

Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement

Stakeholder Responses

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Response from N.I. Region National Sheep Association

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?

We are in favour of retaining present entitlements

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?

Continue greening payment as it recognises the value of farmers' contribution to environmental stewardship

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?

In principle we agree that special care needs to be taken on sensitive areas but believe that each case needs to be investigated on its own individual merit

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 think that payment should be continued to those who have applied and are eligible

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

Young people need to be encouraged into the industry and sensitising payments need to be considered

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

We feel that tax breaks and fiscal encouragement would be beneficial

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 feel that current payments should stay in place as long as possible with a long transition period to allow a smooth adjustment to any new situation

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 need to be careful on introducing change as policing is and has been difficult. The system in place may be as good as it gets!

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 do approve of encouraging science and innovation as drivers but there are government bodies putting obstacles in the way of progress and we would not want another body appearing to police and promote their own agenda. Group discussion and self education is an example of technology transfer that is more likely to be accepted by farmers.

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 would encourage education & knowledge transfer but are against using the lack of paper certification as a barrier against those willing to improve their farm businesses.

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 are not in favour

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 are in favour of this initiative and feel it is necessary

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 would only encourage this proposal when it is backed up and proven by the relevant science and affordable to the majority.

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

Incentives other than capital grants would need to be thoroughly scrutinised so as not to leave investors in a vulnerable position. Private companies providing investment funds may be a dangerous way to access money. Refurbishment of old and out of date buildings need to be included in investments qualifying

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

Long term leases and tax breaks

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

We would approve of tax allowances to encourage farmers to set aside profit in a good year into a pot to be available in times of need. Farm insurance could be a voluntary option but not mandatory as we see problems accessing and triggering requirement as different sectors and varying locations are all different

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

We see this as an impossible task which would be difficult to guarantee fairness for all.

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

We had a reasonable solution in the LFA payments. Any other payments should target efficient and focused food production

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

Cross compliance measures will link to other obligations and are not required to link to resilience

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

We approve of cross compliance and good farming practice when it is backed up by proven science. Wherever our standards are set must be the same level as required for food imports.

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

Regulations should guarantee consumers safe and healthy food produced on a level playing field with uniform industry standards

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 feel that tiering pro rata is the fairest system

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

See question 16

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

Income protection is more fair system than sector specific

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

We would approve of tax incentives

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 would agree that a framework should be agreed with industry consultation

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

We would need to see scientific evidence of the principles and they need to be financially sustainable

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 feel this measure should be encouraged

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

We would encourage this idea with the proviso that the local farmer is supported and his views taken into consideration

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 would approve of this measure while it is financially sustainable

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

It is easy for those outside the supply chain to add unattainable goals through unrealistic costs, if they require higher outcomes they must bear the cost of such measures

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

They must be profitable and simple

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

Government needs to be the unbiased broker ensuring transparency, uniform standards and identifying differences

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?

We would encourage CPD

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?

Need to encourage greater transparency and ensure links are all a similar size

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 support equality of sex, education, age and race

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.

Just a point to note – Farming has created the landscape and environment that has evolved over centuries without the extreme lobby groups that are appearing at present

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.

Opinions should be based on proven science and not on hearsay

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.

It may be more practical and beneficial if DAERA and NIEA performed a more advisory role than that of judge, jury and jailer which seems to be the preferred role at present

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.

There must be a benefit from having payments – that is they are not allowed to be confiscated by other links in the food chain. PGI's also need to be retained to identify local product

Brexit Division
Department of Agriculture, Environment and Rural Affairs
Room 414
Dundonald House
Upper Newtownards Road
Belfast BT4 3SB

10/08/2018



Dear DAERA,

RE: Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement

Thank you for the opportunity to provide feedback on your proposals for policy direction for agriculture in Northern Ireland.

The National Trust in Northern Ireland welcomes the Department's engagement to date, and the approach it has taken in engaging stakeholders through the consultative committee structures.

The National Trust is a conservation charity and has a significant interest in the environment of Northern Ireland, as a landowner, provider of access to the coast and countryside and custodian of many special places of historic interest. The Trust manages a range of designated sites covering 4,000 ha and we assist the UK government and NI Environment Agency in the delivery of European, UK and NI biodiversity targets. Our interest in the environment extends beyond the special places we look after, to a broader concern for the overall management and use of land and resources in Northern Ireland.

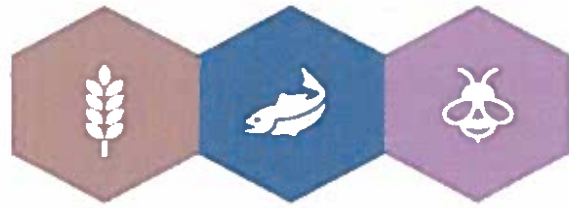
We have been working in partnership with colleagues within Nature Matters NI and Nature Friendly Farming Network, and as such we are submitting the coalition prepared response to the stakeholder engagement as a shared view.

We believe in placing nature at the heart of a sustainable future for farming, with public money for farmers and land managers directed towards the integral role they can play in delivering public goods like clean water, healthy soils, access to nature, and protection of our rural heritage. With the right support farmers can continue to innovate, becoming more profitable, sustainable and nature-friendly. We would also like to stress the importance of long term protection of the historic and cultural environment – farmers have had and continue to be supported to have a key role in this. A better future for the countryside, including our farmers, communities and a healthy and beautiful natural environment, is within reach.

Please find enclosed our detailed response to the stakeholder exercise; we look forward to further engagement as more detailed policy design begins to emerge.

NI Director
National Trust Northern Ireland

Nature Matters NI



Northern Ireland Future Agricultural Framework

A response from Nature Matters Northern Ireland, October 2018

Nature Matters NI is a campaign led by a coalition of environmental organisations in Northern Ireland (NI). We are on a mission to protect nature in NI and secure the best future for our environment after we leave the European Union (EU). Nature Matters NI is the public facing campaign of the **Northern Ireland Environment Link (NIEL) Brexit Coalition**, representing circa 100,000 members in NI. Specifically, we are campaigning for;

- A sustainable agriculture and land use policy that is fair to farmers, good for nature and benefits society¹
- Nature and environmental protection to ensure our most treasured species and habitats can thrive
- A nature-friendly marine and fisheries policy to protect our seas and marine biodiversity
- Funding for nature conservation to replace existing EU funding programmes such as LIFE+ and INTERREG
- The island of Ireland to be considered as a single biogeographic unit with effective mechanisms in place to resolve and manage cross border environmental issues

Nature Matters is working in partnership with the UK Environment Links and [Greener UK](#). Our view is that agricultural subsidy post Brexit should be distributed on the basis of 'public money for public goods'. This aligns with [England](#), [Scotland](#) and [Wales](#), and the principles set out by the Greener UK² paper 'Agriculture at a crossroads: the need for sustainable farming and land use policies'. In the lead up to the publication of 'Health and Harmony', the DEFRA consultation prior to the Agriculture Bill, we collaborated with UK colleagues on the development of the [Wildlife and Countryside Link evidence paper](#), although developed for England, much of this is relevant for NI. We are also supportive of the direction of travel of the recently proposed [Agriculture Bill](#) in Westminster which has put the environment at the heart of agriculture policy post-Brexit. This is a once in a generation opportunity to set agriculture on a sustainable footing for the foreseeable future whilst improving NI's environmental credentials and fulfilling our obligations to global agreements such as the Conventions on Biological Diversity and Climate Change.

We will continue to collaborate with UK colleagues on a range of issues relevant to our goal of realising a nature friendly Brexit for NI.

¹ <https://www.nienvironmentlink.org/cmsfiles/Sustainable-Land-Use-Group-Key-Asks-Paper-Dec-2017.pdf>

² <http://greeneruk.org/>

Context

NMNI have actively engaged with the Department of Agriculture Environment and Rural Affairs (DAERA) Trade and Agriculture Committee (TAC) in the development of the future agriculture policy proposals outlined for NI. As such, we welcome this stakeholder engagement exercise for wider comment and engagement.

NMNI believes leaving the EU represents a once in a lifetime opportunity to transform agricultural policy here, to create a sustainable farming sector which supports farmers and land managers to work with nature to provide high quality, nutritious food from a vibrant, healthy countryside. To date, past policies delivered through the EU Common Agriculture Policy (CAP) have failed to achieve this goal, providing little in the way of benefits to farmers, wider society or the natural environment. The release of this proposed policy framework represents an important first step towards achieving this vision.

However, for NI to fully achieve these objectives, future agricultural policy represents a constituent part, but not the whole. To develop a truly sustainable food and farming system, where farmers work with nature to produce high quality nutritious food, we need to move out of our current siloed approach and recognise numerous inter-related problems that need to be addressed. These include volatility in farm gate prices, public health crises³, poor diets⁴, food poverty⁵, food waste⁶ and climate change and environmental degradation⁷. These issues cannot be solved purely through the reform of any one policy, but instead rely on coherence across different areas, including health, environment, public procurement, agriculture, welfare and education.

Already this is being recognised in Scotland, who have committed to developing a Good Food Nation Bill⁸, which aims to work across different departments to fully embed the principles of health, environmental sustainability, social justice, knowledge and prosperity into a future food and farming system. This has been followed by strong calls in England to follow suit through the development of a people's food policy⁹, however we acknowledge that there is no mention of food in this regard in the recently published Westminster Agriculture Bill which is a missed opportunity.

In NI, we need to recognise the important linkages between agriculture, land management and other key areas of policy. Regardless of our political context we need to outline our long-term vision of for a healthy, productive countryside, that supports and is supported by, a resilient, profitable farming sector, that produces nutritious high-quality food. We also need to outline a stepping-stone approach for how we are going to get there and when. The development of agricultural policy will be important, but ensuring that it's vision is supportive and coherent with other important areas of public policy will be equally so. We note the inclusion of rural policy/powers in the Welsh approach, and the lack of inclusion in

³ 63% of adults and 25% of children in NI are classified as overweight or obese
<https://www.health-ni.gov.uk/topics/doh-statistics-and-research/health-survey-northern-ireland>

⁴ NI has relatively poor dietary health compared to other parts of the UK
<https://www.food.gov.uk/sites/default/files/media/document/ndnsexecsummary.pdf>

⁵ [https://www.adviceni.net/sites/default/files/publications/Growth of Foodbanks in NI.pdf](https://www.adviceni.net/sites/default/files/publications/Growth%20of%20Foodbanks%20in%20NI.pdf)

⁶ Before food waste collections began, 125,000 tonnes of food was thrown away each year in Northern Ireland. <https://www.nidirect.gov.uk/articles/food-waste>

⁷ <https://www.bto.org/sites/default/files/publications/state-of-nature-report-2016-northern-ireland.pdf>

⁸ <http://www.nourishscotland.org/campaigns/good-food-nation-bill/>

⁹ <https://www.peoplesfoodpolicy.org/>

the DAERA framework. We believe this gap needs addressed in NI as rural communities have benefited greatly for the Rural Development Programme and significant need remains.

Food can help fill this vital role, serving as the focal point for several overlapping policy issues where there is a role for public policy in ensuring beneficial outcomes for society. The food we produce and eat has implications for our health, our environment and rural economies. To avoid the past failures of policy in these areas we need a strategy to identify the overlaps and bring coherence to the work of multiple government departments. A joined up overarching strategy would provide a clear direction for all of these inter-related policy areas, thereby contributing to meeting a number of objectives outlined in the Draft Programme for Government¹⁰. This will provide better overall value for money for society.

A joined up coherent food strategy would complement and help build upon payments focused on delivering environmental public goods, recognising the crucial role that this support will play in maintaining and restoring the natural capital that food production depends upon. Working in isolation, to other important areas of public policy, the Agri-food strategy has failed to achieve this, burdening farmers with unrealistic targets and avoidable environmental harm.

In developing and moving towards future policies, DAERA need to develop a clear strategy for managing the transition. It is vital that framers and land managers have a clear understanding of the direction of travel so they can adjust their businesses accordingly. Securing a stable transition will be essential to ensure a successful move away from the Single Farm Payment in its current form to a payment that delivers public money for public goods.

Key Asks

- **DAERA must continue to engage with stakeholders to ensure to ensure farmers and land managers have a clear picture of changes to agriculture policy resulting from Brexit**
- For a future agriculture policy to be sustainable in the long term, efforts to drive innovation and productivity must be coherent with those aimed at protecting, restoring and enhancing the natural environment.
- **There needs to be a stronger recognition that effective environmental land management can lead to increases in productivity. Science innovation and research based upon maximising productivity must seek to identify opportunities for these win-win scenarios**
- The framework must recognise that a focus on profitability is of equal importance, and that in some cases focusing on this will not necessarily maximise productivity in some farming systems
- **Payments for positive environmental management can provide a stable reliable income source independent of market volatility whilst providing societal benefits. This represents a better use of public expenditure to manage risk and build resilience, as well as delivering beneficial outcomes.**
- We call on DAERA to adopt a broader view of vulnerability and risk management to develop a wider concept of resilience

¹⁰ <https://www.northernireland.gov.uk/sites/default/files/consultations/newnigov/draft-pfg-framework-2016-21.pdf>

- **Rather than being viewed as areas of disadvantage, economically marginal systems should be recognised for their high potential to offer significant public benefits**
- Any future payments related to farming and land management must be based on the recipient meeting ambitious minimum regulatory standards. This not only applies to proposed payments for resilience, but for any public payments moving forward
- **To ensure that farming is productive, profitable and resilient in the long term a future framework must have environmental enhancement at its core**
- We need to shift emphasis from 'what farming can do for the environment, to what the environment can do for farming'
- **It is important that existing levels of funding associated with the CAP are maintained and repurposed in order to meet environmental outcomes**
- Funding to support farmers and land managers to provide environmental public goods needs to be allocated on the scale needed to meet specific environmental outcomes
- **There needs to be some recognition that the rural landscape is an important and distinctive element of Northern Ireland, and there should be reference to the importance of protecting the rural historic environment and distinctive landscape features.**

Transitional Agricultural Support Regime, 2019-2021

Q1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?

