportunity to participate in the consultation process in respect of Northern Ireland Future Agricultural Policy Framework.

This review has been undertaken by the CIEEM Ireland Policy Working Group. The Policy Group comprises experienced, Irish-based, practitioners and specialists with a wide breadth of knowledge across the ecological and environmental management spectrum throughout the island of Ireland.

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In addition to our response to the specifically-posed questions in the consultation documents, CIEEM would like to make a number of general and specific comments on the consultation document, as follows:

### GENERAL COMMENTS FROM CIEEM

#### 1. Introduction

CIEEM welcomes the Northern Ireland Future Agricultural Policy Framework document. The implementation of the CAP in the UK has resulted in outcomes that have had a negative effect on the environment and we believe that Northern Ireland has an opportunity to design a system that drives forward sustainable food production, facilitates a mass restoration of ecosystems, improves public health and promotes public enjoyment of the countryside.

We have been encouraged by the UK Government's manifesto commitment to leave the environment in a better state than they found it. The primacy of environmental protection must be the key principle of future agricultural policy.

#### 2. Agri- environment

We strongly support the principle of rewarding farmers with public money for the delivery of environmental public goods and services. We believe that Government should incentivise methods of farming that create new habitats for wildlife, increase biodiversity, reduce flood risk, better mitigate climate change and improve air quality. We consider, however, that some highly desirable outcomes such as soil health, good air and water quality, and animal welfare can and should be delivered through regulation and enforcement rather than incentivisation. We should be moving towards an agri-environment system that rewards farmers for delivering strategic environmental enhancement and avoid a system that rewards farmers for not damaging the environment.

We believe that a new agri-environment system should:

- Be based on the protection and enhancement of natural capital to maximise ecosystem services;
- Operate at a strategic, landscape scale;
- Be based on long term contracts;
- Accommodate a range of interrelated outcomes – food production, wildlife conservation, amenity value, health and well-being;
- Include cultural as well as natural heritage; and
- Be underpinned by effective strategic planning such as provided by existing initiatives.

Examples of farming systems that CIEEM proposes could secure the highest payments would include:

- High nature value farming over large areas;
- Extensification areas – potentially some form of managed ‘rewilding’ in appropriate locations;
- Areas with high landscape and environmental diversity;
- Areas focussing on the function of habitats such as wetlands, helping society to be more resilient to the impacts of extreme weather events;
- Areas providing clean water (but note comment re regulation above);
- Areas where chemical inputs are significantly reduced;
- Diverse cropping regimes that build habitats for farmland birds, bees and other pollinators and diverse flora;
- Broadleaved woodlands at scale, that add biodiversity and aesthetic value and lock up carbon;
- Seasonally inundated floodplain grasslands;
- Coastal and floodplain grazing marsh and salt marsh;
- Wet woodland, fen, raised and blanket bog;
- Farms which restore peatland to safeguard historic carbon and facilitate sequestration of new carbon.

Areas that become more attractive to visitors as a result of richer wildlife and ecosystems create a diversification of possible income streams supporting jobs both inside and outside of the farming sector. In the USA, for example, the restoration economy is worth \$9 billion per annum and supports 129,000 rural jobs.

### 3. Biodiversity Net Gain

CIEEM is a strong proponent of Biodiversity Net Gain, an approach gaining traction within development and construction projects. There are even more valuable benefits if this approach is extended to the land managed for agricultural use. If agri-environment funding was contingent on delivering biodiversity net gain we could halt biodiversity loss and restore habitats and species, with all the attendant benefits, as a pace and scale not previously envisaged. Farmers and landowners, working in cooperatively at a landscape / catchment level (for example, through farm clusters), would be set clear environment net gain targets for their land based on a transparent calculation approved by all stakeholders and according to a strategic plan such as a biodiversity action plan.

## 4. Proposed framework principles

Whilst environment is a devolved competence in the UK, CIEEM believes that a common approach to environmental protection and enhancement is needed between the devolved administrations, and proposes the following 12 principles as a framework to ensure that the environment is considered as a central organising principle of government policy post – Brexit.

### **1. Active participation in international treaties and conventions**

*Restoring global biodiversity and ecosystem functioning is a global imperative. We will strengthen or actively participate in international conventions and treaties, seeking opportunities to lead in areas where we have particular expertise. To deliver this, we will gather robust evidence through well-funded scientific research that leads to effective policy and practice.*

### **2. Collaboration and knowledge sharing**

*The natural environment does not recognise national boundaries therefore we will collaborate, sharing knowledge and best practice, with each other and with our neighbours regarding all areas of environmental management, protection and enhancement.*

*We will establish and appropriately resource world leading data-sharing, monitoring and reporting mechanisms to provide public and stakeholder accountability. We will produce mandatory periodic 'State of the Environment' and UK Global Environment Footprint' reports which clearly identify priorities for action.*

### **3. Environmental principles enshrined in law**

*There are some fundamental principles that underpin effective protection of the environment and these will be the basis of relevant legislation and enforcement.*

- a. Preventative principle: using legislative and other means to avoid or restrict activities, policies and plans that risk harm to the natural environment.*
- b. Precautionary principle: where there is evidence that an activity may cause harm to the environment, a precautionary approach to decision -making will be taken even if some cause and effect relationships are not fully established scientifically.*
- c. Polluter pays principle: those whose activities risk or result in harm to the natural environment will pay the costs of managing and /or restoring / remediating the damage.*

### **4. Deliver biodiversity net gain across all policy areas**

*We will use legislative and policy approaches to reverse the loss of biodiversity and restore habitats and species to healthy, ecological functionality. We will set a strong, common regulatory floor to protect and enhance our natural capital and ecosystem services, including a requirement in legislation for local authorities and statutory agencies to deliver biodiversity net gain in all terrestrial and marine management.*



### **5. Sustainable funding mechanisms**

*We will establish a new system of environmental funding mechanisms that demonstrate both direct capital savings and wider societal benefits such as biodiversity net gain, flood management, reduction in greenhouse gas levels, carbon sequestration, and stewardship of natural capital.*

### **6. Deliver a coherent network of more, bigger and joined up protected sites**

*We will establish a system of protected international, national and local areas and sites of natural importance that collectively create an ecologically coherent, resilient, and spatially-linked network, including cross-border sites and the marine environment out to 200 nm.*

### **7. Maintain healthy species populations**

*We will maintain and develop a system of protection and permitting for protected and priority species of international, national and local concern that delivers the conservation of viable, healthy populations. The common approach will be based on defining and maintaining Favourable Conservation Status (FCS) for each species.*

### **8. Biosecurity**

*We will implement stringent measures to maintain biosecurity, restrict the spread of non-native invasive species and manage the use/spread of genetically modified species.*

### **9. Reconnect people with nature**

*We will invest in mechanisms to facilitate greater access and engagement with the natural environment across all sectors of society, especially young people, minority groups, those most socially deprived, and urban populations.*

### **10. Shared environmental standards**

*High common standards which will facilitate high value, high quality goods and services for the UK market and elsewhere will be applied to all proposed developments, including housing, transport infrastructure and renewable energy provision.*

### **11 Scrutiny**

*In order to provide public accountability, the UK governments will establish and independent scrutiny and enforcement body to hold all UK governments and competent authorities to account.*

### **12. Invest in raising standards**

*We will ensure that advice and recommendations regarding activities likely to impact on the environment are made by competent professional. To deliver this, governments will facilitate investment in developing skills and standards for professional ecologists and environmental managers. We will also ensure that competent authorities charged with making decisions that impact on the environment and the achievement of national and international targets must demonstrate that they are employing or accessing competent professional advice in order to do so effectively.*

## SPECIFIC RESPONSES TO QUESTIONS POSED (1 TO 40)

No.	RESPONSE
1	<ul style="list-style-type: none"><li>• There are some issues with the current entitlements, in particular, the current approach to heather cutting that, in some cases, has resulted in cutting of significant areas of suitable bird breeding habitat within the breeding season.</li><li>• Any continuation of this needs to be assessed in terms of its benefit for biodiversity and appropriately targeted / timed.</li></ul>
2	<ul style="list-style-type: none"><li>• The paper describes that these measures are high on administrative costs and proposes to abolish them. It would be important that before such a step was taken there was some assessment of how effective these measures were, what the impact of their loss will be, and how effectively they can might be implemented through other payments.</li><li>• Any financial gains from the dropping of greening requirements must be put into environmental measures that add value, and not into Basic Payment entitlement values</li></ul>
3	<ul style="list-style-type: none"><li>• The ploughing ban on environmentally sensitive permanent grassland should be retained and this could be done by means of a requirement through a 'change of use' application policy for permanent grassland.</li><li>• In the event that changes have to be made to any measures, there should be an evaluation of how effective they are and the implications from conservation/ecological perspective of any change.</li></ul>
4	No views
5	No views
6	No views
7	<ul style="list-style-type: none"><li>• Land eligibility rules should be reviewed.</li><li>• To achieve true environmental benefits, value may sometimes need to be given to land that is not 'actively managed'.</li><li>• The current approach can result in unnecessary management of peatland in particular and other areas, that are not actively managed, being seen as useless, and used as dumping grounds / development etc.</li></ul>
8	No views
9	No views
10	<ul style="list-style-type: none"><li>• Agree with greater policy emphasis and investment in education and knowledge transfer.</li><li>• Agricultural education is important and must include a greater emphasis on environmental issues and opportunities. It must ensure that the conservation of biodiversity, ecosystem services and actions for climate change are key components of any such educational programme.</li></ul>
11	No views
12	No views
13	<ul style="list-style-type: none"><li>• Investment in targeted innovation can be important in reducing environmental impact in particular.</li><li>• This has been shown by approaches such as slurry injection in sensitive areas. Investment in such areas should continue.</li></ul>
14	No views
15	No views
16	No views