We understand the logic for continuing with entitlements until a new agricultural policy framework is agreed, however it is important to acknowledge that this does not come without risk. With no guarantee when the NI Assembly will be functional again, and no Minister in place to approve the way forward, NI will be out of step with the rest of the UK. This makes the schedule 4 'keeping pace' powers of the agriculture bill, at present, redundant.

Agricultural support in the form of entitlements have been available for a long time, and any transition away from this approach must be managed appropriately in partnership with the industry and stakeholders.

Q2. 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?

It is Nature matters view that greening has not delivered much in the way of environmental improvement in NI, and elsewhere in the EU as recently evidenced by the European Commission¹¹. However, there could be some justification to retain some of the arable options within greening due to the decline in arable in NI. Arable has declined by circa 20 000 ha since 1987, as has the wildlife associated with this land use to make room for an increase in livestock farming.

NMNI shares our partner Butterfly Conservations views that the increasing homogeneity of our landscapes presents a significant risk for nature. The All Ireland Pollinator Plan, 2015-2020, clearly identifies the loss of nectar, pollen and nesting sites from our landscapes as one of the key reasons for declines in our pollinating insects¹². In addition, habitat fragmentation, especially for our smaller pollinators such as solitary bees who can only

¹¹ https://ec.europa.eu/agriculture/sites/agriculture/files/leaflet_en.pdf

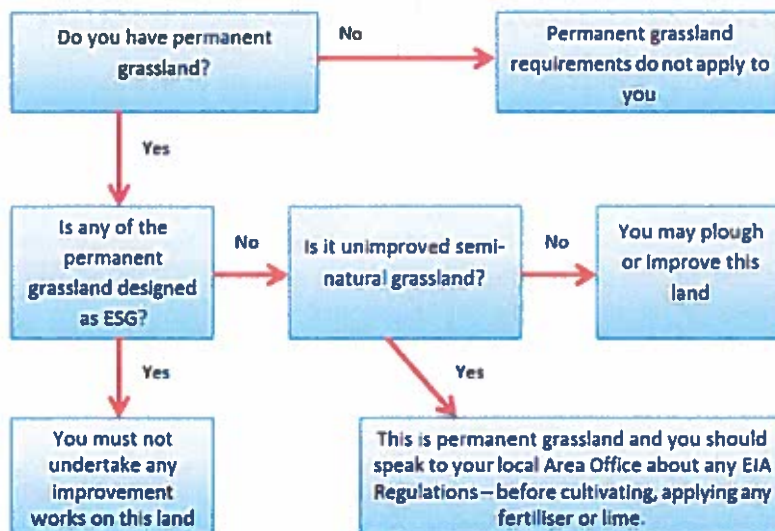
¹² <http://pollinators.ie/app/uploads/2018/05/Pollinator-Plan-2018-WEB.pdf> - Page 16

forage up to a kilometre from their nest sites, is a cause of concern as it lowers resilience in wild populations as they become increasingly isolated.

NMNI believes that greening funds should be re-directed to fund pilots which would champion a public goods approach to agriculture as farmers transition away from the CAP. Pilots are already shaping up elsewhere in the UK in places such as the 'Payment by results' project in Norfolk and Suffolk and in Wensleydale in the Yorkshire Dales. Farmers are being paid for the delivery of nectar-rich flower meadows and margins and creating habitat for breeding wading birds.¹³ Pilots in NI should seek to trial various options that work with nature to improve the profitability and resilience of agriculture and land management in Northern Ireland.

Q3. 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 support the retention of the current ploughing ban on environmentally sensitive permanent grassland. The retention of environmentally sensitive permanent grassland is clear within the DAERA guidebook¹⁴. We also believe the approach taken in Scotland¹⁵ to be pragmatic and workable as exemplified below;



Environmentally Sensitive Permanent Grassland (ESPG) should already be afforded some level of protection through the current Good Agricultural and Environmental Condition (GAEC) protocol, but due to historical issues over definition, and resourcing issues meaning a wholesale lack of enforcement, Northern Ireland has continued to experience a sustained loss of semi-natural grasslands in the wider landscape. ESGP critical throughout our landscape as sources of pollen, nectar and nesting habitat for our bees, as a source of larval food plants for our insects, as home for our birds, mammals and amphibians, they provide carbon sequestration and water filtering ecological services as well as helping with water permeation and retention, helping to limit flooding and increase overall water quality.

¹³ <https://www.gov.uk/government/news/environmental-farming-scheme-given-green-light>

¹⁴ <https://www.daera-ni.gov.uk/publications/2018-guide-greening-payment>

¹⁵ <https://www.ruralpayments.org/publicsite/futures/topics/all-schemes/basic-payment-scheme/basic-payment-scheme-full-guidance/greening-guidance-2018/greening---permanent-grassland/>

Q4. 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 agree that those accepted into the young farmers payment up to and including 2019 should continue to receive this payment up to and including 2019.

Q5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?

Given that payments have been guaranteed in the 'Confidence and Supply Deal' until 2022, we would question why the payment is not be offered beyond 2019, and if not, how will the funding be reallocated.

Q6. What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?

No comments at this time

Q7. 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 comments at this time

Q8. Have you any specific suggestions for simplifying other aspects of the current direct payments regime in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these

No comments at this time

Increased Productivity

Key points

1. For a future agriculture policy to be sustainable in the long term, efforts to drive innovation and productivity must be coherent with those aimed at protecting, restoring and enhancing the natural environment
2. We call on the framework to pursue increases in productivity that are innovative, resilient, sustainable and humane
3. There needs to be a stronger recognition that effective environmental land management can lead to increases in productivity. Science innovation and research based upon maximising productivity must seek to identify opportunities for these win-win scenarios
4. The framework must recognise that a focus on profitability is of equal importance, and that in some cases focusing on this will not necessarily maximise productivity in some farming systems and locations.
5. A new policy must work with a range of stakeholders to develop strategies for improving productivity and profitability in ways that are coherent with enhancing the natural environment.
6. Investment in education and knowledge transfer must effectively identify and communicate tried and tested scenarios in which positive environmental land management has provided significant benefits to farming systems.
7. Investments in CPD must help to provide measurable benefits to the farmer and the public. To ensure this, environmental sustainability must be embedded throughout all training programmes.

Q9. What are your views on the “productivity grand challenge” approach to delivering a step change in the rate of advance in science and innovation?

For a future farming and land management policy to be sustainable in the long term, efforts to drive innovation and productivity must be coherent with those aimed at protecting, restoring and enhancing the natural environment. In achieving such coherence, we can ensure that the natural capital on which farming and food production depends, is maintained and restored, improving the resilience of farming to future change, and improving our long-term food security through building the productive capacity of our land.

Although the framework outlines that productivity gains cannot be at the expense of environmental sustainability, we are concerned as to how this will be achieved. For example, it uses ‘competitors’ such as the USA, France, the Netherlands and Italy as a gold standard of productive output over the last decade. On closer inspection, improvements in productivity within each of these four nations have had severe ramifications for the environment and society¹⁶. To date, none of these nations have achieved levels of production which are compatible with environmental sustainability objectives. As a result, some are moving away from their overwhelming emphasis on conventional agricultural productivity based on the recognition of the negative externalities which this has created¹⁷.

As such, we need to determine whether a move towards meeting a ‘grand productivity challenge’ is appropriate for the whole agriculture sector in Northern Ireland. For example, 58% of all farm holdings in NI are found in LFAs representing 55% of the total farmed area. These farms, particularly those in SDAs face inherent limitations to increasing their productivity in comparison to their low-lying counterparts¹⁸. They would face significant difficulties in rising to the grand productivity challenge outlined within the framework and a broad push towards this aim could have significant negative ramifications for the environment in these areas. For example, many HNV farming systems fall within LFAs. These HNV areas often support a mixture of priority habitats including blanket bog, heather moorland, and extensively managed rough grassland and in many cases, are reliant on sympathetic agricultural management to maintain their biodiversity value. A broad push towards increased productivity based on high-input high-output models¹⁹ would be counterproductive towards meeting biodiversity objectives in many of these areas.

To avoid these unintended impacts, we need to determine the most beneficial outcomes for different sectors and geographic areas. A one size fits all approach towards increasing productive output will fail to do this. Already we have seen the negative impacts of a ‘going for growth’ strategy focused primarily on increasing outputs. This broad productivity push has resulted in significant environmental costs which we are now trying to deal with. Although this strategy sought to drive sustainable growth for agriculture in NI, this to date has not been achieved. We need to take a more detailed view as to where increases in efficiency and productivity can provide a range of benefits and must ensure that they are achieved in a way that is innovative, resilient, sustainable and humane.

¹⁶ Some farmland birds in France have declined by 33% in the last decade largely due to agricultural intensification

¹⁷ See growing support for agroecology in France

¹⁸ <https://www.cumulus-consultants.co.uk/documents/The-potential-impacts-of-Brexit-for-farmers-and-farmland-wildlife-in-UK-23.10.17.pdf>

¹⁹ AFBI soil testing research

To help achieve this there needs to be a stronger recognition that **effective environmental land management can lead to increases in productivity**. For example, introducing wide spaced trees into permanent grassland can increase the length of time animals can remain out on pasture by 14-17 weeks per year. This can also have a significant effect on grass utilisation and ammonia emissions²⁰. Similarly, appropriate soil and grassland management for breeding waders has numerous benefits on productivity, including better quality grazing for cattle and more eligible land to farm. **Science, innovation and research based upon maximising profitability and productivity must seek to identify and maximise opportunities for these win-win scenarios.**

Similarly, we note the absence of any mention towards the role of **improving profitability within a new agricultural framework for Northern Ireland**. The framework must recognise that a focus on profitability is of equal importance, and that in some cases focusing on this **will not necessarily maximise productivity in some farming systems and locations**. This is particularly relevant for extensive livestock farming in economically marginal areas which can be more profitable than more intensive, high-input, high-output business models; especially if producers engage in activities that add value, taking on roles within the supply chain. As well as more profitable, they are also likely to deliver better environmental outcomes²¹.

To ensure that moves to increase productivity and profitability which helps to protect and restore our natural capital we recommend that a future approach to science and innovation:

- a. Recognises that improving profitability is of equal importance to productivity
- b. Works with farmers, land managers, industry, academics and other stakeholders to **develop strategies for improving productivity and profitability in ways that are coherent with enhancing the natural environment**
- c. Better understand the relationship between the top 25% economic performers in each sector and their environmental performance²²
- d. Place any efforts to improve productivity within the limits of the target to secure net zero emissions from agriculture by 2050 at the latest, and associated interim targets and milestones
- e. Develop metrics for productivity that incorporate positive and negative externalities, building on the work by the OECD to develop a measure for Environmentally Adjusted Total Factor Productivity (EATFP)

Q10. 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 and knowledge transfer can play a key role in delivering better outcomes for farming and the environment in Northern Ireland. Linking with science, innovation and research, the key role that positive environmental management can play in contributing towards a productive, profitable farming sector can be recognised and communicated to all within the industry. Ensuring that education and knowledge transfer recognises the important role that environmental management must play in ensuring that NI's agriculture remains productive and profitable in the present and future will be a key aspect of a future policy

²⁰ <https://www.afbini.gov.uk/articles/agroforestry-and-agforward#toc-5>

²¹ RSPB (2018) Farming at Hayeswater: an economic report 2013-16. Available at https://ww2.rspb.org.uk/Images/Farming_at_Haweswater-an_economic_report_2013-2016_tcm9-451498.pdf

²² <https://www.teagasc.ie/news--events/news/2017/farm-sustainability-report.php>

framework for NI. Many upland livestock farms lose significant sums of money, largely as a result of high fixed and variable costs and low returns.²³ Reducing stocking numbers, particularly sheep, can help to reduce costs as well as provide better environmental outcomes. However, in certain circumstances (i.e conservation grazing for waders) higher stocking rates will need to be maintained when managing for particular species and habitats. With some-well targeted business support to enable such farmers to realise the added environmental much more easily through the supply chain, such farms can become more financially and environmentally sustainable.

Similarly undertaking management practices such as soil testing and yield mapping in an arable context can help identify areas of a field that provide no or poor economic returns, which may often be suitable areas for environmental measures such as wild bird cover or rough grass margins. Additionally, soil testing can facilitate reduced fertiliser applications, reducing costs thereby helping productivity and profitability, as is being seen in a number of projects delivered by AFBI aimed at improving farm profitability through developing strategies to enhance soil fertility and grass production whilst also improving water quality. **Investment in education and knowledge transfer must effectively identify and communicate tried and tested win-win scenarios** such as these, to ensure that future land management supports productivity objectives in a way that is coherent with restoring and enhancing the natural environment.

Q11. 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?

Linking qualification attainment with policy interventions represents a significant change in direction for the agriculture industry in Northern Ireland. The goal of creating a professional, qualified agricultural sector is one that should be welcomed by all, especially if such qualifications effectively help to meet the stated objectives of the policy framework, in developing an industry that is profitable, productive, resilient and environmentally sustainable.

In moving towards this system, qualifications can help to further develop a process in which research based evidence informs decision making. However, to be worthwhile, formal training initiatives must provide clear benefits to farmers and land managers. Otherwise formal training initiatives will be viewed as a burden on time and resource.

Similarly, knowledge transfer and training should be encouraged wherever an outcome needs to be met. For example, in future landscape based schemes there could be a significant training element for farmers as part of their advisory programme. This may not necessarily require a formal qualification, but will help equip farmers to deliver the results expected of them within a land management scheme.

Importantly, educational providers must adapt to meet the demands of a future policy in which environmental sustainability plays a key role. This will be reliant on a cultural shift within agricultural training education, in which positive environmental management is embedded throughout all aspects of it. At present, the primary focus regarding agricultural education is based upon the conventional approach to agricultural production, in which environmental land management is viewed in the best cases as “nice to do” and in the worst a restrictive burden. This results in a failure to fully recognise the range of benefits that

²³ RSPB (2018) Farming at Hayeswater: an economic report 2013-16. Available at https://ww2.rspb.org.uk/Images/Farming_at_Haweswater-an_economic_report_2013-2016_tcm9-451498.pdf

positive environmental land management can deliver and continues to push the narrative of profitable farming and environmental enhancement being antagonistic of each other. Consequently, there needs to be a step change in approach to fully recognise the multiple benefits that positive environmental management can have upon business. Education and training initiatives need to reflect this, embedding the principles of **environmental sustainability throughout the core curriculum**. This could include a range of subject matter, from the concept of climate change in agriculture and how to adapt and mitigate the risk, to realising the full potential of environmental management towards increasing productivity. This will help change the narrative around farming and the environment, with the win-win benefits of positive environmental management being acknowledged, accepted and most importantly implemented as part of best practise. This in turn will help to deliver coherence, allowing for measures to increase profitability and production to be based on a healthy, productive natural resource base.

Q12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?

Our principal point of view is that the policy focus should be towards encouraging continued CPD however, it would need to be clear justification and evidence to back up the public investment in supporting this intervention.

Encouraging continuous professional development for those working within the agricultural sector can contribute towards the aim of creating a professional, qualified industry. As such, we agree with the statement that CPD can help to maintain professional skills and competence throughout a career. Continued investment in training will allow farmers and land managers to keep in line with developments that can help to benefit farm businesses and the environment.

Already, CPD is available for farmers and land managers to benefit from, with many organisations delivering accredited training courses aimed at building knowledge, skills and capability for all working in the sector. However, at present there is no explicit incentive for farmers and land managers to engage with CPD, whilst barriers may exist relating to the cost of training, and as a result it represents a relatively small-scale activity.

When considering the role of public investment to incentivise CPD we must be clear as to the nature of the benefits that the public will expect to receive from this. Environmental sustainability should be incorporated fully within any CPD training programmes in the future. This will ensure that training is serving to provide public goods to society, rather than only providing economic advantage/skills to the farmer involved. We must ensure a coherent approach to education and training in which environmental sustainability is a core element rather than optional add on.

Q13. 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?

Government has a key role to play in ensuring that on farm practises serve to help meet overarching strategic objectives. Investing in tried and tested technology to improve efficiencies and boost environmental performance has the potential to deliver environmental outcomes across the sector. At present, there are a range of measures that can be adopted to improve the environmental performance of agricultural businesses. However, there is relatively little incentive to adopt these at the farm scale, or widespread knowledge to farm businesses of the opportunities to invest in these measures. More should be done, firstly to promote the business benefits of better environmental management and secondly to

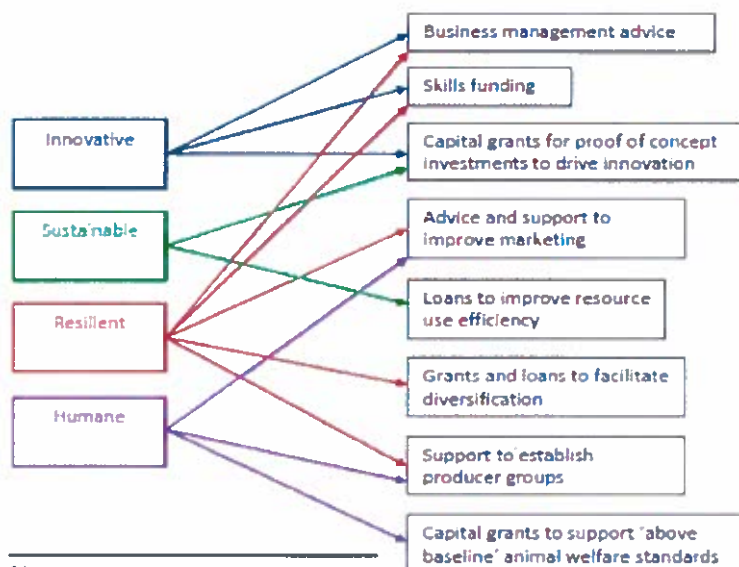
encourage farm businesses to adopt these as part of standard practise. As noted above, regular soil testing and detailed mapping of farm topography can help farmers to reduce costs in terms of fertiliser application whilst ensuring that it is better targeted to help increase fertility and yields. Measures such as these should be easily available for farmers to avail of, improving efficiencies and environmental performance; DAERA's knowledge advisory service will play a key role in ensuring that farmers are fully equipped to make the best decision for their business and the environment.

Within this, the role of enhancing the green infrastructure of farm businesses and its role in improving profitability and environmental performance must also play a key role. In many instances these options represent a more efficient, cost effective alternative to investments in new technology. For example, well designed green infrastructure such as filtration ponds can help improve water quality and boost biodiversity at a lesser cost than hard engineering options, whilst the adoption of green infrastructure can provide shelter for stock allowing for a longer grazing season whilst removing the need to invest in in more costly housing. In many cases, these options represent a more cost-effective option for farm businesses at a fraction of the cost, whilst also adding benefit to economic resilience and environmental performance.

Q14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?

Wildlife and Countryside Link²⁴ outline a range of measures which can be used to support production which is resilient, sustainable, innovative and humane. A key factor in this is the provision of a framework of support for farmers and land managers to access on a contractual basis, with support tailored to a diversity of farm types and sizes. Investment measures would consist of capital grants, loans and advice which will be a crucial aspect in building the capability of farmers and land managers on the ground. Grants would be provided on a contractual, competitive basis, but business advice would be open to all. Grants would be provided for unproven investments which help to establish a proof of concept and drive innovation, whilst loans would be available to all for tried and tested investments.

An overview of the tools proposed to develop this type of production is outlined below



²⁴<https://www.wcl.org.uk/docs/Link%20farming%20and%20land%20use%20policy%20paper%20FINAL%20Sep%202017.pdf>

Q15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?

See above for a range of measures that can be adopted to help facilitate production that is innovative, resilient, sustainable and humane.

Improved Resilience

Key points

1. Resilience payments for positive environmental management can provide a stable reliable income source independent of market volatility whilst providing societal benefits. This represents a better use of public expenditure to manage risk and build resilience, as well as delivering beneficial outcomes
2. We call on DAERA to adopt a broader view of vulnerability and risk management to develop a wider concept of resilience
3. Positive environmental management builds the long-term resilience of the sector. For example, moves to increase soil health will better equip our farming systems to safeguard themselves against the negative impacts of climate change and disease, whilst positive environmental land management in upland areas will safeguard against fire and erosion, whilst benefitting lowland systems in reducing flood risk
4. Rather than being viewed as areas of disadvantage, economically marginal systems should be recognised for their high potential to offer significant public benefits.
5. Any future payments related to farming and land management must be based on the recipient meeting ambitious minimum regulatory standards. This not only applies to proposed payments for resilience, but for any public payments moving forward
6. The design of cross compliance and its enforcement is ineffective, bureaucratic and in need of reform
7. Future regulation should be based on knowledgeable enforcement with visits and monitoring undertaken by qualified inspectors
8. A proportionate approach to penalties is required, potentially adopting a similar approach to Scotland's general binding rules where farmers are given up to three opportunities to rectify regulatory non-compliance
9. A future regulatory system must be underpinned by the principle of polluter pays provider gets to ensure a fair and level playing field for farmers and value for money for the taxpayer

Q16. What are your views on the provision of a basic farm resilience support measure?

Building resilience and managing risk are two key aspects which a future policy framework will have to support and address. The potential for the creation of a flat rate area based payment has been suggested in the framework as one of the potential measures to help build resilience. This is based on the premise that farmers can continue to rely upon a 'predictable and reliable income source to fall back on during times of extreme volatility'.

Whilst this is true, **without safeguards in place, it does not represent the best use of public money, and in many cases, may result in perverse outcomes which undermine the long-term viability and resilience of the agriculture sector here.**

Recent analysis by the OECD²⁵ has broken down financial risk management into three separate categories, these being catastrophic, marketable and normal risk. Within this analysis the role for public intervention to manage catastrophic risk is potentially significant, the intervention logic for it to intervene in other forms of risk management is limited. As such this suggests that financial risk management as a specific outcome should not be the primary focus of a future farming and land management policy²⁶.

It is our view that public money should not be allocated directly towards risk management on the basis of providing a predictable and reliable income source, **without safeguards in place.** Any focus on building resilience should meaningfully contribute towards the policy's other objectives, particularly environmental restoration and enhancement. Safeguards such as payments for environmental land management, and other payments for public goods can also provide an important alternative source of income, independent of any market volatility, thereby helping to spread risk for the farmer whilst also delivering clear benefits to the taxpayer and helping to reduce risk and build resilience in other ways, such as adaptation and mitigation to climate change, or improving soil health.

We believe that the most effective way to build resilience, is to protect and restore the natural capital on which all farming depends. Paying for these public goods, represents the best value for money from the taxpayer, as well as helping to build the long-term resilience of farming systems here. For example, moves to increase soil health will better equip our farming systems to safeguard themselves against the negative impacts of climate change and disease, whilst positive environmental land management in upland areas will safeguard against fire and erosion, whilst benefitting lowland systems in reducing flood risk.

We recognise the importance of a basic farm resilience payment, especially in marginal areas such as the uplands or what could be described as High Nature Value (HNV) farming systems. The 2010 DARD review of the Less Favoured Area (LFA) payment could be helpful in this regard which recommended that where grazing was an issue for example, in order to receive a payment, grassland had to be both grazable *and* grazed. Said resilience payment could then be topped up by a wider land management payment and or a higher level agri-environment payment.

To recognise the importance of environmental management safeguards to the resilience agenda, **we call on the framework to adopt a broader view of vulnerability and risk management to develop a concept of resilience that is embedded within a natural capital focus.**

Q17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?

As stated above, evidence suggests that **public subsidised risk management tools should not be a primary focus of a future land management policy without appropriate safeguards in place.** We believe that developing policy which builds resilience, as opposed to resilience payments specifically, could be achieved through the effective management of

²⁵ OECD (2011) Managing risk in agriculture: Policy assessment and design, OECD Publishing. Available at https://www.oecd-ilibrary.org/agriculture-and-food/managing-risk-in-agriculture/a-policy-framework-for-risk-management-in-agriculture_9789264116146-3-en

²⁶ Mathijs, E (2016) Managing volatility and risk in the CAP. A report for the RISE Foundation.

our natural resource base and adequate support for the provision of environmental public goods. This would be achieved through the successful adoption of well-resourced wider and targeted environmental farming schemes. Farmers entering these would be able to avail of a stable and reliable income, to safeguard in times of extreme volatility, whilst also restoring and enhancing the environment upon which farming depends.

This would have potential added value for farming systems in areas which experience natural constraints and disadvantages, because of location and climatic factors, or sectors which represent a small but valuable component of the sector i.e. HNV, arable and horticulture. That is, given the right management, these 'vulnerable' farming systems can provide much in the way of environmental public goods in NI. In doing so, these farming systems may stand to benefit more than under a traditional resilience support agenda especially if we move beyond the approach of costs incurred income foregone for environmental payments (for more information see the response to question 30).

As such, we again reiterate the need for DAERA to adopt a broader view of vulnerability and risk management, to develop a concept of resilience which is embedded within a natural capital focus. Payments for environmental enhancement can play a significant role in safeguarding farmers from extreme risk and vulnerability in providing a stable and reliable income that is independent of any market volatility. This represents better value for the taxpayer and a more practical approach towards safeguarding farming here in the long term, rather than a flat rate area based payment with no or little outcomes attached.

Q18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage?