- 17 No views
- 18
- We support the idea that a resilience payment should be coupled with an environmental gain.
  - For example, less productive /marginal land should be alternatively managed for biodiversity, flooding relief etc.
- 19 No views
- 20 No views
- 21 No views
- 22 No views
- 23 No views
- 24 No views
- 25 No views
- 26 No views
- 27
- An overwhelming message in the document is the emphasis on productivity. To ensure this goal is compatible with environmental sustainability it will require very strong and clear principles.
  - The suggested environmental principles are quite broad and general, are very much from the agriculture perspective and perhaps lacking some additional principles that should also be present (e.g. need for environmentally sustainable agri-development to be underpinned by science and research).
  - While the principles are sound as far as they go, positive behavioural change is not only driven by correct information, but also needs to be driven by real penalties for environmental damage.
  - Waste dumping, drainage, loss of permanent grassland, cutting of vegetation during the bird breeding season, slurry run-off and other issues are a real concern and will not necessarily be addressed just by positive encouragement.
  - One point to note is iv. where the need for a collaborative approach in developing policy proposals is described, 'recognising that farmers and land managers have a unique perspective and understanding of what has worked well and not so well...' but the experience of planning advisors, scientists, ecologists and the expertise they have gained in agri-environment policy must also be relevant and worth highlighting in any collaborative approach.

In this context we should draw your attention to the 12 proposed framework principles set out in General Comments above, at 4 on pages 5 and 6 of this submission.

- 28 Strongly agree.
- Research, education and monitoring are needed to effectively implement conservation management.
  - There is a continued need for investment in research and education targeted on environmental and conservation management in the agricultural sector, notably at the entry level of farming. Such investment to underpin sustainable agricultural policy development is positive. How this will fare compared with investment in other elements of policy implementation will be important.
  - If environmental sustainability is a "twin objective" of productivity (page 21) then investment to underpin the implementation of sustainable agri measures should be considerable.
  - A mentality of lack of concern about the environment appears to persist in the agricultural sector and is worrying. We support anything that could be done to circumvent /alleviate this.
  - Input and collaboration from both ecologists and agricultural professionals would provide for a balanced approach.

- 29
- We support the environmental principles of outcome-based schemes developed in consultation with farmers and other stakeholders
  - It will be useful to look at the growing development of locally led results-based schemes where payment is related to quality of output, e.g. High Nature Value Farming <http://www.high-nature-value-farmland.ie/>, RBAPs <https://rbaps.eu/>, Pearl Mussel Project <http://www.pearlmusselproject.ie/project-team.html>, Burren Life Project.
  - Areas of NI would be particularly suitable for such schemes and the principles of these schemes may be useful to consider in the context of wider agri-environment policy and its development alongside environmental sustainability.
  - Although we support these schemes we see the following as essential to their success:
    - Use of the significant amount of research that has been done in terms of outcome or results based environmental measures for agriculture.
    - The necessary resources need to be allocated for monitoring adherence to regulation and monitoring of the success of outcome-based schemes.
    - In order to move forward appropriately there will be a significant need for training of agricultural professionals in order to assess such end results properly and to be sure that the land has been classified correctly to allow the correct application of expected outcomes.
- 30
- In the context of payment approaches, the aforementioned agri-environment schemes provide useful examples which can inform future sustainable and workable agricultural policy in Northern Ireland, both at a broad level and where appropriate (e.g. high nature value areas) at a local level.
- 31 No views
- 32
- An example would be at the landscape/catchment level where collaboration between statutory agencies and non-statutory bodies is essential to promote and maintain sustainable farming while meeting stringent water quality requirements.
- 33 No views
- 34 No views
- 35 No views
- 36 No views
- 37 No views
- 38 No views
- 39 No views
- 40 No views

.....

CIEEM members are knowledgeable about the natural heritage of the island of Ireland and, as a professional body representing practicing ecologists and environmental managers, CIEEM is well placed to advise on specific areas of biodiversity now and in the future.

We believe that the details of this new agricultural framework will be very complex to develop. CIEEM will be pleased to offer our support and advice in the future development of this Framework which has the potential to make an enormous difference to the health and

resilience of our countryside and would welcome the opportunity to assist and /or review any future draft of the Policy Framework as it becomes available.

**CIEEM Ireland Policy Working Group Chair**  
**Vice-President (Ireland) of the Chartered Institute of Ecology and Environmental Management (CIEEM)**

## Department of Agriculture, Environment and Rural Affairs

### Northern Ireland Future Agricultural Policy Framework

#### Background to CIWEM

CIWEM is the leading independent Chartered professional body for water and environmental professionals, promoting excellence within the sector. The Institution provides independent commentary on a wide range of issues related to water and environmental management, environmental resilience and sustainable development.

CIWEM welcomes the opportunity to respond to DAERA on its consultation on a future agricultural policy framework for Northern Ireland.

#### Response to consultation questions

#### **1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?**

In giving evidence to the House of Commons Environment Food and Rural Affairs Committee, Professor Janet Dwyer highlighted that forced rapid structural change of farms can result in environmental damage. To prevent this, we support maintaining the current basis until a new agricultural policy framework is agreed, expecting that this will happen in the near future. In the long term we do not think that payments on an area basis are appropriate.

#### **2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?**

Understanding that in Northern Ireland crop diversification and EFA are not providing reasonable benefit for the environment, the way environmental benefits are secured should be reviewed with a view to replacing greening requirements with alternative provisions. Environmental delivery should not be neglected by removing greening requirements without providing alternative delivery mechanisms.

#### **3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?**

Where permanent grassland is providing benefit, it should be protected through regulation. To be practical regulations must not prevent ploughing where reasonable alternative use is proposed and habitat loss can be mitigated or minimised. This will help prevent regular



ploughing and reseeded with the purpose of avoiding creation of permanent pasture that could then be protected against reasonable development.

**7. What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?**

We accept this as a short term approach to provide consistency for farmers. In the long term we would like to see a move away from environmental protection measures being delivered through cross compliance incentivised by payment, to a polluter pays model where adequate regulations are enforced and farmers have sufficient market income to be able to meet the costs of regulatory compliance.

**9. What are your views on a “Productivity Grand Challenge” approach to delivering a step change in the rate of advance in science and innovation?**

A cross sector approach will be key to developing the most relevant and practical approaches to environmental and productivity issues. It is important that research is well integrated with farmers’ needs. Farmers should be involved in setting the direction of research and carrying out studies. Farmer involvement in research may facilitate the important translation of research findings into changes on farms, particularly where knowledge of practices is spread widely through farmer to farmer knowledge exchange.

**10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?**

Increasing professional educational attainment and knowledge exchange is key for improving farmers environmental knowledge. Within the agriculture industry knowledge is often passed down generations. To encourage current best practice, it is important that learning shifts from this linear model to interactive knowledge exchange, where generational transfer is just one strand. Knowledge exchange is particularly important for environmental knowledge as awareness and technical understanding has increased greatly in recent years.

**11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?**

We note the statement “once this initial step has been taken, a significant proportion of participants are keen to progress with further training”. Where training continues to be of a high quality and provide business improvements and networking opportunities, willingness to attend might be expected to continue.

We believe great caution would need to be applied in incentivising further attendance by providing preferential access to schemes, further advice and supply chains in that this approach would risk leaving behind those who are struggling to get trained (for whatever reason be that time, confidence issues etc.). It is important that training access for all is promoted so that the environmental baseline can be raised to, and maintained at, a sustainable level.

**12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?**

CPD is essential in transforming research findings into practices carried out on farms. In the short term it seems reasonable that the cost of training is partially funded by public money as levels of farmer profitability may not currently support farmer expenditure. In time courses should shift to being privately run and paid for. The value of informal farmer to farmer discussion groups should be recognised in any CPD scheme. Any formal CPD requirement should be kept simple, recording requirements should be minimal.

**13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?**

We strongly welcome investment in environmental measures. The environment plays a key role in providing ecosystem services and in facilitating food production. Without an environmentally sustainable food system, long term productivity will suffer. We fully agree with the consultation statement that "any new policy agenda needs to ensure that the twin objectives of productivity and environmental sustainability are pursued in a way that is synergistic rather than antagonistic".

**14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?**

A range of mechanisms should be explored and offered as farm businesses are individual and will need different solutions.

**15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?**

We are keen that support mechanisms are considered in tandem with a review of the supply chain. Farmer incomes need to become more sustainable, lessening the need for other support mechanisms. We are aware that nationally produced food must be affordable to prevent consumer need for cheap imports that have been produced to lower environmental standards. This should be considered in supply chain changes.