When adopting a natural capital approach to risk management and resilience, areas of disadvantage can be viewed in a different light. **Rather than being seen as areas of disadvantage, they can be considered for their high potential to offer significant public benefits. In supporting farmers better to provide these benefits, we can also help build resilience against market volatility in the short and long term.**

Areas of natural disadvantage may provide comparatively little value in terms of productive output; however, when managed sympathetically, they often provide significant public benefits through the delivery of environmental public goods. For example, farmers in the uplands of the Antrim Hills face numerous difficulties due to factors such as climate, soil type and their remote location and as a result, farming here is often an economically marginal activity. However, whilst these High Nature Value systems may be economically marginal they can deliver significant public benefits. For example, successful projects such as the Glenwherry Hill Regeneration Project which has been developed in partnership by a range of stakeholders have demonstrated that, through cooperation and consultation and underpinned by the appropriate science, multiple social, economic and environmental benefits can be delivered. In the project, farmers and land managers manage the land in a way which helps grow the carbon stocks in their soils through careful, targeted habitat management. The project has notably provided optimal conditions for enhancing biodiversity including species such as Lapwing, Curlew, Snipe. These and other species have increased in the area through sensitive grazing practises and appropriate grassland management, such as the regular removal of rush and the creation of scrapes. The farming systems here have made a significant contribution towards the survival of breeding waders in Northern Ireland, particularly Curlew, which is classified as globally near threatened. Projects like the GHRP are showing that consultation and agreement, underpinned by the appropriate advice and science can have a crucially important role in ensuring that highly valuable species and habitats have a future in our countryside. Under financing of special

projects within proposed environmental support measures, consideration should be given to funding projects on the model of the GHRP in other sensitive areas of HNV farmland in NI.

However, through the current prism, these systems are viewed particularly susceptible to risk and volatility and are likely to be particularly exposed to policy change as a consequence of Brexit, specifically in relation to changes to trade policy and domestic support. An RSPB commissioned report by Cumulus consultants found that in some parts of the uplands, and under some plausible Brexit scenarios, significant land use may be possible²⁷. In some cases, this may create opportunities for more sensitive land management, but in many others, it also creates risks, for example through inappropriate planting of non-native conifer plantations or abandonment. This would be likely to drive further declines of threatened species such as Curlew. Although farming in these areas is economically marginal, it has been demonstrated that with appropriate engagement and advice farmers can help to provide numerous environmental and social benefits as well as safeguarding their businesses from market volatility.

Rather than viewing these farms through the narrow lens of productive output, we should value the overall contribution that they can provide to the environment and society under a natural capital focus and look to build resilience in these ways. For example, investment in building natural capital in areas of natural disadvantage can provide a range of added benefits to farm businesses and rural communities. For example, in England and Scotland rural tourism represents a significant economic driver, generating significant income and creating numerous jobs. The maintenance of a high-quality landscape and wildlife is crucially important in helping deliver these added benefits²⁸. Additionally, investment in agri-environment schemes and the restoration, maintenance and enhancement of the environment provide direct economic benefits. For example, in England for every £1 spent on agri-environment schemes there is a return on investment of £1.42 rising to £2.23 for higher level schemes²⁹.

We must also look at the structure of businesses in these areas and determine what activities and practises can be undertaken to help build stability and resilience. **Importantly, the distinction between profitability and productivity will be important in these scenarios.**

Q19. What are your views on linking a farm resilience support measure with cross compliance obligations?

Any future payments related to farming and land management must be based on the recipient meeting ambitious minimum regulatory standards. This not only applies to proposed payments for resilience, but for any future payment for environmental land management, productivity or any other objective. Tying payments to regulatory standards ensures that all farmers and land managers are operating on a level playing field. Cross compliance provides this link at present, ensuring that regulation forms the foundation for effective public payments. **We believe that this important link between the receipt of public money, and regulatory compliance must be maintained.** However, we recognise that there are numerous issues with Cross Compliance in its current form especially in

²⁷ Cumulus consultants Ltd, 2017. The

²⁸ <https://www.wcl.org.uk/docs/Link%20farming%20and%20land%20use%20policy%20paper%20FINA%20L%20Sep%202017.pdf>

²⁹ 46 CCRI (2010), Estimating the Incidental Socio-economic Benefits of Environmental Stewardship Schemes. Report for Defra.

regards to inspections and enforcement³⁰ and would welcome moves towards a more effective, proportionate inspection and enforcement regime.

Q20. What are your views on the content of cross compliance/good farming practise associated with this provision?

We need a strong legislative baseline to safeguard the environment and animal welfare, and protect the interests of society. Currently, the system of Cross Compliance creates links between existing legislation and CAP area based payments. This link between legislation and payments provides an important enforcement mechanism, punishing non-compliance. This underpinning of legislative protection is essential in order to provide the foundations upon which incentives can then build. Proper enforcement is also a matter of equity for those who abide by the law, setting a level playing field for farmers and land managers across NI.

An effective regulatory baseline also acts to define the rights and responsibilities of landowners and managers, and so provides clarity about where public investment should be deployed to deliver further enhancements. Confidence in regulatory enforcement is an essential component in building trust that public investment in restoring natural capital is not undermined by the non-compliance of others.

Although Cross Compliance sets a precedent in linking payments to regulatory compliance, it has been criticised for being ineffective and overly bureaucratic and is in need of reform³¹ failing to address some of the most significant environmental issues we are facing at present³². For example, NIs water quality targets are now going backwards even though water protection remains an important aspect of cross compliance. We need to develop a more effective, proportionate approach to regulation which reduces bureaucracy to farmers whilst providing more benefits for the public.

To overcome these issues a future regulatory baseline should include the following features

- Where there is a functional link between regulatory compliance and publicly funded investments (for example, investment in improving water quality and compliance with slurry storage regulations), penalties should be applied to any payments to take account of this where a breach is detected, in addition to any prosecution for a statutory breach.
- Regulation should be based on knowledgeable enforcement, with visits and monitoring undertaken by qualified inspectors
- A proportionate approach to penalties is required, based on the six Macrory Principles. Future enforcement models should be based on Scotland's General Binding Rules (GBR). Where GBR breaches or pollution risks are identified, farmers are given time to address these issues before a second visit is arranged. If remedial action has not been taken, a third and final visit is then scheduled, and if no action is apparent a Fixed Penalty System is levied.

A crucial component of the regulatory baseline will be to ensure coherence across the UK. It is imperative that Northern Ireland, Wales, Scotland and England work together on an ambitious common framework for agriculture that prevents a deregulatory race to the bottom. This must include an appropriate degree of flexibility to allow implementation to be tailored to the specific environmental and legislative context in each nation. This must also include robust shared governance arrangements (e.g. clear monitoring and reporting

³¹ https://www.eca.europa.eu/Lists/News/NEWS1610_27/INSR_CROSS_COMPLIANCE_EN.pdf

³² <https://www.daera-ni.gov.uk/publications/northern-ireland-environmental-statistics-report-2018>

obligations and associated enforcement mechanisms) as a means of holding all four nations to account and resolving disputes following the loss of the functions currently carried out by the EU institutions in this respect. There is a clear need for a common framework, in order to achieve sustainable management of shared natural resources and address trans-boundary objectives, such as climate change and biodiversity conservation, and ensure that the UK Government can meet international environmental obligations to which it is committed.

Currently, the CAP provides a policy 'framework' that enables a degree of flexibility, whilst ensuring a level of consistency within the UK. As we leave the EU, replacing this function – or some degree of it – will be necessary. But as agriculture is a devolved competence, the development of any future common UK framework must be achieved through an open and collaborative process between the UK Government and devolved administrations. This should include shared environmental ambition to meet the UK's national and international commitments and obligations associated with biodiversity, climate change and sustainable development. At the same time, it must also allow for a significant degree of flexibility to tailor policy to different situations across the UK, and reflect the differing environmental, social and political contexts in each of the four countries.

Q21. What issues would an appropriate cross compliance regime seek to encompass?

Any future regulatory baseline should be based upon the principle of 'polluter pays provider gets'. In adopting this principle, regulation can contribute towards a range of policy objectives in its own right. A future regulatory system needs to draw a clear line as to what the taxpayer can expect to receive from regulation and what farmers can be incentivised to deliver under payments for environmental land management. For example, a strong regulatory baseline based on this principle will help to meet a number of environmental policy objectives, such as contributing to improving water and air quality, by ensuring that it is unacceptable to cause environmental harm.

However, we have to recognise the past mistakes of previous agri-food strategies and their contributions towards some of the environmental issues facing Northern Ireland today. Farmers cannot be punished for adopting unsustainable farming practises led by poorly designed policy. This is particularly relevant considering the problems created by 'Going for Growth' strategy in terms of ammonia emissions. A future regulatory system can help farmers to reduce future emissions and should be the goal of a new policy, but in many instances the costs of cleaning up past mistakes should be in the hands of government and the agri-food industry which developed it in the first place.

Q22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?

As stated above, we feel that an area based payment does not represent the most effective means to building the long term economic, social and environmental resilience of the agriculture sector here. However, if resilient payments are to comprise part of the farm support system, a cap will be necessary, especially if implemented as part of an area basis. For example, under the current area based system in the UK, larger landowners reap the biggest rewards, with 64% of direct payments going to just 20% of farmers and farm businesses³³. This represents an inequitable system, in which those with the most land

³³ DG AGRI, (2016), Report on the Distribution of Direct Aids to Agricultural Producers (Financial Year 2015). Brussels: European Commission Directorate-General for Agriculture and Rural Development

benefit primarily on the basis of the size of their farm³⁴. In a future system we have to ensure fairness between small and large landowners whilst delivering value for money to the taxpayer. Checks and balances will need to be developed to ensure that the majority of resilience support is not unfairly directed to a relatively concentrated number of recipients

When considering the role of environmental land management schemes in the future a cap on maximum payments is also important. At present, there is a cap on payments for environmental land management within the current Environmental Farming Scheme. For example, the maximum any farm business can claim within the scheme is £20000 over the course of five years³⁵. This has already caused a number of problems at present for farmers who have invested significantly in environmental management on large areas of land during previous schemes. This may result in farmers removing valuable conservation options which have been in place for a number of years as a new scheme has developed a lower cap on payments. This ultimately undermines attempts to meet environmental outcomes whilst also potentially discouraging farmers from entering into agreements again in the future. Similarly, the current EFS has created a four-option rule for participating farmers, meaning that they are limited to the number of conservation interventions they can undertake on their land. Again, this may serve to undermine attempts at meeting environmental objectives, as good work undertaken in previous years has to be undone to fit the new requirements of a scheme.

In terms of eligibility, the current minimum threshold for entry into schemes (3ha) may impact upon their ability to meet environmental objectives. For example, numerous small holdings in a landscape may support a large total area of environmentally valuable land. Failing to recognise this and support these small-scale farmers from managing it correctly, may result in a loss of habitat of value or a missed opportunity to support such farmers to provide added environmental benefit. As such, we would encourage a landscape scale approach towards environmental land management, particularly in areas of high environmental value.

Ultimately, funding based on the scale of environmental need should help to mitigate these problems, allowing schemes to be developed with the intention of meeting outcomes, with appropriate funding allocated alongside.

Q23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility.

The insurance models used in North America are also administratively complicated and expensive for Governments³⁶³⁷ bureaucratic for applicants and potentially interventionist from a market perspective. They require significant amounts of data; which NI does not currently hold³⁸. It is also important to recognise that the tax system in the UK already provides significant reliefs for agriculture, which will presumably continue to play a significant role in enabling farmers to manage risk.

Specifically, the introduction of five-year income tax averaging for farmers from 2016/17 will help to manage volatility. This comes in addition to existing capital allowances, that can be used to manage risk, and significant expenditure associated with Agricultural Property Relief

³⁴ Helm, D. (2017) Agriculture After Brexit, Oxford Review of Economic Policy pp124-133

³⁵ <https://www.daera-ni.gov.uk/topics/rural-development/environmental-farming-scheme-efs>

³⁶ Office of Inspector General (2016), Federal Crop Insurance Corporation/Risk Management Agency's Financial Statements for Fiscal Years 2016 and 2015. United States Department of Agriculture.

³⁷ 92 OECD (2007), The Implementation Costs of Agricultural Policies

³⁸ <https://blogs.worldbank.org/psd/files/agricultural-insurance-data-15sept2015.pdf>

and exemptions from Business Rates. Whilst these do not explicitly provide a risk management function, will help to insulate farmers from risk in a similar way to direct payments. There may be scope to better use the tax expenditure associated with these reliefs to help farmers manage volatility in the future. Risk management tools such as crop insurance also have some significant drawbacks, such as moral hazard. This refers to cases where farmers may adopt higher risk behaviour, knowing that their losses will be covered. This can lead to environmentally damaging behaviour, such as locating high risk crops in areas that are vulnerable to soil erosion, which risks undermining the effectiveness and coherence of broader public policy. Commodity specific insurance can also encourage specialisation, which may in turn lead to negative environmental impacts, and increase exposure to climate and market volatility and risk³⁹.

Q24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?

See question Q23.

Q25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?

No comment

Q26. 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

³⁹ Soil Association (2017) Soil Association Policy Briefing: Lessons to learn from Crop Insurance programmes worldwide

Environmental sustainability

Key points

1. To ensure that farming is productive, profitable and resilient in the long term a future framework must have environmental enhancement at its core
2. the Framework must fully recognise the pivotal role that a healthy environment has in supporting a productive, profitable, resilient agriculture sector
3. We need to shift emphasis from 'what farming can do for the environment, to what the environment can do for farming'
4. It is important that existing levels of funding associated with the CAP are maintained and repurposed in order to meet environmental outcomes
5. Funding to support farmers and land managers to provide environmental public goods needs to be allocated on the scale needed to meet environmental outcomes.
6. Outlining the benefits of environmental land management towards the farm business will be central to ensuring the long-term sustainability of the sector.
7. Trusted advice will play a fundamental role, securing farmer buy in and delivering value for money
8. A collaborative approach to the development of new policy interventions is necessary, this must encompass a wide range of stakeholders with skills, knowledge and expertise in farming and environmental land management.
9. Sustainable approaches to agriculture must be embedded throughout all stages in education and professional development
10. We support outcomes based approaches to payments in some cases, however action based payments will remain important in many scenarios
11. It is essential to create environmental payments which are attractive to farmers and land managers, whilst also providing clear value for money to the public. A practical approach towards moving beyond costs-incurred income-foregone can help to achieve this.
12. Examples of well-designed agri-environment schemes provide a proof of concept on which future delivery models can build on.
13. Future schemes must be targeted, based on evidence, provide dedicated expert advice, secure farmer buy and make sound business sense to fully realise the benefits.
14. We recommend that more regard is taken of the historic rural landscape. We recommend that DAERA consult with the Department for Communities to review how measures can be put in place to ensure the protection and enhancement of the historic environment

We welcome the focus of the future agriculture policy framework for NI having a significant focus on the environment and the engagement with DAERA colleagues to date. It is broadly recognised that farming can significantly impact upon the environment, both positively and negatively. Since the 1950s and the advent of the CAP in Europe, intensive farming practises have resulted in widespread biodiversity loss, the degradation of habitats and a decline in soil, water and air quality. NI has experienced significant environmental degradation, largely because of the intensive agricultural practises encouraged by badly designed policy. This is evidenced by the 2016 State of Nature Report which highlights the perilous state of the environment in NI⁴⁰⁴¹.

⁴⁰ https://www.daera-ni.gov.uk/sites/default/files/publications/daera/ni-environmental-statistics-report-2017_2.PDF

Despite this, there are numerous examples in which farmers and land managers have worked to provide a range of environmental public goods, helping to restore species and habitats, providing clean air and water and to improve soil quality. These examples demonstrate that farming and the environment are inextricably linked and that there are ways to farm effectively with nature whilst maintaining or enhancing productivity and profitability⁴².

For farming to be productive and resilient in the long term, sustainable management of the environment is essential. We need to move away from the flawed view that environmental restoration is a restriction upon farming, and instead recognise that positive environmental management is integral to delivering a productive, resilient agriculture sector.

We welcome the Policy Framework's objective to create an agricultural sector that is environmentally sustainable. This represents a significant shift from policies of the past, where moves to achieve environmental sustainability played a peripheral role. The environment is farming's biggest asset, supporting food production, farmer livelihoods and contributing to food security. We must ensure that we have a healthy natural environment to support agriculture here for the long term. Whilst it's important to recognise the impact of farming on the environment, it is of equal importance to recognise the immense opportunities that positive environmental management can have towards meeting objectives of farming⁴³.

The Framework's principles focus primarily on the negative environmental impact of conventional farming practises. Although this is important, we need to fully recognise positive environmental management as an asset, rather than a burden or a cost. **More emphasis needs to be made on the role of positive environmental management in supporting a profitable, resilient agriculture sector.** By adopting this as the key principle, we can seek to adopt new innovative methods of farming that aim to work with, rather than against nature in the production of food and other marketable goods. Such an approach has been witnessed in the Sustainable Land Management Strategy for Northern Ireland, which sets the scene in addressing some of our biggest environmental and agricultural problems in a coordinated, collaborative manner.

Numerous examples exist to demonstrate the important role that positive environmental management can have upon farm businesses. From positive soil management benefitting agricultural production and breeding waders in upland systems^{44 4546}, the adoption of herbal leys which improve the structure and nutrient content of soil, benefit stock health and pollinating insects⁴⁷, to the multiple benefits provided by agri-environment options on arable farmland, which can serve to maintain and enhance yields⁴⁸, reduce costs and minimise

⁴¹ https://www.rspb.org.uk/globalassets/downloads/documents/conservation-projects/state-of-nature/210-2470-15-16_stateofnature2016_northernireland.pdf

⁴² <https://www.daera-ni.gov.uk/sites/default/files/publications/daera/16.17.079b%20Sustainable%20Land%20Management%20Strategy%20%28Summary%29%20final%20amended.PDF>

⁴³ <https://www.daera-ni.gov.uk/sites/default/files/publications/daera/16.17.079b%20Sustainable%20Land%20Management%20Strategy%20%28Summary%29%20final%20amended.PDF>

⁴⁴ https://www.researchgate.net/publication/280488687_Soil_pH_and_organic_matter_content_add_explanatory_power_to_Northern_Lapwing_Vanellus_vanellus_distribution_models_and_suggest_soil_amendment_as_a_conservation_measure_on_upland_farmland

⁴⁵ https://www.sruc.ac.uk/news/article/1385/improving_farmland_soil_is_good_for_grazing_and_good_for_birds

⁴⁶ https://www.researchgate.net/publication/297892133_A_role_for_liming_as_a_conservation_intervention_Earth_worm_abundance_is_associated_with_higher_soil_pH_and_foraging_activity_of_a_threatened_shorebird_in_upland_grasslands

⁴⁷ <https://www.agricology.co.uk/resources/herbal-leys>

⁴⁸ <http://rspb.royalsocietypublishing.org/content/282/1816/20151740>

pests and disease⁴⁹. Additionally, research has demonstrated that when the emphasis is changed from what farming can do for the environment, but what the environment can do for farming, there can be a significant uptake in the adoption of positive environmental practises by farm businesses⁵⁰.

To ensure that farming is productive and resilient in the long-term **A future framework for NI must have the provision of environmental public goods at its core.** The future of farming is reliant upon a healthy, productive countryside. The only way to achieve this is to support farming practises that work with nature, to provide food and other private goods in a way that helps to protect and restore our environment.

Recognising and rewarding the provision of public goods

We welcome the paper's principle to use environmental payments for the provision of public goods to ensure that a farming policy for NI meets its objective of being environmentally sustainable. It is important to note however, that within the framework there is no definition of a public good. The concept of 'public goods' in the context of agriculture policy is well established. In general, work to date has identified public goods from agriculture and land management as those things that farming and land management can provide, but which the market does not deliver⁵¹. **We call for this definition of public goods to be clearly specified and used within future policy.**

A recent report by Wildlife and Countryside Link provides high level analysis based on the strength of the case for using public money to secure any given outcome. Within this, the strongest case for using public money to secure outcomes was for the delivery of environmental public goods, as defined above.

When focusing on payments for the delivery of specified environmental outcomes it is important to consider exactly what they are, and the level of financial resource needed to meet them. As such we welcome the move to define our long term environmental outcomes within the framework. However, we are concerned that the outcomes identified within the framework are not linked to relevant commitments present in existing legislation. **As such, we call for environmental outcomes to be targeted to achieve national and international environmental commitments as set out in existing legislation and be agile enough to align with future legislation.**

In NI, there is currently an absence of a long-term plan for the environment. Recent moves by Defra to create a 25-year environment plan have set out ambitions to hand over our planet to the next generation in a better condition than we inherited it. With this comes a long-term vision of how land will be managed and for what ends. This begins setting the environmental outcomes which land management will aim to meet and has had a key role in shaping the direction of England's agriculture policy. **We need a long-term vision for our environment in Northern Ireland and the Republic.** This could take the form of a wholistic 25-year all-island environment plan, outlining what we want to achieve and the ways in which we want to get there. This will help better guide the environmental outcomes of which a new agriculture policy is aiming to deliver.

Funding needs

⁴⁹ <https://www.sciencedirect.com/science/article/pii/S0167880912001570>

⁵⁰ <http://www.heartoftheglens.org/cms/wp-content/uploads/2018/01/Glens-of-Antrim-Resilient-Farm-Project-Report.pdf>

⁵¹ Cooper, T., Hart, K. and Baldock, D. (2009) The Provision of Public Goods Through Agriculture in the European Union, Report for DG Agriculture and Rural Development, Contract No 30-CE-0233091/00-28, Institute for European Environmental Policy: London.

To meet our environmental objectives, NI government must allocate more resources in the management and restoration of habitats, landscape features and the historic environment, and to support land management practises that maintain and enhance soil and water resources and contribute towards the mitigation of climate change.

A recent report *Assessing the Costs of Environmental Land Management in the UK*⁵² estimates that in Northern Ireland, the level of funding needed to achieve our environmental objectives requires an eight-fold increase based on current costs. These costs are focused on land management interventions, and do not reflect the total costs associated with a future agricultural policy.

To ensure sufficient investment towards achieving our environmental goals, existing levels of funding associated with the CAP should be maintained, particularly for an initial 10-year period⁵³. Within this, the proportion of funding associated with environmental farming and land management policies should be significantly increased. A transition towards a public goods payment system provides the strongest rationale for long term public investment, and the best chance for a stable and certain policy post Brexit.

Achieving positive behavioural change

We strongly agree that achieving positive behavioural change will be central to ensuring the long-term sustainability of the agriculture sector. The provision of accurate information and **access to trusted advice will play a fundamental role** within this, helping to secure farmer buy in, whilst ensuring that interventions deliver value for money for the taxpayer through public good delivery.

When well designed and supported by advice, agri-environment schemes have been shown to be highly effective in providing a range of environmental outcomes, as well as being popular with many in the farming community. This has been witnessed across Northern Ireland in numerous projects where trusted advisors have worked consistently with farmers to generate big wins for the environment^{54 55 56 57}. Advice will be central to achieving this positive behavioural change and to build on past successes and must be significantly invested in within a future policy. It is imperative that the newly formed DAERA single knowledge advisory service is prepared for this significant shift in policy and has the resources available to deliver high quality advice where it is most needed.

Investment in monitoring and evaluation will also play a key role in supporting positive behavioural change within the agriculture and land management sector. Effective monitoring and evaluation will enable an understanding on the effectiveness of any policy intervention, helping to drive constant improvements in design and delivery.

A collaborative approach

⁵² <https://www.nationaltrust.org.uk/documents/assessing-the-costs-of-environmental-land-management-in-the-uk-final-report-dec-2017.pdf>

⁵³ https://ww2.rspb.org.uk/Images/Assessing%20the%20costs%20of%20Environmental%20Land%20Management%20in%20the%20UK%20Policy%20Briefing_tcm9-449500.pdf

⁵⁴ <https://www.tandfonline.com/doi/full/10.1080/00063657.2017.1415296>

⁵⁵ <http://www.heartoftheglens.org/cms/wp-content/uploads/2018/01/Glens-of-Antrim-Resilient-Farm-Project-Report.pdf>

⁵⁶ <https://www.rspb.org.uk/our-work/conservation/projects/halting-environmental-loss-project/>

⁵⁷ <http://www.aqriland.ie/farming-news/ni-college-farm-shows-how-to-balance-productive-farming-and-the-environment/>

We strongly agree that a more collaborative approach to the development of future policy interventions is necessary. This will include working with a range of stakeholders with skills, knowledge and expertise in farming and environmental management, who have succeeded to deliver measurable environmental benefits in the past. This will ensure that what is developed is practical and deliverable for farmers and land managers on the ground. However, it must be **recognised that future policy is based on robust science to ensure that what is delivered provides the public benefits that tax payers are expecting.** Again, effective monitoring and evaluation is central when trialling novel approaches to environmental land management. This will help to determine what works, what doesn't and what can be improved in the delivery and design of new policy interventions. The adoption of pilot schemes during the transition period from the previous system provides an opportunity to develop new schemes which are practical for farmers and fit for purpose for the environment

Q28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?

There needs to be significant investment in research and education to develop opportunities for positive environmental management in agriculture. Transitioning to a new approach of profitable, resilient farming based upon environmental protection and restoration, will require a significant shift in perception, and a greater level of knowledge and understanding for all involved. To get there, research and education will be key.

Sustainable approaches to agriculture must be embedded throughout all stages in education and professional development. We need to move away from our current siloed approach, where positive environmental management is viewed as an option, and in many cases a restriction, rather than an essential part of a thriving business. At present, Cafre's highest agricultural qualification⁵⁸ reflects this traditional approach with a small number of standalone modules based on environmental sustainability and sustainable agriculture. And yet, the need is pressing and urgent to incorporate positive environmental management throughout all aspects of agricultural production. Educational providers should reflect this, embedding sustainability throughout all of their programmes. This will help change the narrative around farming and the environment, with the win-win benefits of positive environmental management being acknowledged, accepted and most importantly implemented as part of best practise.

A similar move is being witnessed in France which in 2014 enacted the "Law for the Future of Agriculture, Food and the Forest" which is the first step in shifting the objectives of French agriculture to give environmental and social goals as much weight as economic ones. The law actively encourages agroecological approaches⁵⁹ to farming and sets a target of implementing these on the majority of French farms by 2025. It has also added agroecology to the curriculum of agricultural colleges across the country under the slogan of "let us produce in other ways." In 2014 the French government also employed over 200 new researchers and tutors to teach agroecology across the country as a core part of the national agricultural education programme.

⁵⁸ <https://www.cafre.ac.uk/courses/bsc-ag-tech/>

⁵⁹ Agroecology is the science of applying ecological concepts and principles to the design, development, and management of sustainable agricultural systems. Agroecology is the science of sustainable agriculture; the methods of agroecology have as their goal achieving sustainability of agricultural systems balanced in all spheres. This includes the socio-economic and the ecological or environmental.

Similarly, research needs to focus on identifying innovative sustainable models for agriculture here. More needs to be done to identify and maximise the opportunities to incorporate positive environmental management into all farm businesses. Research findings need to be widely communicated to relevant audiences in order to make informed environmental and business decisions moving forward. **As such we welcome the Department's intention to incorporate environmental research and knowledge transfer as a key component of their policy framework.**

Q29. What are your views on a shift towards more outcome based environmental measures for agriculture, including co-design with farmers and land managers?