**16. What are your views on the provision of a basic farm resilience support measure?**

In the long term, we do not think that any payments based on the area of occupation are justifiable. If farmers need income support the market is failing and those failures should be addressed. We support the approach that farmers should be paid fairly for their produce, that environmental goods with identified beneficiaries should be funded by those beneficiaries and public goods which benefit society should be publicly funded.

**19. What are your views on linking a farm resilience support measure with cross compliance obligations?**

In future we suggest a polluter pays system should be implemented. A sustainable environmental baseline should be maintained through the enforcement of adequate

regulations. Farmers need to have sufficient market income to meet the costs of regulatory compliance as well as make a profit.

**23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?**

This should be an available option among a range of other measures. Insurance would need to be affordable and flexible to offer a range of cover levels that farmers could choose from.

**24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?**

If measures are to be sector specific only, DAERA may face pressure to provide support where sectors outside insurance availability are affected by volatility.

**25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?**

It would be appropriate to offer a suite of resilience measures to farmers of which tax schemes could be one.

**26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?**

A framework should be agreed beforehand to allow quick implementation if needed. Quick implementation would help to limit impacts which in turn will help farms to continue their normal management practices including environmental measures.

**27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?**

We strongly support the four environmental principles outlined. We also feel that collaborative delivery could be added to this list to ensure good practice across large areas providing greater benefit than segmented delivery.

**28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?**

It is important that new advances are made in environmental research. It is essential that this knowledge reaches farmers and results in improvements to management practices.

We support the use of funding for environmental research and knowledge exchange and are conscious that this must also be coupled with information on productivity and profit to encourage farmers to act on what they have learnt, for the benefit of both the environment and their businesses.

**29. What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?**

Payment for delivery shifts the burden of responsibility from a scheme provider to the farmer. If chosen measures do not deliver the anticipated benefits, the farmer won't be paid and may make a loss. It is essential that farmers have access to good advice in designing how they would like to deliver the environmental benefits commissioned. The benefit of payment by delivery is that it allows farmers to integrate measures for environmental delivery into their farming system in a way that suits their business. We are generally supportive of payments for delivery.

**30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?**

In order to encourage farmers to engage with delivery the financial reward must be high enough to make the risk acceptable. Pricing for delivery is therefore likely to need to revolve around the value of what is delivered rather than cost of delivery.

**31. What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?**

It is essential that private markets for ecosystem services are created in order that beneficiaries pay for the services they rely on and public money is only spent on ecosystem services that benefit everyone. DAERA could play a role in assisting development of a Payments for Ecosystem Services approach in the private sector through: researching and promoting valuation methods, acting as a first loss investor in flagship projects, providing guidance on how to deliver environmental benefits, and addressing the current lack of suitable metrics for delivery.

**32. What are your views on the delivery models that would deliver the best uptake and outcomes?**

To get good geographic coverage an easily accessible scheme to provide widespread basic benefits is needed. This would also provide a communication pathway to farmers through which the option to provide further benefits through more advanced management could be brokered. It is important for there to be flexible options for delivery to allow farmers to integrate their environmental choices with their business management, this fits with the suggested shift to payment by results.

More innovative approaches such as reverse auctions could be trialled, these may not appeal broadly but would provide good value for money.

**33. What are your views on the role of government in ensuring market transparency?**

We support the intention to improve market transparency including introducing legislation to facilitate this, should it be necessary. It is important that farmers have the information they need to negotiate a fair price for the produce they supply retailers with. This could help farmers improve their profitability which would allow them to adopt more sustainable practices that may be more costly in the short term but will protect both the environment and the lands capacity to produce food in the future.

**34. What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?**

Supply chain awareness and negotiation skills are key in supporting profitability so development of these skills should be encouraged.

**40. Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.**

On page 24 of the stakeholder engagement document the idea that trained farmers should be considered lower risk and therefore less likely to be inspected is raised. We agree that resources for inspection should be allocated to highest risk farms. However, training alone does not guarantee good practice which should be considered in assessing risk. Otherwise farms that may previously have been considered for inspection may be overlooked due the completion of training alone. We agree with the stakeholder engagement paper that CPD is important to maintain knowledge after training.



## **Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement - Questions**

1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?

This seems pragmatic as it will give some planning 'headroom' for recipients and be easier to administer during a period of transition than changing the system now. We should continue the shift towards a flat rate but at the same time the total entitlement value should diminish and the weaning off process started. During any transition period, these entitlements should be extended to all land uses including forestry.

Annual reductions should be applied to phase out all Direct Payments equally. During the transition period, areas of new forestry should be eligible for Direct Payments, to enable land managers to diversify. Beginning with higher payment bands or largest payments would mean a shorter transition for those on lower payments, who are the least able to adapt quickly. Direct Payments should be reduced on the same basis on which they are paid - on the basis of equal hectare payments to all recipients. Any attempt to reduce some more than others will risk distorting the market in unintentional ways during the transition period, which will affect the implementation of the new policy.

The land management industry needs a clear timescale of transition with a clear final destination. This means that the transition should not be long enough for the final destination to be changed during the process.

2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?

No answer

3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?

No answer

4. What are your views on those accepted into the YFP up to and including 2019 continuing to receive payment for as long as they are eligible to do so?

No answer

5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?





If these are extended, eligibility should be extended to forestry.

The land management industry needs a clear timescale of transition with a clear final destination. This means that the transition should not be long enough for the final destination to be changed during the process.

6. What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?

Developing a profitable rural sector which will appeal to new entrants. Those qualifying as new entrants should receive the same rights and be able to access payments as current or existing land managers. Currently new entrants are eligible to pre-determined payment levels by meeting certain criteria, for example, a young farmer can qualify for the higher level payments provided they have agricultural training or qualifications. This should be amended to ensure that there is a "level playing field" for those new entrant investors who purchase land with the intention to create woodland. If properly facilitated this should encourage new forestry entrants and new businesses without those qualifications but working with experienced forest managers to become involved in land management and immediately increase the foot print of forestry. New entrants to forestry should be not be unfairly penalised.

7. What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?

No answer

8. Have you any specific suggestions for simplifying other aspects of the current direct payment in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these.

It should be extended to include all rural land uses including forestry. Any phasing out of direct payments should be applied equally to all hectares.

Annual reductions should be applied to phase out all Direct Payments equally. During the transition period, areas of new forestry should be eligible for Direct Payments, to enable land managers to diversify. Beginning with higher payment bands or largest payments would mean a shorter transition for those on lower payments, who are the least able to adapt quickly. Direct Payments should be reduced on the same basis on which they are paid - on the basis of equal hectare payments to all recipients. Any attempt to reduce some more than others will risk distorting the market in unintentional ways during the transition period, which will affect the implementation of the new policy.

9. What are your views on a "Productivity Grand Challenge" approach to delivering a step change in the rate of advance in science and innovation?

A good concept but one that needs to have results without being gold plated. All measures need to be checked using the principle of cost benefit analysis.



10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?

This should apply to all rural land uses including forestry.

Please see "A Forestry Skills Study for England and Wales". This report was commissioned in 2017 to, 'provide an evidence base that informs a skills action plan designed to support the national policy objectives of achieving growth of the forestry sector and active management of an increased area of woodland'.

This study should be repeated in Northern Ireland. The recommendations arising from this English and Welsh study will inform the preparation of the Skills Action Plan. There are significant opportunities for a more integrated rural labour market, as there are many transferable skills between farming, forestry and other land management industries including planning, soil management, machinery operation, etc. Greater integration would enable the development of a robust rural workforce, better able to engage in a range of operations across several industries and reduce dependence on seasonal work. This integration must begin in colleges with more students studying 'land management' rather than farming or forestry specialisms.

11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?

This should apply to all rural land uses including forestry.

12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?

This should apply to all rural land uses including forestry.

Please see A Forestry Skills Study for England and Wales. This report was commissioned in 2017 to, 'provide an evidence base that informs a skills action plan designed to support the national policy objectives of achieving growth of the forestry sector and active management of an increased area of woodland'. This study should be repeated in Northern Ireland. The recommendations arising from this English and Welsh study will inform the preparation of the Skills Action Plan. There are significant opportunities for a more integrated rural labour market, as there are many transferable skills between farming, forestry and other land management industries including planning, soil management, machinery operation, etc. Greater integration would enable the development of a robust rural workforce, better able to engage in a range of operations across several industries and reduce dependence on seasonal work. This integration



must begin in colleges with more students studying 'land management' rather than farming or forestry specialisms.

13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?

This should apply to all rural land uses including forestry.

14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?

This should apply to all rural land uses including forestry. Access to investment funding in the open market can be difficult so a scheme that can open up access for worthwhile investment would be very useful.

15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?

Any new initiatives should apply to all rural land uses including forestry.

16. What are your views on the provision of a basic farm resilience support measure?

We would support such a measure if it included incentives to create and manage woodland and forestry.

17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?

The payment should include incentives for tree planting to diversify farm incomes, sequester carbon, and enhance natural capital (eg reducing flooding, stabilising soil, reducing air pollution, enhance biodiversity) All investors or those who buy land with the intention of woodland creation should qualify for the same level of support as a farmer who is practicing agriculture. Enhanced levels of payment should be considered to ensure that planting are achieved.

18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage?

This must not result in a disincentive for such farms to diversify into forestry where growing timber would be more profitable than other forms of production. Natural disadvantage should not be a factor. Farms in ANC tend to be larger so should have greater scope for diversification. The LFACA had an adverse impact on management decisions and distorted what the land could have been more productively used for.

19. What are your views on linking a farm resilience support measure with cross compliance obligations?

Yes, any payment should be on the basis that environmental standards are met. Cross compliance is the minimum required and every effort should already have



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been made to reduce risk. Cross compliance should be the starting point and not the ultimate objective.

**20. What are your views on the content of cross compliance/good farming practice associated with this provision?**

No payments should be given to landowners who fail to meet minimum environmental standards. Those failing to meet legally required standards should have all funding withdrawn and should be prosecuted. Otherwise landowners who meet environmental standards out of their business income are disadvantaged.

Climate change mitigation is the most urgent public good, reflected in the fact that it is the subject of the international Paris Agreement<sup>7</sup> setting targets and timescales for carbon reduction. An essential component of carbon mitigation must be the immediate sequestration of carbon from the atmosphere. Growing trees, locking up timber in buildings, and growing more trees in their place is our only proven technology to do this: as the government's Clean Growth Strategy further says, 'a conveyor belt of locked-in carbon in our homes and buildings'. Also, unlike other proposed carbon capture techniques, growing timber for construction will create jobs, economic growth, and added value. All of the public goods listed represent crucial outcomes and should be supported by the Government. Well-managed productive woodlands can deliver all of the public goods listed. All managed woodland includes significant areas, often as much as 40 per cent of the area in new woodlands, which are managed for wildlife and the environment under the UK Forest Standard. This provision of public goods is supported by the productive component of the woodland but does not attract continued public funding. The Clean Growth Strategy<sup>8</sup> states, 'incentivising farmers to plant more trees across England, provides not just carbon reduction but recreational space for our growing communities and timber for our bio-economy'. In addition, recently published natural capital accounts by the Office for National Statistics show that Britain's woodlands provide services of £2.3 billion per year to the economy in terms of recreation, carbon sequestration, timber and air pollutant removal.<sup>9</sup>

**21. What issues would an appropriate cross compliance regime seek to encompass?**

Cross compliance should seek to further best environmental and good farming practice. It should add to the legislative minimums in animal welfare, bio security, accountability and tracing (including record keeping).

**22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?**

In designing such scheme, it must be borne in mind that any public payment effectively disadvantages unsubsidised activities. For example, if a profitable



land use such as forestry is made ineligible, there is a risk that it is outcompeted by unprofitable activities.

23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?

Insurance could include appropriate diversification including the planting of timber crops.

24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?

No answer

25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?

No answer

26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?

These should apply to all land uses including forestry (for example fire, storm or disease damage)

27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?

We are broadly supportive of these. They should support the establishment of productive forestry which can address all these issues.

Growing trees, locking up timber in buildings, and growing more trees in their place is our only proven technology to do this: as the government's Clean Growth Strategy further says, 'a conveyor belt of locked-in carbon in our homes and buildings'. Also, unlike other proposed carbon capture techniques, growing timber for construction will create jobs, economic growth, and added value. Environmental principles need to be at the heart of any future policy. The use of public funds for public benefits has to form the major component of any future funding for farmers and landowners.

There must be clear targets regarding "carbon" and these must be **owned** by Government with regular reporting and accountability.

28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?

This should include all rural land uses including forestry.

Please see A Forestry Skills Study for England and Wales. This report was commissioned in 2017 to, 'provide an evidence base that informs a skills action plan designed to support the national policy objectives of achieving growth of the forestry sector and active management of an increased area of woodland'.





This study should be repeated in Northern Ireland. 11 The recommendations arising from this English and Welsh study will inform the preparation of the Skills Action Plan. There are significant opportunities for a more integrated rural labour market, as there are many transferable skills between farming, forestry and other land management industries including planning, soil management, machinery operation, etc. Greater integration would enable the development of a robust rural workforce, better able to engage in a range of operations across several industries and reduce dependence on seasonal work. This integration must begin in colleges with more students studying 'land management' rather than farming or forestry specialisms.

29. What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?

We support this. It should not be too complicated and should integrate all rural land uses including forestry.

There should be a long-term aspiration that all activities within future schemes are outcome based, but at the current time the evidence base and administrative processes are too undeveloped for wholesale adoption. There is not the evidence to show the optimum outcome in every case and in others, the beneficial outcomes are so widely acknowledged, such as with riparian buffer strips, that inspection costs can be kept to a minimum by paying for activity. Ongoing pilot schemes run by Natural England's have demonstrated that although environmental performance may increase, efficient systems for administering outcome-based schemes are currently lacking, management costs are high and the evidence base about how to achieve excellent outcomes is undeveloped. To improve the knowledge base and to support improved outcomes as part of the available advice, land managers will be able to undertake ecological training to improve species identification and expertise. When accredited, land managers should be financially rewarded for providing their monitoring reports. This policy will increase land manager engagement in environmental delivery whilst providing cost effective monitoring. Ultimately this will improve the evidence around land management and allow for focus on the most effective actions.

30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?

We support this approach. This should include all rural land uses including forestry.

Future schemes must be a contract between land manager(s) and the Government, with land managers being paid specified amounts, on specified days for providing specified outcomes or carrying out specified activities. This direct relationship is necessary to ensure accountability and the integrity of the





scheme. This direct link also means that land managers have a single point of contact for entry into environmental land management and a reasonable expectation of good service. There should however be a presumption of local delivery for future schemes. To be effective and to ensure that applicants are treated in a consistent manner, local prioritisation and delivery should be achieved transparently and within nationally monitored limits and rules. There will also be a need for overarching priorities and targets to be set nationally

Whilst complicated to put a fiscal value to enhanced environmental outcomes it seems prudent to look at a system that is outcome (ecosystem services) based. There are already mechanisms for valuing carbon captured and it should be possible to place a value on flood mitigation, GHG reduction and pollution mitigation. Potentially a hybrid system where there are reduced capital grants and income forgone payments but with a much longer period of predictable annual premiums for the benefits to society.

31. What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?

We support this approach, recognising its limitations. Commercial forestry has successfully operated a market-driven sustainability scheme for the past 20 years.

32. What are your views on the delivery models that would deliver the best uptake and outcomes?

An outcome-driven model with clear targets, with ministers and civil servants taking responsibility for the delivery of these.

33. What are your views on the role of government in ensuring market transparency?

We support this approach.

34. What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?

This should include all rural land uses including forestry. Forestry can provide examples of this approach working in practice.

35. What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?

This must also include the forestry and timber supply chain.

Improving infrastructure, especially telecommunications, addressing failures around planning and providing alternative incomes through commercial forestry and environmental enhancement could ensure these areas thrive. The command



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paper makes no reference to commercial forestry and the potential contribution this could make to remote rural areas. If effectively incentivised and supported with advice, there is huge potential for responsible commercial afforestation to enhance agricultural incomes. Confor's report on forestry and local economy gave examples of the ways in which forestry can increase the number of jobs, residents and small businesses in a rural area.<sup>13</sup> Our report on farm forestry explored the ways in which forestry could improve the farm business, through capital injection, financial stability, and enhancing livestock productivity through shelter belts, paddock creation and access improvements.<sup>14</sup> Forestry runs at a profit of £80-150 per hectare, compared with losses of between £20 and £220 per hectare for hill sheep farming.<sup>15</sup> Far from being in competition, forestry can provide security for a farmer to ensure they can continue in farming. This has been recognised by the Scottish government in their 'Sheep and Trees' scheme 'to help keep sheep on the hills by integrating trees into their business and increasing their farm viability'.<sup>16</sup> The Government can only address the challenges of rural communities by integrating support payments and regulation across all rural business and land managers. The current "Reaganomics" approach to agriculture does not address many issues, in particular communication (both physical and digital) and also innovation and diversification. The creation of a level playing field of support and regulation for all rural business will help address some of these challenges.

36. Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

Support should be proportionate to the environment benefit produced. Capping payments for larger landowners is not equitable if smaller, less efficient farmers are advantaged at their expense.

37. Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

There must be investment in rural communications infrastructure, particularly broadband and transport links.

38. Are there any regulatory impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

No answer

39. Are there any environmental impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

Northern Ireland is one of the least wooded places in Europe, despite having an ideal climate for growing trees. The Irish Republic has demonstrated what can be achieved through government commitment to woodland creation.



40. Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.

Once established, modern forestry is profitable and provides a wide range of enduring benefits. Forestry and timber is a £2bn UK industry,<sup>2</sup> wood prices are at record levels and the global forecast for future decades is for demand to rise and rise.<sup>3</sup> Wood is the ultimate sustainable and versatile material, a viable alternative in many situations to replace concrete, steel and oil with a carbon capturing, renewable and non-polluting alternative. Forestry is also one of the most sustainable land uses, enhancing natural capital and supporting biodiversity. The government aspires to build 300,000 new homes.<sup>4</sup> Building more of these with wood locks up carbon and saves money over the life of a building. Growing that timber in the UK ensures that the forests are sustainably managed and keeps the jobs and profits from forestry at home.