We support a new policy which focuses on the delivery of environmental outcomes. As stated above, we call for environmental outcomes to be targeted to achieve national and international environmental commitments as set out in existing legislation and be agile enough to align with future legislation. Funding should be allocated based on the scale needed to meet these specific outcomes.

It is important to note the subtle difference between the delivery of outcomes and payments that are related to the outcome being delivered. **It is our view that a range of mechanisms should be used to deliver specific environmental outcomes. These include both action based payments and payments related directly to the results achieved.**

We support outcomes based (or results based) approaches to payments in some cases, however action based payments will remain important, particularly to achieve high-level uptake. The potential benefits of results based over actions based payment can include: reduced bureaucracy, increased flexibility, more empowered land managers and better environmental outcomes. However, in some cases we do have concerns that results based payments can permit management measures that are not supported by a robust evidence base, which at best may not be a good use of public money and at worst could lead to environmentally damaging practises. Ensuring adequate safeguards against this in any future outcomes-based payments will therefore be essential.

Natural England have been piloting 'Results Based Agri-environment Schemes' since 2016, whilst The Department of Agriculture Fisheries and Marine has been implementing the outcome based Burren Programme since 2010. These pilots have demonstrated improvements in the delivery of environmental outcomes, but further investment is required to unlock the full potential of outcomes based approaches. However, we recognise that in some cases payments for outcomes or results may not represent the most practical option for delivery. Results are not always in the control of the farmer and could present a higher risk to them. Similarly, there are numerous examples demonstrating that when practically designed, well-resourced and supplemented with high quality advice action based payments can deliver impressive results⁶⁰. **As such, we believe that actions based payments should remain a crucial component of future payment schemes, especially if we are to secure the degree of uptake envisaged in a future policy.**

In terms of co-design, there is significant scope to work with farmers and land managers to develop and design effective agri-environment schemes can play a crucial role in securing better uptake and delivering success. Many farmers have been delivering agri-environment schemes for years, generally by undertaking a range of specified management techniques at specified times of the year. However, for many the restrictive nature of these prescriptive schemes can be off putting and can result in a lower than optimal uptake. In the future it is

⁶⁰ <https://www.tandfonline.com/doi/full/10.1080/00063657.2017.1415296>

essential to work closely with farmers to develop something that works well within their management of the farm, but also delivers the desired results for the environment. By working together, we can deliver options which do this. A key here will be to move towards a more flexible system, in which management can be tailored to suit the particular circumstances of a farm or landscape.

This could be agreed through a process of advisory and consultation with each individual farmer partaking in a scheme. This will help contribute towards the delivery of environmental outcomes rather than simply following prescriptions. If carefully managed a process of co-design will help give farmers greater ownership over environmental land management, as well as developing a greater insight and knowledge of the techniques involved in achieving the required results. Additionally, farmer knowledge will be effectively harnessed to deliver simple, practical and effective scheme options which suit those that are entering them

Q30. What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practise to enhance environmental sustainability?

The direct link between expenditure and an action or result is the best way of securing value for money, and creating transparency about what public money is paying for. Importantly, it also fits with the principles that the more someone does to provide public benefits, the more they should receive in return. This has been the approach adopted through current agri-environment schemes which work upon the basis of income-forgone and costs-incurred, which is a more effective way of achieving environmental outcomes than other currently available options (area based payments with associated conditions).

However, using income-forgone and costs-incurred does present some issues. Creating enough of an incentive to secure sufficient uptake, or uptake in the right areas can be problematic, especially in sectors of agriculture that are potentially highly profitable. At the other end of the scale, where income from farming is low or non-existent, payments can be very low, even if the environmental benefits are significant.

It is necessary to create environmental payments which are attractive to farmers and land managers, whilst also providing clear value for money to the public. To further understand how this can be achieved, we encourage to **DAERA to explore three areas**

1. **Whole farm costs.** It should be possible to treat the costs of running a farm business as a cost associated with securing an environmental action or outcome, where that far, system is essential in securing environmental public goods⁶¹. This would refer particularly to economically marginal but environmentally important High Nature Value farming systems such as the uplands of the Antrim Hills or the wet grassland systems of Lough Beg.
2. **Transaction costs.** Environmental land management may often incur significant transactional costs beyond those associated with a specific intervention. This will often be the case with regards to landscape scale cooperation, or where significant training and advice is required.
3. **Costs associated with long-term land use change.** Creating climate change resilience while helping to deliver the government's obligations under the Paris Agreement should underline the attitude to land use change. Government should accept the principle that it is rural areas and rural dwellers who will largely deliver on Climate Change obligations

⁶¹ Barnes A.P., et al (2011), Alternative approaches for non-economic farming systems delivering environmental public goods. Report for the Land Use Policy Group.

for example in delivering renewable energy and reducing gaseous emissions. **This recognition should be accompanied by additional payments.** Certain land management interventions, such as habitat creation, will incur costs that extend beyond five or ten-year management contracts. In conjunction with other policy mechanisms, there may be scope for higher upfront payments to recognise these long-term costs, on the condition that the land use change in question is maintained in perpetuity.

As an alternative to these approaches some have suggested making payments based on the nominal value of ecosystem services provided. We believe that this approach would be flawed for the following reasons.

1. Farmers and land managers do not 'own' the full value of ecosystem services flowing through their land. For example, the value of clean water may be considerable. It is not reasonable though to expect downstream beneficiaries to pay the full value of this for two reasons-
 - a. Firstly, it is an offence to cause or knowingly permit pollution. Much of the value of clean water is not something that should be paid for therefore, but something that society can reasonably expect to be provided through compliance with legislation, or societal norms.
 - b. Secondly, allowing land managers to levy a fee for services based on the nominal value of ecosystem services, when they often have a monopoly over supply of that service, would not be acceptable, and is not tolerated in any other sector.
2. Valuing ecosystem services is difficult and contested, with no reliable or accepted means of doing so at a finite spatial scale, such as an individual farm. Monetising those values, where they are possible to define, is an additional complex task. More research needs to be undertaken before this approach can be broadly accepted

Monetising outcomes from land management interventions is useful in understanding what the benefits of these for society, and therefore the case for public investment. At this stage however, it does not – for the reasons described above, present a sound basis for calculating payments to farmers and land managers. Consideration should be given to more detailed analysis as to how this approach could be developed in the longer term

Q31. What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?

Creating a fair and transparent supply chain, that encourages and rewards positive environmental land management will be a significant tool towards developing a truly sustainable farming sector for NI. With well targeted support, innovation and will, we can create a premium sustainable brand for NI food based on food of the highest quality, with high welfare standards and sound environmental management. This could take the form of accreditation schemes, which can ensure that food produced to high environmental standards is properly recognised and rewarded by the market. For example, beef or lamb produced in breeding wader hotspots could be recognised for the valuable contribution that they make towards saving these species. Or, livestock used to manage species rich grassland could generate a better price because of their unique and rich flavour and health benefits that they produce⁶². Such moves are already being witnessed in NI, where farmers producing high quality, high welfare, environmentally sound products are succeeding within the market place.⁶³⁶⁴ Government could support programmes to build and develop these

⁶² <https://www.pastureforlife.org/media/2016/01/pfl-it-can-be-done-jan2016.pdf>

⁶³ <http://www.glenarmshorthornbeef.co.uk/>

⁶⁴ <https://www.broughgammon.com/>

brands and products, with the product being the character and health of the landscape as much as the food itself. Improved branding and support in accessing markets can help to create a sustainable food image that genuinely lives up to its reputation, generating better market return, sustaining farmer livelihoods and restoring the environment.

Such a move is being championed within Exmoor National Park which has been developed by a range of stakeholders with an interest in the area.⁶⁵ This approach, entitled Exmoor's Ambition outlines a path to build economic and environmental resilience under a public money for public goods programme. Within this, the development a top-quality brand based on the environmental integrity of the food produced in the landscape plays a key role.

In the Netherlands significant work has been undertaken to improve the environmental sustainability of the dairy industry. Working in collaboration, Friesland Campina, Radobank and the World Wildlife Fund are developing innovative measures to help farmers in the restoration and conservation of the environment⁶⁶. Working with farmers they will map out the measures taken by the dairy farming sector in order to protect biodiversity. These include measures to improve functional agrobiodiversity, the diversity of the landscape, the diversity of species and regional biodiversity. A new Biodiversity monitor has been developed to facilitate and evaluate this, demonstrating the performance of dairy farmers in respect to environmental sustainability. The intention is, that dairy farmers who are performing well will receive recognition through the supply chain for this valuable work, through for example favourable interest rates at the bank or a premium price for their product. Similar moves could be adopted in many key landscapes and industries within Northern Ireland, helping to sustain farmers commercially as well as the environment physically.

Customers have an important role to play within this process, as they ultimately be the ones who purchase and consume many of these products. Branding and marketing will be important, as will a greater awareness of their roles in supporting the food system. Developing a greater recognition and awareness of positive environmental management in farming can help do this. For example, improved public awareness of agri-environment schemes would allow the public to understand better the link between their tax money, their spending on food and the management of the countryside.

Q32. What are your views on the delivery models that would deliver the best uptake and outcomes?

Numerous examples of well-designed agri-environment schemes provide a proof of concept on which to build upon. The evidence suggests that well designed and implemented schemes, supported by an effective regulatory baseline, can provide significant benefits for farmers, land managers and the environment. Positive results have been achieved in a number of areas, including the uplands of Glenwherry and the wet grasslands of Lough Beg and Lough Erne where farmers have helped reverse local declines in breeding waders, to County Down, where agri-environment options are providing widespread benefits for priority seedeaters.

The best examples of these schemes provide a starting point for an expanded and more ambitious future environmental land management system, delivered at a landscape scale. These examples highlight the need for any future environmental payment system to include.

⁶⁵ http://www.exmoor-nationalpark.gov.uk/data/assets/pdf_file/0010/1112869/ExmoorsAmbition_Web.pdf

⁶⁶ http://biodiversiteitsmonitormelkveehouderij.nl/docs/Biodiversiteitsmonitor_engels.pdf

- a. A **degree of targeting**, to ensure that management interventions are at the right scale, and in the right place for a given objective. This will be crucial in delivering value for money.
- b. Investment in **expert, trusted advice**, central to securing value for money and the buy in of the farming and land management community.
- c. A **strong evidence base** as to the effectiveness of different management interventions, and the scale at which they need to be deployed.
- d. Investment in **monitoring and evaluation** in order to understand the effectiveness of any policy intervention, and to drive constant improvements in design and delivery. To achieve this, a degree of national oversight and scrutiny will be needed.
- e. **Farmer buy-in** as a prerequisite to success, that can drive uptake even where the management interventions are challenging and ambitious.

The above points will help to achieve this in providing the confidence that a given intervention will deliver the target outcome, as well as processes for managing applications and contracts that are fit for purpose.

A prime example of a project which embodied these core features is evident within the mixed and arable farmland of East County Down. Here, a range of farmers have effectively used well placed agri-environment options and access to expert ecological advice to significantly increase populations of threatened seed eating species on their farms.

This project epitomised these core principles, being targeted to the right landscape, with dedicated expert advice being administered to ensure that options were located in the right place and that the farmer was managing them correctly. Monitoring and evaluation was carried out throughout to assess and measure progress, whilst farmer buy in was achieved because of the relationships built between themselves and the advisors. Because of these features, this project provided huge wins for wildlife, with population increases of 79%⁶⁷ for the red listed species Yellowhammer on farms which received the most dedicated advice. These increases took place in the face of wider declines throughout the rest of the countryside.

One of the keys aspects towards increasing uptake in future land management schemes, will be the role that the Department plays in promoting and advertising them. Farmers need to be made fully aware of schemes, when they open and the benefits that they can bring to their farm business. This needs to be communicated by staff in the department when working with farmers, through the newly formed Knowledge Advisory Service and through a range of communication channels.

In the future, we need to be aware of poor scheme design, inadequate systems and processes, the presence of low value for money options and poor targeting. To varying degrees, these have all reduced the effectiveness of schemes in the past. Additionally, previous budgets have never met the scale of need.

The case for investing for investing in a more ambitious environmental land management through public policy is solid. The future system must be well designed and properly funded to achieve our environmental obligations (see question 30).

⁶⁷ <https://www.tandfonline.com/doi/full/10.1080/00063657.2017.1415296>

Supply chains

Q33. What are your views on the role of government in ensuring market transparency?

Post Brexit, market transparency will be vital to ensure NI produce is the first pick when it comes to marketing NI produce to both the local and international consumer.

Presently, an asymmetry exists in the supply chain between a large number of farmers and a small number of powerful processors and retailers⁶⁸. Given this, there is a clear role for government to be proactive in providing primary producers with a business environment that enables them to secure a fair return from the market, and a fair share of the profit that exists in the supply chain.

With supermarkets dominating the retail market and dictating prices to producers, it is becoming increasingly difficult to make a decent livelihood from farming. Farmers are often running at a loss, so that supermarkets can make greater profits, by paying below the cost of production. Farmers often only stay in business through subsidies from the taxpayer.

From the point of view of food security and carbon emissions we have to try and shift the balance more towards local food production and consumption. Encouragement should be given for quality assurance and local promotion initiatives so as to strive for a shorter supply chains where possible, with producers benefiting from fair price for product and society benefiting from a reduction in emissions and a pull towards sustainable outcomes.

As we have outlined above, a shift to public money for public goods is essential, but part of that shift must allow for farmers to get a better income from the market. As mentioned before, public education in this regard is vitally important

DAERA should support fairer purchasing practises in the agri-food supply chain through the development of a statutory code of conduct. This code should support fair purchasing in all agricultural sectors and apply to all stages in the supply chain and would be properly enforced and ensure fair treatment for suppliers regardless of where they are, and which sector they work in.

Q34. What are your views on CPD extending to encompass supply chain awareness for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?

It is vitally important that supply chain awareness is built into continued professional development so farmers can respond to the pull factors of the supply chain that could drive sustainability upwards.

We consider it important that farmers have access to and are encouraged to utilise training on business planning which should focus on the profitability and sustainability of their operations. By focusing on profitability and sustainability farmers can often reduce inputs which can deliver cost savings and better environmental outcomes. CPD could provide a mechanism for this but it is important that any such training is independent and supports the farmers to think about new future approaches beyond the current status quo to ensure we transition to an agriculture sector which meets future challenges for people and nature.

⁶⁸ http://www.foodcoalition.scot/uploads/6/2/6/8/62689573/plenty_complete.pdf

Q35. What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-supply chain?

As mentioned above we feel there is a clear need for government action to achieve greater collaboration within the supply chain, especially through a difficult time of uncertainty and transition out of the EU.

A number of examples exist elsewhere where governments have intervened to support the agri-food industry in a journey towards sustainability. Origin Green⁶⁹ has begun to achieve this through the self-described 'semi-state' organisation Board Bia which is responsible for marketing and promotion of Irish food, implementing quality assurance and sustainability programmes and market and consumer insight. Such a body should be considered in NI as we move forward into highly competitive global markets. Another example is that of Dutch based ZuivelNL which was established by the Dutch Federation of Agriculture and Horticulture and the Dutch Dairy Organisation⁷⁰. The mission of the organisation is to strengthen the Dutch dairy supply chain in a way that respects the environment and the supply chain. This has been taken a step further and developed the 'Biodiversity monitor for the dairy farming sector'⁷¹ which, in partnership with eNGOs seeks to provide a new tool for standard quantification of biodiversity enhancing performance in the dairy sector. Given the public goods approach mentioned above, acting as a step change in agriculture and land management policy (push), it is vital that the market and supply chain can act as a pull factor in improving the sustainability of agriculture and land management in NI.

Nature Matters NI supports industry calls for an Origin Green[er] which could and should outcompete with the sustainability of produce from RoI.

⁶⁹ <https://www.origingreen.ie/what-is-origin-green/>

⁷⁰ www.zuivelnl.org/zuivelnl-organisation-of-the-dutch-dairy-supply-chain/

⁷¹ http://biodiversiteitsmonitormelkveehouderij.nl/docs/Biodiversiteitsmonitor_engels.pdf



Northern Ireland Future Agricultural Policy Framework: Stakeholder engagement

Nature Friendly Farming Network Northern Ireland Response

Nature Friendly Farming Network

The Nature Friendly Farming Network (NFFN) is a farmer led independent organisation, established in November 2017 uniting farmers across the UK who are committed to managing their land for wildlife and public service at the same time as growing and providing safe, healthy nutritious. The Network represents members in Northern Ireland in the form of a NI steering group.

The farmers behind the network believe that post-Brexit agriculture policy for Northern Ireland should:

1. Help all NI farmers to produce safe, healthy food at the same time as helping our soil, landscapes, rivers and wildlife to recover and flourish.
2. Maintain and redirect farming payments towards mainstreaming nature friendly farming.
3. Recognise that the shift towards a more nature friendly approach is not just good for wildlife but is key to the long-term survival of Northern Irish farming, delivering broader benefits to the public, including flood protection, water and air quality, and access to thriving natural landscapes.
4. Make sure future schemes are accessible to more farmers.

The NFFN welcomes the release of DAERA's future policy framework for stakeholder engagement. During this engagement period, it is critical that DAERA listens to NI farmers who are calling for a radical change in food and farming policy. We cannot miss this significant opportunity to transform Northern Irish agriculture to help farms evolve and thrive, whilst restoring and protecting our natural heritage. NFFNNI farmers were surveyed regarding the future of agriculture policy in Northern Ireland in September; their feedback has been incorporated within this response.

The case for change

95% of all NFFNNI farmers surveyed believe that now is the moment for radical change in agricultural policy that rewards the conservation of natural resources alongside sustainable food production¹

The Northern Irish landscape is shaped by farming. Yet not all change in recent times has been desirable; soils have been depleted, water courses degraded and nature has struggled to cope with the pace of change. We have seen declines in over 600 farmland species over the last 50 years. However, farmers are key to reversing this trend and many have entered into agri-environment schemes to try and do just that. With over 70% of the NI landscape being farmed, we need to act now to deliver for the environment at a landscape scale. The NFFN believes that now is the moment for radical change in agricultural policy that rewards the conservation of natural resources alongside sustainable food production.

Regulation and environmental standards

100% of NFFNNI farmers surveyed want high environmental standards both at home and for imports to be a key requirement of future agriculture and trade policy

¹ Full survey results available upon request

Any future payments related to farming and land management must be based on the recipient meeting ambitious minimum regulatory standards. This is necessary to meet Northern Ireland's environmental aims and to ensure that the environmental benefits that farmers deliver through schemes are not undermined by damaging practises elsewhere. Regulation creates a level playing field, with all farmers and land managers bound by the same rules.

Regulation should define the rights and responsibilities of landowners, providing clarity about when they will be expected to maintain existing environmental and animal welfare standards and when they can access support to provide additional benefits. For example, going beyond regulatory standards to help improve water quality etc.

The design of cross compliance as it currently stands is unfit for purpose, creating a culture of fear. We need to address this, working together to create a system that prevents and where necessary, rectifies environmental damage. In a future system, enforcement should be proportionate, allowing farmers time and providing advice to become compliant. Follow up inspections should be undertaken to assess progress, before any penalties are applied. There should be a "3 strikes" rule, with the first infraction met with a caution coupled with advice on how to comply with the law; the second with a penalty and any third infraction leading to an exclusion (from 3-5 years from enrolling in schemes). Regulation should be better targeted at repeat offenders and those blatantly or purposefully breaking the rules.

Regulation and the provision of high quality advice should be closely linked, so that any farmer that has been found in breach a) has time to rectify the situation and b) access to quality advice to become compliant. This would engender greater trust between the industry and the regulator. Finally, inspections must be streamlined, at present farm businesses are being inspected by a range of different bodies all looking for different things. We recognise that meeting these requirements is essential; however, we would welcome an alternative delivery model, in which one comprehensive delivery visit is undertaken by the regulator. Again, a relationship built on mutual trust will be key, this will allow us to work together to achieve better outcomes towards the protection, restoration and enhancement of the environment.

Future trade deals will have a significant impact upon how land is managed in the future. The NFFN believes in high standards and it is clear that the public share this concern. A future trade regime must ensure that only products produced to comparably high standards as here are imported. NI farmers must not be exposed to the sort of cut price competition that will drive them towards more harmful ways of both farming land and livestock. We cannot export our environmental footprint overseas.

Public support for the environment

85% of the NFFNI farmers surveyed are calling for a greater understanding of the critical role that farming plays in protecting the environment and delivering public goods

The NFFN strongly believe that we need the public to better understand the relationship between farming and the environment and the benefits that nature friendly farming can bring; both in protecting and enhancing the environment and safeguarding future food production. We want better support to be able to demonstrate to and engage with the public about our work. To properly show what environmental farming can do for the public. People have lost touch with food, farming and the environment and this needs to change. We want to work together to create a vibrant, prosperous countryside that the public can access and enjoy. **Public engagement should be central**

to future policy with the aim of improving public understanding about food farming and the environment. Education also has a key role to play, for the farming community and the public alike. Interaction with farming and the environment should be better facilitated within the education system at an early stage. Similarly, education programmes for those working in agriculture should better recognise the key role that the environment plays in supporting thriving sustainable farming businesses.

This will benefit nature through positive environmental land management, the public who will reap the rewards of a healthy countryside, and our businesses as people better understand the vital role that nature friendly farming plays in providing these benefits. Farmers should be encouraged to explore innovative ways of engaging the public, including through neighbouring farms acting together, engagement with the school curriculum, or partnerships with other businesses (such as food processors or retailers). Public engagement can also encourage new entrants into farming through engagement with the education system.

Opportunities for farmers to engage with the public must be encouraged, this will include physical access to farms for those that are willing. Within a new system, access to information will also be key. Citizens should be able to easily access information about the public money received by farmers in their area; their aims and objectives; the projects they are involved in; and what is expected or them in return for payments. An online portal or hub could present this information in an easily accessible way to improve the transparency of agriculture. This would help to make the link between public money, public goods and the public itself.

Profitable and sustainable farm businesses

The NFFN are committed to securing farming policies that support wildlife, sustainable agriculture and fairness for farmers. As such, we are concerned by the proposals within the framework regarding the 'grand productivity challenge'. A broad push towards increasing productivity in Northern Ireland does not necessarily represent the best approach towards protecting, restoring and enhancing the environment, or providing fairness to farmers. **The framework fails to recognise that a focus on profitability is of equal importance, and that in some cases focusing on this will not necessarily maximise productivity in certain farming systems and locations.** As such, we call on DAERA to recognise the importance of profitability in a future policy framework and focus on ways to help farmers achieve this.

We believe that nature friendly farming is not only better for nature, but is also the most productive and sustainable way of getting food from our land. **For a future agriculture policy to be sustainable in the long term, it is essential that any efforts to drive innovation and productivity are compatible with those that are aimed at protecting, restoring and enhancing the natural environment. To achieve this, there needs to be a greater recognition and understanding of the vital role that nature friendly farming has in benefitting productivity.**

For us, farming with nature represents the cornerstone of our businesses. By looking after our soils, crops and grasslands prosper, our stock benefits from well managed hedgerows and diverse swards, whilst beneficial insects enhance yields and suppress pests. **The role of science innovation and research must seek to identify and communicate opportunities for these win-win scenarios to deliver truly sustainable production.**

Agriculture policy is wider than just government support for the delivery of environmental public goods, but should also incorporate rural policy, food policy animal welfare and support for farmers to be competitive and resilient. These policies may help to provide new sources of income to farm businesses as we move away from area based payments. It is important to recognise that a range of factors will influence environmental delivery and the viability of the farming sector as:

1. **Payments for ecosystem services** (for example, from NI Water, property developers etc) which could help pay for some environmental outcomes such as water quality or biodiversity. These should work in conjunction with government supported environmental schemes, to spread cost fairly and avoid duplication.
2. **There is an important role for consumers and the supply chain in influencing how land is managed.** For example, accreditation schemes can ensure that food produced to high environmental standards is recognised in the market. This could include highlighting food produced on land managed under agri-environment schemes in the market. Improved public awareness of positive environmental land management would allow the public to better understand the link between their tax money, their spending on food and the management of the countryside.
3. **Government support to the sector to improve resilience and help transition away from area based payments.** This could include capital grants, training, business advice and support for technology uptake, such as investment in high speed broadband etc. The aim should be to improve the competitiveness of the sector using one off or time limited payments.

Building resilience

We call on DAERA to define what they mean by 'resilience' within the framework. For us, it means being able to make an adequate living from our land whilst safeguarding it for future generations; it means sustaining the landscapes that we farm and the communities where we live, as much as our own businesses and livelihoods. It represents a lot more than a 'stable and reliable' income outside of market volatility.

Area based payments have helped to keep some farmers on the land, but they have failed to build the overall resilience of our sector, of nature in our landscapes and the communities where we live. Because of this, they do not represent the best way towards developing a more resilient countryside or farming sector. We need to look at resilience in a more holistic fashion, seeking ways to revitalise rural economies, sustain farmer livelihoods and restore the environment, as well as securing a fixed income.

We believe that payments for public goods represents the starting point towards building a more resilient countryside and farming sector. Well-resourced effective land management schemes can provide the stable reliable income separate from the market, whilst also delivering a range of benefits to the taxpayer. This will build the resilience of individual farm businesses and the landscapes that support them. For example, moves to improve soil health can safeguard our farms against drought, disease and climate change whilst sensitive management of upland areas can reduce the impact of flooding downstream.

Such an approach could flip areas of natural constraint on their axis, turning them from economically marginal areas to vibrant prosperous landscapes. Support for nature friendly farming in these areas

will enhance the landscape for nature, allowing species and habitats to thrive, whilst also providing farmers with an attractive payment for their land management in supporting this. This in turn helps to make the landscape more attractive to potential visitors who want to immerse themselves in these high-quality landscapes. This may offer diversification opportunities for farmers as well as for local entrepreneurs, through tourism for example. With well targeted support, business advice and access to appropriate supply chains, farmers and rural communities would be well placed to capitalise on the improved natural assets of their landscapes, or to generate a premium price based on the improved environmental credentials of their food products. This is on top of receiving a stable and reliable payment for their beneficial environmental land management. These options represent a more comprehensive approach towards safeguarding economic, environmental and social resilience in the countryside which a simple area based payment could never achieve.