Forestry is a positive and important opportunity for many farmers and landowners, especially those on marginal land. It is a growing industry that provides a wide range of professional employment and career paths. Timber production will be the foundation of a future low-carbon society. It is vital, therefore, that forestry is central to future UK land-use policy.

DAERA is requested to consider the following when considering the future agricultural policy:

- Ensure that support for productive woodlands are included in future “agri-environment” schemes.
- Support integrated land uses combining both timber production and livestock farming.
- Ensure support for other land uses are ‘sense-checked’ to ensure they do not disadvantage landowners wishing to plant trees.
- Identify woodland priority areas, where risks are low and benefits high, and where the applications process for woodland creation can be accelerated.
- Provide funding for, and remove barriers to, woodland creation during the ‘transition period’, to ensure that DAERA reaches its planting target.
- Better support for establishing woodland will have multiple benefits for many stakeholders:
- Woodland owners, struggling to access grants for woodland management or expansion.
- Wood-processing sector, which has invested substantially in sawmills and wood processing to create jobs and add value to timber, but faces a severe lack of supply in coming years due to the lack of planting.
- Help farmers currently prevented from integrating profitable timber production into their business by CAP measures that slew land use decisions in favour of unproductive farming practices.



- Wider Northern Irish stakeholders, who benefit from woodlands in carbon sequestration, air quality, public access away from livestock, enhanced biodiversity, and locally grown timber products like 'home-grown homes'.

1. <http://www.confor.org.uk/news/brexit>
2. [https://www.forestry.gov.uk/website/forstats2017.nsf/lucontents/8a24f70614918e3380257fe0004b2cfc\\_3](https://www.forestry.gov.uk/website/forstats2017.nsf/lucontents/8a24f70614918e3380257fe0004b2cfc_3)
3. [https://www.worldwildlife.org/publications/wwf-s-living-forest-report-chapter-4-forests-and-wood-products\\_2](https://www.worldwildlife.org/publications/wwf-s-living-forest-report-chapter-4-forests-and-wood-products_2)
4. <http://www.confor.org.uk/news/latest-news/eskdalemuir-carbon-report/>
5. <http://www.confor.org.uk/media/246612/confor-farm-forestry.pdf>
6. <http://www.confor.org.uk/media/247024/farm-forestry-business-case-june-2018.pdf>

**Northern Ireland Future Agricultural Policy Framework: a response from the Council for Nature Conservation and the Countryside.**

CNCC is a Statutory Advisory Council to DAERA on matters concerning nature conservation and the countryside. CNCC has noted that direct support from 2020 would operate under domestic legislation and that this paper seeks views on the period 2020-2021 when support would be funded by the UK Government and 2022 and beyond which looks towards a longer term policy for agriculture. We have also noted that the current CAP payments play an important part in underpinning current profitability of NI farm businesses and the rural economy. We therefore welcome DAERA's suggestion on page 13 of the document that the 2020-2021 scheme years could be used to pilot new approaches and that there is a need to signpost clearly any changes. CNCC has participated in the environment stakeholder group established by DAERA in 2017. Mindful of the current situation with devolved government in Northern Ireland and the implications of future agricultural policies for the nature conservation and the countryside we welcome the issue of the paper for wider engagement by society with these important issues.

**1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?**

CNCC supports this proposal as providing a degree of certainty to the industry and would suggest continuing the transition towards a flat rate payment by 2021 but recognises this response is in the context of uncertainty about the longer term agricultural policy. At this point we would stress that the rest of the UK is moving ahead with plans for future policy and the Department needs to be aware of the implications of this for NI.

**2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?**

CNCC is of the view that the greening concept should not be lost, particularly as it relates to permanent grassland and while the Ecological Focus Area may only apply to a limited number of farms lessons from it could be used to inform longer term policy of encouraging biodiversity on agricultural land. We also note that 'greening' involved payment for public goods and that it forms a starting point for developing more ambitious NI-oriented approaches to the provision of public goods from agriculture.

**3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?**

There should be no ploughing of environmentally sensitive permanent grassland within SPAs and SACs and reclamation of peatlands and wetlands should be prohibited. Permanent pasture which is semi-improved, outwith designated sites could be ploughed and reseeded with native species as part of ecological restoration. CNCC is also concerned about loss of habitats in the wider countryside.

**4. What are your views on those accepted into the YFP up to and including 2019 continuing to receive payment for as long as they are eligible to do so?**

CNCC is content with the proposal. We would also like to stress the importance of encouraging young entrants to take a pro-active approach to environmental sustainability within their forward business planning.

**5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?**



CNCC is content for applications to the YFP to continue after 2019 but would stress the importance of having a road map for future agricultural support available to assist new entrants with business decisions. This should include details of support that will be made available for environmental public good provision.

**6. What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?**

CNCC would wish to stress that there is a need for changes to the agricultural support system to be signalled well in advance of any potential changes post 2020 to enable families and farm businesses to make the sort of decisions that generational renewal requires. DAERA should consider whether raising the minimum qualification from level 2 to level 3 would have a positive or negative effect on generational renewal and indirectly then on rural communities within certain types of enterprise.

We would also note that generational renewal may well need to take account of entrepreneurs past the 'young farmer' stage but who could bring valuable skills in the context of future policy. We note that page 15 mentions the opportunity to consider a more target and outcomes-based approach to generational renewal and would welcome further clarification from the Department as to what they envisage.

**7. What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?**

Changes in definitions and categories supporting direct payments also need to be signalled well in advance of potential changes post 2020. Accurate inspection to accompany payments will be essential in the future and here digital technology advances, particularly remote sensing offer cost-effective solutions. The technology will need to meet the user requirements of both DAERA staff and farmers. The expansion of NI broadband and 5G capabilities will need to accompany the process to underpin this substantive inspection and associated management requirements. Any payments made on a per hectare basis should be equal. There is an opportunity to

examine the EU-driven land eligibility rules to ensure they deliver appropriate outcomes and there are no perverse outcomes, particularly for biodiversity.

**8. Have you any specific suggestions for simplifying other aspects of the current direct payment in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these. No comment.**

### **Agricultural Policy Framework Beyond 2021.**

While recognising that the consultation is primarily concerned with agriculture policy CNCC wishes to point out that the vast majority of land in NI is agricultural land and therefore fulfilling our international obligations for biodiversity conservation must be taken account of in the policy development process. Indeed future land management will be the major factor in determining whether or not we meet international obligations on biodiversity, climate change and sustainable development. Future agricultural policy should also explore the future of High Nature Value Farming (HNV) systems. DEFRA's intention to support environmental protection and enhancement as a public good provides an important context for discussion of devolved policy. Future policy will have to deal with both the negative externalities from intensification and the provision of public good and metrics that can record both. The direction of travel at UK level is to refocus public money on the provision of public good and in this context we note that while food is important to households and nations it is not itself a public good because it is marketable.

**9. What are your views on a “Productivity Grand Challenge” approach to delivering a step change in the rate of advance in science and innovation?**

CNCC welcomes the recognition on page 21 that ‘any new policy agenda needs to ensure that the twin objectives of productivity and environmental sustainability are pursued in a way that is synergistic rather than antagonistic’. We would stress the

importance of sustainable development goals within any step change. We note the importance of science, including the science of environmental systems, in this process, and the need for farmers to have a good understanding of the impact of any productivity goals on such systems. To this end the agricultural education providers have an important role to play in enabling aspiring and current farmers to understand the science behind land management. We are however aware that developing a teaching and learning science-based environment to encompass the associated needs of sustainability with positive soil, water, biodiversity and productivity outcomes will be a challenge. The relationship between productivity and profit also needs to be explored for different sectors so that farmers can make informed decisions about their business development opportunities. On some farms and in some sectors a move to more extensive production together with developing other market opportunities may deliver more for the profitability of that enterprise than a high input/ high output approach.

**10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?**

CNCC would stress the importance of sound science and ensuring current and future farmers are equipped with the necessary knowledge and practical advice/skills. However, the Department also needs to give consideration as to the nature of the education, and where it is obtained, with a view to providing incentives, and not barriers, to farmers. Demonstrating clear lines between the productivity and sustainability of the farm business and the background application of science will help and we note that peer to peer learning has often proved effective.

**11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?**

Ensuring entry-farmers have suitable knowledge and skills is not just a matter for DAERA, but one that needs inter-department development from an Executive as positive outcomes will depend on the education system at all levels. It should operate to incentivise, rather than exclude, farmers, seeking to widen their access to knowledge and training.

Environmental science should be embedded in the curriculum.

**12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?**

CNCC has noted that CPD is common practice in many occupations. CNCC is of the view that any proposed CDP should be underpinned by sound science. We also note the importance of the Department (and potentially independent reviewers) in ensuring the quality and relevance if accredited providers are used.

**13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?**

CNCC welcomes the inclusion of environmental performance but has no detailed comments to make as yet on how much should be invested. We would also like DAERA to provide more detail on how such a scheme would work and how the environmental performance will be measured. While land mobility is mentioned on page 26 there is no indication as to where the land will come from or how much could be supplied to facilitate expansion of existing businesses, nor exactly how DAERA intends to facilitate 'promotion' of transfer of land and whether it will be voluntary or compulsory for landowners. The role of fiscal/tax incentives also needs to be clarified as to what this will mean. Longer-term land leases could be beneficial for organisations or companies seeking to manage their land assets for environmental

goals. The security of tenure provided by such an arrangement could encourage a farmer to invest in appropriate livestock and technology to manage the land eg on land owned by NI Water or open areas within the Forest Service estate.

**14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?**

CNCC has no comment to make.

**15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?**

CNCC would like to see more detail on the sort of restructuring DAERA is seeking (eg scenario planning) in order to provide advice on the potential effects on nature conservation and the countryside. We consider it vital that any efforts to drive productivity should align with protecting and enhancing the natural environment. This is also a critical matter for farmers and they will require more details on exactly what is being proposed and how it might affect them. The term 'economically productive' requires exploration and justification and the paper fails to address this critical issue which makes it difficult to offer advice on potential consequences for nature conservation. The Department needs to address this matter and provide greater clarity to stakeholders.

**Improved Resilience**

CNCC has noted the difficulties faced by the agriculture sector arising from issues such as animal and crop diseases, geopolitical shocks and extreme weather events and welcomes the inclusion of this issue in a discussion of future agricultural policy. We would stress the importance of building resilience to the effects of climate change into future agricultural policy and DAERA needs to structure support through a prior adaptation regime. Future policy must include recognition of the need for adaptation to climate change and this could be incorporated into future payment regimes. Good practice in climate change adaptation could be explored in a revision of cross-

compliance. We also wish to draw attention to the approach in the current UK Agriculture Bill by which farm management needs to plan for scenarios of extreme shock. The problem will be that eventually government is limited by resources and therefore needs to ensure step-changes in the approaches to hazard and associated risk and definition of risk response categories.

**16. What are your views on the provision of a basic farm resilience support measure?**

There are two issues here. First there is the matter of a farm business being exposed to an external risk which is largely outwith their individual control, such as the evolution or arrival of a new disease or extreme weather events. There may be factors the farmer can do to mitigate circumstances but the fact remains that in the event of extreme rainfall society is likely to prefer flooding of farmland to prevent loss of life in settlements. Payments for public goods (using the provider gets principle) could be used to assist with creating resilience to climate change at the regional level. Policy instruments to assist farmers could be developed, linked to a 'risk-register' for the region so that there is no perverse incentive created.

The second issue relates to the evolution of the current CAP regime and in particular the Pillar 1 payments. Given the importance of these payments to farms we would have expected greater analysis of the consequences of removal of this section of income across different agricultural sectors, taking into account farm size and the implications for rural regions in NI. While these may have been explored in other stakeholder groups the implications for rural areas are such that we would have expected this to have been explored in some detail in the paper. While technical inefficiency is referred to on page 29 it is not defined relative to different enterprises. The paper makes the proposal that 'funding could be progressively removed from the area based payment over a pre-defined timeline and diverted to the other policy interventions outlined in this paper (to drive productivity, environmental sustainability, etc.)' While CNCC welcomes policy intervention to drive environmental sustainability we note it is not clear what portion of the available funding will be diverted to environmental goals and to what extent this will be used for provision of the positive externalities from agriculture as well as dealing with the negative externalities. The



Department has also given no indication of the environmental gains and losses that would occur from the proposal. It would have been helpful if this had been more explicitly laid out in the paper. Despite the high numbers of part-time farmers there has been no discussion of how DAERA sees their role within future agricultural policy or an analysis of the extent to which this farming model produces public goods.

**17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?**

CNCC has no comments to make here.

**18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage? More work needed here.**

Areas of natural disadvantage have some of the greatest opportunities for public and environmental benefits and future support should not be set in a way that pushes farmers towards practices that impact on ecosystem health (eg to unsustainable grazing levels). There will be a need for forward planning through scenario development to ensure desired outcomes are achieved. This should take account of environmental and societal factors (including costs of numbers leaving the land for work elsewhere) and link to wider Government strategies and the draft Programme for Government as well as international commitments. We would stress that any payment needs to be sufficient to secure the desired outcomes.

**19. What are your views on linking a farm resilience support measure with cross compliance obligations?**

Yes, in theory, but in the absence of any proposed detail on future cross-compliance obligations this is a difficult question to answer. There is an opportunity here to review the current measures and to include obligations which will contribute to good

environmental outcomes. We would emphasise the importance of the 'polluter pays' principle and the need for regulatory alignment across the UK.

**20. What are your views on the content of cross compliance/good farming practice associated with this provision?**

EU-exit provides an opportunity to develop cross compliance/ good farming practice metrics linked to positive outcomes for the environment and agriculture. CNCC welcomes the opportunity to engage with DAERA and other stakeholders on the topic as ideas are developed.

**21. What issues would an appropriate cross compliance regime seek to encompass?**

A future inspection regime should seek to develop a good working relationship with the industry while still ensuring compliance. It would also need to be constructed in a way that takes account of requirements needed to trade.

**22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?**

This is a difficult question to answer without more detail on what is being proposed by DAERA. The issue is raised in one short paragraph on page 30 with the proposal that larger farmers should not be overcompensated and that support should not be directed to non-commercial holdings. There is no definition provided as to what DAERA consider to be 'larger' or 'non-commercial' and no attempt to explain what impact this would have on the supply of public goods from agriculture. We consider it important that a NI context (rather than a UK/EU) is applied to this policy question and that the opportunity is taken to weigh up potential gains and losses from the adoption of particular definitions.

**23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?**

CNCC has no comment to make, apart from urging that these be examined very carefully so there are no perverse incentives for environmental damage.

**24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?**

CNCC has no comment to make.

**25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?**

CNCC has no comment to make.

**26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?**

This would enable forward planning by government and thus a swift response to crisis events.

**Environmental Sustainability.**

As around 70% of land in NI is used for agriculture we welcome the paper's recognition on page 35 that it has 'a significant impact on the environment, both positively and negatively'. CNCC would stress that any future agricultural policy framework must take account of both the negative and the positive impacts. We agree with the analysis that diffuse pollution from agriculture is one of the main pressures on water quality and that ammonia deposition threatens the condition of our priority habitats. We also welcome the recognition that 'there is significant scope for

influencing biodiversity through agricultural practices' and note the contribution that DAERA's EFS (H) and (W) make here. There are two risks to biodiversity from future agriculture policy, one is that policy-driven intensification results in the loss of habitats. This was the cause of very significant habitat loss in the UK in the post WWII era of intensification. The second risk is to habitats that are dependent in some way on current agricultural practices to maintain biodiversity. We would have liked to have seen greater exploration of what future policy would mean in terms of both risks as well as the references to the pollution from intensification. The importance of the 'polluter pays' principle should be recognised in future policy. CNCC also notes and welcomes the contribution the industry has been making to reducing the intensity of carbon dioxide emissions per unit of output. The focus on soil health is also welcomed by CNCC. We would have been pleased to see some text on the role of peatland as a carbon sink as many upland peatlands are in agricultural use. Overall more emphasis on positive environmental management should have been included.

**27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?**

CNCC welcomes the inclusion of environmental principles in the paper and believes appropriate environmental principles are essential to the ongoing sustainability of the industry. We would also stress the importance of the principles achieving the correct outcomes and note the new Departmental structure is better placed to develop this with access to specialists within NIEA.

*Principle i). Any future policy framework should fully recognise the environmental impacts of farming. That is, current farming and land management practices should not compromise our environment for future generations but should seek to deliver a positive environmental legacy.*

CNCC suggests this should include 'positive and negative impacts' in the first sentence so that both are captured and recognised in future policy development.

*Principle ii) Future environmental payments or incentives should recognise and reward the public goods provided by farmers and land managers who achieve a verified level of environmental performance through the delivery of identified outcomes under a sustainable agricultural objective.*

While we welcome the general principle we recognise that further clarification is necessary as to what public goods will be rewarded and what the identified outcomes will be. DAERA will also need to consider what level of payment/ incentive will be necessary to secure the supply of the public good.

*Principle iii) Positive behavioural change amongst farmers and land managers is key to ensuring the long term environmental sustainability of the agriculture sector. In order to achieve this change, farmers need to be given the correct information, at the right time, on why they are being asked to change, how to achieve the change, and what the benefits are for them and for the environment.*

CNCC is in agreement with this principle.

*Principle iv) There needs to be a collaborative approach in developing policy proposals, recognising that farmers and land managers have a unique perspective and understanding of what has worked well and not so well in previous policy interventions, and of the challenges of farming sustainably whilst remaining a productive, profitable business. This knowledge needs to be captured and harnessed.*

CNCC welcomes a collaborative approach, which should also include input from environmental specialists. Learning from the lessons of the past is important, as is learning from the experience of other countries, inside and outside the EU. We would also wish to point out that there is a need to capture the land management knowledge and experience of the older generation of farmers where this has applicability to biodiversity conservation and designated site management. This Intangible Cultural Heritage associated with agriculture should be preserved for the future, if only to ensure expensive re-inventing of management practices is not required in later years.

CNCC also notes that page 37 refers to regulation ensuring farming practice does not cause unacceptable pollution or damage to habitats. In the current paper there is not definition of 'unacceptable' in terms of pollution or damage and we therefore ask for further clarification on this.

**28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?**

This is critical to achieving good environmental outcomes and all farm businesses need to be incentivised, though the nature of this may vary according to the enterprise. Managing for good soil and a healthy invertebrate population builds the natural capital of the enterprise but can be overlooked. Mainstream agricultural education must incorporate a good understanding of the processes and systems in the environment eg pathways of nitrogen or soil science. Given that on page 37 the aspiration that farmers and land managers have information on how to deliver environmental sustainability and enhancement of their land throughout their careers we would suggest that relevant environmental qualifications could be deemed a positive factor for any new entrant. We also note that in a wider context recent years have seen considerable collaboration between the conservation management and the agricultural sector to the benefit of both and that many researchers and practitioners have moved between these sectors in the course of their career. There is therefore experience in NI and internationally which DAERA can draw on. We agree that NI needs to access and make use of the widest possible research base and best practice in relation to environmental and conservation management in the agricultural sector and support continued investment in this evidence base. We also note the potential value that the Joint Nature Conservation Committee support company can bring to this, for example in remote sensing and mapping as well as the considerable experience of best practice development that resides within the environmental NGO community, locally, nationally and internationally. DAERA must also take into account on its designated sites that the valued features may be the product of a wider farming system and research will need to address the way forward if the system supporting them is experiencing change.



**29. What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?**

CNCC welcomes the development of environmental measures and notes that achieving buy-in from the industry is important. We would stress that achieving this will be a challenge requiring work and with refinement over time likely to be required.

**30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?**

We note that the costs incurred income forgone approach has not necessarily delivered good environmental outcomes in all cases. Schemes also need to recognise the reality of the farm business and incentivise correctly to achieve the desired outcome. In order to produce a desired outcome the farmer may need to invest in setting up a suitable herd or flock and given this is a long-term investment of time and money will need to feel that it can be justified in terms of ongoing opportunities. DAERA needs to consider the suitability of incentives in the light of the outcomes it wishes to achieve and to consult stakeholders. The proposed outcomes are presumably those on page 39 although the wording in the text is not clear as to whether these are already decided on.

**31. What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?**

Support for better environment outcomes is to be welcomed.

**32. What are your views on the delivery models that would deliver the best uptake and outcomes?**

In this case we have assumed the target outcomes to be those listed on page 39.

- Natural capital and its associated ecosystem services are protected and enhanced.
- The carbon intensity of food production continues to fall.
- Consistent increases in the proportion of priority habitats and species of UK and European importance achieving favourable or recovering status, as well as broader gains in biodiversity.
- Soil quality and functions are improved and soil erosion is prevented.
- The proportion of water bodies achieving good status consistently increases in the medium to long term.
- Ammonia emissions are reduced to a point where critical loads are not exceeded across Northern Ireland
- There is increased resource efficiency within farm businesses.

## Supply Chain Functionality

CNCC has noted that the focus of this section is primarily focused on the position of farmers within the food chain and their relationship with the processing industry. We therefore have limited comments to make within this section except where there is a link to nature conservation issues. We do note though that the processing industry has the power to encourage good practice in relation to the environment and would encourage this. There is the potential for decisions taken by processors to impact upon farming systems of High Nature Value and thus to affect designated site management. This is where a collaborative approach to future policy is valuable in enabling niche market opportunities to be progressed with potential 'win-win' outcomes. Increased costs of designated site management elsewhere have been linked with a breakdown of a supporting farm *system* while conservation management has tended to focus on the site.

**33. What are your views on the role of government in ensuring market transparency?**

CNCC has no comment to make.

**34. What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?**

CNCC welcomes any measure that assists farmers in their business but notes the need to examine carefully approaches to benchmarking.

**35. What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?**

The reality of agricultural supply chains is the asymmetry between the large number of farmers and a small number of processors and retailers. Government has a role in ensuring that a fair share of profit is available to producers. Government also has a role in the rural development context to ensure its policies in this area also encourage (rather than prevent) niche market entrepreneurial approaches that enable family farms, especially those associated with HNV farming/ designated sites to remain sustainable.

**Equality, rural needs, rural proofing, regulatory and environmental impact assessment.**

**36. Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

No comment.

**37. Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

No comment.

**38. Are there any regulatory impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

No comment.

**39. Are there any environmental impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**

The Convention for Biological Diversity (CBD) targets will still apply after EU-exit and a number are relevant to future agricultural policy development.

AICHI Biodiversity Targets

Strategic Goal A: Address the underlying causes of biodiversity loss by mainstreaming biodiversity across government and society.

Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio-economic conditions.

Target 4: By 2020, at the latest, Government, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources within safe ecological limits.

Strategic Goal B: Reduce the direct pressures on biodiversity and promote sustainable use.

Target 5: By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced.

Target 8: By 2020, pollution, including from excess nutrients, has been brought to levels that are not detrimental to ecosystem function and biodiversity.

**40. Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.**

**Countryside  
Alliance  
Ireland**



**Northern Ireland Future Agricultural Policy  
Framework**

**A response by:**

**Countryside Alliance Ireland**

**9 October 2018**



**Introduction:**

Countryside Alliance Ireland welcomes the opportunity to submit our comments in respect of the Northern Ireland Future Agricultural Policy Framework. We are a devolved region of Countryside Alliance and have liaised with them in the co-ordination of our official response.

In addition, we work closely with the Ulster Angling Federation and they have asked us to submit this as a joint response.

We hope our comments are both constructive and helpful and we look forward to continuing to work constructively with the Department.

We read with interest the Stakeholder Engagement document and we believe the following five principles should be incorporated into the new Agricultural Policy:

**5 Principles for a New Agricultural Policy**

1. Promote productive and competitive farming
2. Support the work of other land managers
3. Encourage diversification and public engagement
4. Address the digital divide
5. Sustain upland landscapes and communities

**Background:**

The food and farming industry is nationally important, generating over £108 billion a year for the UK economy and underpinning our food security. It is particularly important for our most rural areas where farming is often central to the economic and social life of the community as well as playing a vital role in conservation. The establishment of the first UK agricultural policy in over 40 years is therefore hugely important, not just to farmers but to the future of the countryside and the nation as a whole.

Leaving the European Union (EU) provides the opportunities to create an agricultural policy that is better suited to the regions and nations of the UK than the EU's Common Agricultural Policy (CAP), and to simplify the current system of support payments and grants. However, this process will involve significant change as the Government has confirmed that it will move away from direct income support in favour of payments for certain types of public goods outlined in the Government's "Health and Harmony" consultation on the future of food, farming and the environment.

How the Government chooses to define and reward 'public goods' in a new system of support payments will determine the landscape of our countryside, the food we eat, and the nature of many rural communities for a generation and beyond. To ensure farming plays its part in a living and working countryside outside of the EU, the principles we have set out in this document must be at the heart of our new agricultural policy.

**A new agricultural policy must achieve the following:**

**1. Promote productive and competitive farming – *FACT 1 in 8 people are employed in food and farming***

A new agricultural policy must start with the objective of securing a productive and competitive farming industry by looking at ways of supporting farmers in their task of producing food. The environmental public goods that the Government wants to reward in a new system of support payments such as improved air quality, climate change mitigation, and increased biodiversity, are sound objectives but they cannot be achieved without working with farmers to deliver them. Unless we recognise the dual role of farmers as food producers and conservationists then we risk turning farmers into environmental contractors with little incentive to continue farming, which would be damaging to the jobs and communities that depend on farming as well as weakening our food security.

**2. Support the work of other land managers – *FACT 85% of game shooting takes place on farmland***

The conservation work of farmers is often supported by other land managers including those who hunt, shoot, and fish. Farming is the cornerstone for many of the activities enjoyed by people in rural areas, and many farmers benefit from the economic and social role which activities such as shooting contribute to the life of the farm. A new agricultural policy must recognise the close relationship between farming and country sports by continuing to permit activities such as fishing, game shooting, deer stalking, and drag or trail hunting, on land which receives payments under a new system of support. There should also be specific payments for public goods such as improving water quality and maintaining and restoring woodland.

**3. Encourage diversification and public engagement – *FACT One third of total farm business income comes from diversification***

Tourism and other forms of diversification are an important source of income for many farmers. A new agricultural policy must give farmers greater flexibility in allowing temporary non-agricultural use of their land. A temporary change in land use to permit a campsite on agricultural land for more than 28 days currently involves the Rural Payments Agency, the local authority, and several other government bodies. The process could be simplified under a new system of support payments to encourage farmers who want to diversify their businesses. The Government should also reward farmers who host educational activities for schools and promote engagement with their local community through schemes like Open Farm Sunday. However, any increase in public access must respect the countryside as a living and working environment.

**4. Address the digital divide – *FACT 17% of rural premises are not getting decent broadband services***

Digital connectivity is essential for farm businesses and yet many farmers still lack access to high speed broadband. This is a cause of great frustration, particularly in 2015 when the Rural Payments Agency attempted to move all applications for support payments online, despite

knowing many farmers would struggle. The Government should include options for improving digital infrastructure and skills as part of the new system of support payments, similar to the schemes provided by the EU's Rural Development Programme, in recognition that this is also a public good. This must be integrated with existing work being done to improve connectivity by Westminster and the devolved administrations. The Government must also ensure that applications under a new agricultural policy are able to be made by post as well as online for as long as universal connectivity is lacking.

**5. Sustain upland landscapes and communities - *FACT; Rural tourism provides £19 billion a year to the UK economy***

Farmers in the uplands and other marginal areas are limited to low intensity grazing which has small profit margins and is often more exposed to market volatility than other sectors of the industry. Without direct income support, many hill farmers would struggle to make a profit even with income from diversification. Their work, however, often provides the most amount of public good in creating and maintaining some of our most iconic rural landscapes which support many of our rarest habitats and wildlife, and are central to rural tourism and leisure for millions of people. The work of hill farmers must be recognised and rewarded in a new agricultural policy with specific payments for upland farming.

If you require additional information, or should you have any queries, please do not hesitate to contact us

Yours sincerely

**LYALL PLANT**  
**Chief Executive**

Countryside Alliance Ireland

# Department of Agriculture, Environment and Rural Affairs

## Consultation on Northern Ireland's Future Agricultural Policy Framework

Written submission on behalf of Cycling UK

### Introduction

1. Cycling UK was founded in 1878 and has 68,000 members and supporters. Cycling UK's central mission is to make cycling a safe, accessible, enjoyable and 'normal' activity for people of all ages and abilities. It was previously known as CTC or the Cyclists' Touring Club. Our interests cover cycling both as a form of day-to-day transport and as a leisure activity, which can deliver health, economic, environmental, safety and quality of life benefits both for individuals and society. We represent the interests of current and would-be cyclists on public policy matters.

2. While the published stakeholder engagement questions concentrate on environmental issues, it is noted in Section 6.4 of the framework document that:

"There may also be opportunities to support environmental actions from other funding streams to pursue, for example, flood risk mitigation, public health (through the provision of access for recreation) and carbon trading."

Cycling UK strongly believes that any future agri-funding framework needs to incorporate the principle that 'public goods' should be provided as a condition of receiving public funding, and that one of these 'public goods' to should be improved public access to the countryside. This could provide a powerful mechanism for continuing and expanding the programme of support for Greenways commenced under the previous NI administration.<sup>1</sup> It would ~~enable~~ enabling more people of all ages and abilities to enjoy the great outdoors - whether on foot, by cycle or on horseback, ~~would deliver~~ delivering huge benefits for public health in Northern Ireland, as well as for local tourist economies. It would also help reduce road casualties to vulnerable road users, by providing them with safe alternative routes, for day-to-day journeys (e.g. to school, to work or the shops) as well as for recreational travel.

3. Projects undertaken in the past have shown that improved facilities can increase not only the number but also the diversity of those able to enjoy the health and wellbeing benefits of outdoor access, particularly for people with disabilities and those living in urban areas. A radical new approach is essential and supporting increased access and understanding of the countryside through agri-funding is an important part of the answer.

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<sup>1</sup> See [www.infrastructure-ni.gov.uk/news/hazzard-gives-green-light-greenways](http://www.infrastructure-ni.gov.uk/news/hazzard-gives-green-light-greenways).

4. It would appear somewhat inadequate if significant payments were made for simply maintaining the status-quo regards public access, there is an important opportunity to formalise and increase access to the countryside within the future agri-funding framework.
5. The rules on public access to the countryside in Northern Ireland are somewhat behind those in place in ~~both~~ Scotland (which has both a general right of access to the countryside for non-motorised recreational use and a network of identified core routes under the Land Reform Act 2003) and in England & Wales (which has an extensive network of public Footpaths, Bridleways, Restricted Byways and Byways Open to All Traffic, plus further rights of access to open country under the Countryside and Rights of Way Act 2000 and various historic Commons legislation).
6. Northern Ireland's formal public paths are open to all users, however the network is much less extensive than those in other parts of the UK. A great deal of the remaining countryside access in the region is on publicly owned land, of which large proportions are managed for public access. There is also a significant amount of de-facto and permissive access to private land, although not underwritten by legislation, largely in the form of permissive footpaths.
7. Careful use of agri-funding would potentially provide a huge catalyst to improve public access in Northern Ireland by rewarding landowners for allowing people on their land.
8. Such reward could be either by direct payment or, potentially, used as a way of supporting the use of existing powers for public path creation under The Access to the Countryside (Northern Ireland) Order 1983.
9. We believe that funding within the future agri-funding system ought to:
  - Offer farmers and landowners an annual payment to help better maintain existing rights of way and public access across their land
  - Financially incentivise farmers and landowners to increase formal public access opportunities, particularly through improvements in the rights of way/public paths network
  - Reimburse farmers and landowners for capital works that are required to create new routes across their land
18. Additionally, we suggest that any future regulations/guidelines setting out the use of agri-funding for increased access in Northern Ireland should set out a series of practical priorities or examples where funding could be usefully employed in order to improve countryside access. We believe that these should include:

### **Filling in missing links in the existing rights of way network**

Such as where two sections of public path were disconnected, or were connected only by a length of permissive path, or where a bridge is missing. This would open up many more connected routes, enabling and encouraging people to explore more of the countryside than is currently possible.

### **Allowing users to avoid dangerous roads**

For example where a footpath or bridleway met a busy road, forcing users onto that road for a distance before connecting with a different right of way. Providing safe alternative routes would reduce road casualties and make cycling, walking and horse-riding more attractive to users.

### **Facilitating access to the countryside from the urban fringe**

Often existing public paths or access do not connect directly with residential areas, or connect directly to existing urban walking and cycling routes. Better links are needed between urban walking and cycling networks (where uses such as journeys to school and to work will predominate) with rural off-road networks (whose users would be more recreational - without forgetting that rural rights of way can also be important for 'utility' walking and cycling journeys too).

Opening up access could benefit huge numbers of individuals and families, e.g. by:

- enabling them to go for walks and cycle rides countryside from their homes rather than having to drive to honeypot locations;
- enabling people in rural communities to use the rights of way network to walk or cycle for day-to-day journeys to nearby settlements, e.g. for school or shopping trips;
- allowing towns in rural areas to promote themselves as tourist bases for people wishing to spend a weekend exploring the surrounding area on foot, by cycle or on horseback.

### **Offering wider holistic benefits such as Greenways, disused rail lines, National Trails and other promoted routes.**

Over a thousand kilometres of canals, disused railways and similar routes physically exist, but without any rights of access for the public. These routes would be ideal to develop into multi-user routes to encourage countryside access on foot, bike and horse. Often these routes have the potential to connect together rural villages and local attractions to create promoted routes, while on a wider scale they may have potential to provide traffic-free connections to National Trails.

### **Integration with environmental schemes to improve people's connection with the natural environment**

We believe that improved countryside access can work hand in hand with environmental improvements such as hedgerow planting and pond creation alongside or near access routes. Doing so would make the countryside an even more enjoyable place to visit and enhance people's opportunities to see and interact with nature.

## **Summary/Conclusions**

19. Improvements in countryside access opportunities would be a huge benefit to countryside users, encouraging healthy outdoor recreation and greater engagement with nature while also strengthening rural tourism. Investment in delivering these public goods would therefore yield significant economic benefits for rural communities. For evidence of the



health and economic benefits of increased cycle use, see Cycling UK's briefings on Health and the Economy.<sup>2</sup>

20. Organisations like the Northern Ireland Forest Service have dedicated significant resources over recent years towards improving countryside access facilities, however many of these locations are not close to where people live.
21. Research suggests that if we want people to build healthier lifestyles and exercise more regularly, we need to help them do it on their doorstep. This also has a very clear impact on the disabled or those who do not have access to a car, such as those less well off financially, who are very often the people who would benefit most from increased access to the countryside.
22. The most cost effective way to increase cycling and walking in the countryside would be to formalise and improve existing access opportunities and open more high quality, well surfaced, well signed and well maintained multi-user routes such as greenways. This alone would mean that agri-funding was delivering a huge public good.
23. A better network of accessible multi-user routes, which offer direct connections between the urban fringe and wider countryside would encourage more people to participate in countryside recreation and become more active and improve their connection with and understanding of both the farmed and natural environment. When combined with the opportunity to improve the connections people with nature and farming, the case for funding improvements in public access to the countryside is compelling.

Kieran Foster (Off-road policy advisor) and  
Roger Geffen (Policy Director)  
Cycling UK  
October 2018

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<sup>2</sup> See [www.cyclinguk.org/campaigning/views-and-briefings/health-and-cycling](http://www.cyclinguk.org/campaigning/views-and-briefings/health-and-cycling) and [www.cyclinguk.org/sites/default/files/document/migrated/info/economy1fbrf.pdf](http://www.cyclinguk.org/sites/default/files/document/migrated/info/economy1fbrf.pdf).