Working together

70% of NFFNNI farmers surveyed believe that co-design between the Department, environmental specialists and farmers and land managers is essential towards ensuring that a new system is effective

The NFFN believes that all farmers and land managers have a role to play towards developing a farming sector that delivers environmental enhancement alongside sustainable food production. It will take the collective knowledge, expertise and experience of a whole range of stakeholders to implement nature friendly farming across the country. This will apply in agricultural education, where nature friendly farming must be embedded within the core curriculum. This will mean that the next generation of farmers view farming with nature as one of the central elements of their business as opposed to an optional add on. Knowledge transfer and training will also be central towards achieving a change in how the environment and farming work together. Already some farmers are beginning to see the benefits of working together to share knowledge in the current Environmental Farming Scheme and other projects². Initiatives such as these should be pushed out on a wider scale to deliver success at the necessary scale. The win-wins of nature friendly farming will need to be well researched and communicated effectively, demonstrating the key role that positive environmental management can have upon a successful farm business. This is essential as more farmers are going to embed sustainable production methods as part of standard practise.

Working with nature

A future policy should focus on rewarding farmers to provide those benefits, especially environmental benefits that are not normally paid for through the market. **This is where the majority of taxpayer money should be focused.** We believe that the many farmers who are already playing an incredible role in helping wildlife flourish on their farms should be better supported and rewarded for their work.

Policy should be holistic, based on the whole farm operation including production and environmental aspects as far as this is possible. This means flexibility, for example to reach environmental targets across the farm rather than in individual fields, and more **focus on outcomes and achievements than mapping and calculating.**

² <https://www.cafre.ac.uk/technical-publications/understanding-soil-analysis-reports-training-gets-underway-upper-bann-catchment/>

For a new policy to be successful, well-resourced and practical agri-environment schemes will play an integral role. **Future schemes must make it simple for farmers to do the right thing for nature.** Payments for environmental works must be fair and generous and make economic sense to farm businesses as well as environmental sense. Farmers should be able to access payments in line with their achievements and effort. Payments should reflect the genuine environmental or social benefits that farmers provide. As such, **we believe that payments should be calculated beyond cost-incurred, income foregone.** Too often the true cost and value of such options has not been reflected in the payments attached to them. This often limits the uptake of interventions that require more difficult or expensive management, but which can often provide significant environmental benefit.

A new scheme will need to balance being environmentally effective, deliverable and auditable by government with being practical for farmers and land managers. **Flexibility should be built into the design of new schemes, so that farmers can alter management practises if required.** We feel this is a major flaw in the current design of schemes, which can be overly prescriptive and burdensome, which ultimately impacts upon uptake and buy in.

In the future, **farmers must be involved in the development of agri-environment options.** Our knowledge and experience will be crucial in delivering something that works, representing good value for money and greater buy in from the farming community. There is a significant opportunity to simplify schemes whilst ensuring that they deliver more. There should be a more straightforward, intuitive application process and clear guidance outlined to the applicant to identify the range of benefits to their business and the environment. This will encourage buy in from farmers and greater recognition of the benefits that are being delivered.

It is also important that future agreements are long term. This will give more certainty and stability to farmers and reduce the administrative burden on government. This means longer-term agreements of at least 10-15 years should be considered to encourage continued commitment, improvement and delivery over similar time periods. However, longer agreements will not always be appropriate. Increased flexibility within agreements is essential to enable land managers to adapt the details of the plan over time, while retaining a long-term commitment to the goals agreed at the outset. Previous schemes have not adopted this approach, often resulting in instability and uncertainty. Additionally, gaps between the closure of one scheme and the opening of new ones have impacted upon continuity. Many farmers have invested in environmental management for the long term and would like to see schemes which helps them better realise this commitment.

Future schemes should also aim to work at a landscape scale, both in the wider countryside and within priority areas. Farmers should be brought together, to help deliver for farming and the environment at the scale necessary to deliver success. Payments should be better calculated to account for and reward this collaborative, coordinated approach. A landscape approach will help better connect the good work of farmers in each area, to contribute more effectively towards meeting stated environmental outcomes.

Effective monitoring and evaluation will be crucially important and should drive management decisions. For example, soil testing could be carried out regularly and be used to help determine the correct levels of fertiliser application across the farm thereby avoiding over-use. Similarly, biodiversity monitoring should be included in schemes to accurately assess their impact on wildlife.

To achieve environmental outcomes, whilst delivering value for money, farmers must be provided with consistent, high quality advice. Regular support from a trusted advisor makes a significant difference towards achieving success and ensures that land managers are fully equipped to do what

is best in each area. This support should be provided consistently throughout the duration of the scheme agreement.

All types of scheme should be supported by expert advice, but in particular larger, targeted landscape scale approaches should be supported by significant levels of advice. Entry into schemes should look at the outset at what type of advice is needed and how it will be accessed.

There is good evidence that payments based on outcomes or at least results can improve environmental benefits, and increase farmer engagement with and awareness of schemes. However, **there are technical challenges with this approach that must be addressed before it can be rolled out as the primary mechanism for rewarding farmers.** Results are not always in the control of the farmer and could present a higher risk to them. Any system of payment based on outcomes or results will be dependent on clearly defined metrics and targets, with consensus on what change is being measured and how. It will also depend on high quality advice to farmers to follow best practise and to determine why management has or has not led to the desired outcome. Trust in farmers is critical towards any success.

Funding needs

95% of NFFNNI farmers surveyed say that it is crucial to maintain at least the current level of investment, refocused to deliver better value for money, to ensure a thriving sustainable agriculture sector

To meet our environmental objectives and create a sustainable agriculture industry for NI, the levels of funding associated with farming and land management need to be maintained in the long term. However, funding needs to be significantly repurposed to better help farmers meet our stated objectives and provide a range of benefits³. Farmers have the most crucial role to play in producing, high quality nutritious food, safeguarding our soils, improving water quality and ensuring that nature thrives in Northern Ireland. As such, it is essential that as a minimum, the current level of investment in agriculture is maintained, but carefully targeted to meet these desired objectives.

In conclusion

We believe that nature friendly farming is not only better for nature, but is also the most productive and sustainable way of getting food from our land. Many farmers are already playing an incredible role in helping to deliver a range of important public goods, from wildlife, to water quality and improved soil health. We believe that they should be better supported and rewarded for their good work. In addition, we think that food and farming policies should help all UK farmers to farm in a way that ensures that:

³ <https://www.wildlifetrusts.org/sites/default/files/2018-03/RSPB%2C%20The%20National%20Trust%20and%20The%20Wildlife%20Trusts%20-%20Assessing%20the%20costs%20of%20environmental%20land%20management%20in%20the%20UK.%20Final%20report..pdf>



We think that food and farming policies should help all British farmers to farm in a way that ensures that



Our NI steering group are keen to support and be involved in the development of future policies and schemes for NI. We hope you agree that further farmer input is essential to ensure the best and most practical policies and schemes are developed to ensure viable and sustainable farming businesses, good quality food production and environmental protection going forward.



Northern Ireland Agricultural Producers' Association

October 2018

NIAPA response to N.I. Future Agricultural Policy Framework

What do we wish to achieve in terms of a sustainable agricultural sector contributing in part or fully to farm family income while maintaining improving/enhancing our environment for future generations. We enter the debate as producers and custodians of environment/landscape and the bedrock or foundation on which the complete structure relies.

As such we do not wish to create a multi-tier system of producers with inbuilt inequality due to age profile, educational attainment or size of business. We are also acutely aware of the impact of European funding on primary producers and therefore the rural communities and the reliance placed on such funding as it impacts on the complete food chain.

Ideally as primary producers we would wish to receive a financial return commensurate with our inputs in terms of finance and time with capital to reinvest to modernise and develop our production system or even to maintain existing structures to enable them to be fit for purpose.

Unfortunately over the past number of years due to capital restraints the term resource efficiency which now appears to be a target outcome for farm business has had to be applied to government support, changing the advisory system and information from individual to group methods and out sourcing more training and responsibility for managing DAERA designed projects. Emphasis is perceived to be placed on supporting large business and groups with the only proposed strategy for smaller units being amalgamation or phasing out.

We can of course use this policy framework to achieve our objectives whether it be increased productivity from a smaller base, protection of the environment, protecting our communities or simply improving profit margins for a few.

We therefore approach this response with an open mind fully aware that that all proposals have a cost attached and we know nothing of proposed costs, environmental or economic.

We do know however the funding associated with CAP and wish to emphasise that nothing less will suffice regardless of how it is eventually distributed. We do not wish to have policies which though impacting on many are dictated by few therefore we feel that this policy framework document has many concepts and discussion points some of which will receive more prominence than others from respondents yet we feel none can be agreed without full input and cooperation of stakeholders.

We represent family farmers and this has been an integral part of our ethos and stated as such since 1974. We fully appreciate the need to protect and manage our environment in a positive way as it is our workplace from which we derive all or part of our income and which is available for recreational purposes by others while supporting various species and habitats.

We recognise the various elements of the food chain which we refer to as the pyramid and the importance and reliance of each on the others and we take on board the message regarding production on a world stage but we must ensure that whatever measures are finally proposed or adopted they result in a positive financial return to primary producers not as an incentive but as a right.

We also recognise that we cannot be isolationist but feel that this must work in every way and be reciprocated by other participants not only in the food chain but in government.

We cannot ignore the fact that ours is a land based industry and production capabilities vary in different parts of the province, hence the designations of lowland, disadvantaged and severely disadvantaged. Payments such as ANC meant that family farmers could positively enhance the environment by maintaining an agricultural presence and activity in areas where basic production never mind increased production of the types of livestock needed provides a much reduced income than in other more productive areas.

With regard to the questions asked we are responding to these but feel the document presented be regarded as initial ideas and should not preclude further discussion, input and consultation on any proposals which may arise as a result of this paper.

In fact we refer to Paragraph 1 of Page 8 of the document where it refers to a Minister NI Executive and NI Assembly and state our opinion that there must be further consultation with all stakeholders whatever arises as a result of this exercise otherwise the concept of stakeholder involvement, transparency and further collaboration is obsolete.

1. We support the retention of entitlements and continuation of the present framework until a new policy framework is agreed
2. We would support the abolition of the present greening requirements as stated with the incorporation of the BPS and Greening payment into entitlement values.
3. While the ploughing ban protects flora and fauna etc. on environmentally sensitive permanent grassland which we support, regard must be given to the producer who farms the land and is unable to improve productivity which can be considered an income forgone. Consideration must be given to businesses restricted by such constraints.
4. We support the continuation of payments to those receiving YFP as long as they are eligible.
5. There is no justifiable reason to discontinue applications to a regional reserve after 2019.
6. Generational renewal or inter-generational transfer does not only impact on the young person assuming control but also on the former controller who is relinquishing power and indeed on perhaps two or more families. We are fully supportive of young farmers becoming increasingly involved in farm businesses in a management capacity but in any policy development we must also accommodate the middle age bracket e.g. 40 – 55 years who are

involved in farming, yet many still do not still fully manage or control the business. What do we offer these people? Quite a number of years ago we stimulated the thinking on responsibility transfer; health checks etc. and these now enjoy mainstream thought. Most farmers do not consider a life after farming simply because they own and reside in their workplace and thought must be given to working on this by considering their position and planning for their future before pressing other initiatives.

7. Cash flow is of premier importance in farming as in any other business. Inspections pending or awaiting results should never impede the issuing of an advance payment to all businesses at the same time. The retention of 30% of payment should be sufficient to cover any if not all penalty situations with the option of recoveries as at present. We are always informed that this is EU policy which we now have the opportunity to adjust. Due to the subjectivity of inspections there has always been a variance in interpretation. We need consistency. This also fully applies to assessments for active farmers etc. which are again subjective and inconsistent. There is definitely a role for more stakeholder involvement at an earlier stage to have industry agreement on definitions. We must also adhere to the principles of proportionality.

9. Productivity should go hand in hand with profitability and the question always asked by our members is "who profits?" The productivity grand challenge is based on UK productivity versus competitors such as US, France, the Netherlands and Italy and this has been visited previously in discussion including those of the Agriculture Strategy Board and we note the point regarding benchmarking data. As producers however we must ask the question – what part of the food chain will most benefit in financial terms from increased production? If producers feel they are not presently receiving a fair price, will there be any price commitment, guarantee of margins etc. to increase sustainability of the primary link in the food chain which will provide this increase? Can we legislate for this? What would the anticipated increase to the NI rural economy be? Most agriculture commodities do not fit the "just in time model" making this a long term project. We feel we must talk of productivity and profitability in the same sentence. We recognise the fact that we have to compete with others and must look inwardly at our own industry but we need a cohesive, transparent food chain on which to do this. From a producer perspective, improved efficiency and achieving more from present production is a present priority.

10. "Knowledge is power" is an old saying and obviously education is a contributing factor to the knowledge accumulated. These both have an impact on an ever changing working environment. Provision of information is also a major contributing factor too as is access to a professional independent advisory service supplied by the competent authority available to everyone regardless of whether they are an individual or in a group. Knowledge transfer through group participation is also a useful model which has been in operation for a number of years. Results of the development and improvement models are based on KPIs such as numbers attending etc. and incentives are offered to attend so real outcomes are hard to quantify but they definitely offer an opportunity for learning and exchange of views. At this present point when we discuss education and training we note that much of this could be outsourced as at present. We would need to examine the situation regarding the present administrative capabilities and training capacity within our statutory agency. Would it be more cost effective to augment their present numbers than to train others who then work for

outsourced administration to deliver projects perhaps setting up new structures to do this. We presently are not au fait with costs involved.

11. We do not wish to ever set up a multi-tier farming where some believe they are inferior to others due to educational attainment. Neither do we wish to have a "licence to farm" because of this. We fully understand that educational training is voluntary and policy initiatives could have a positive impact on influencing participation. However our members are of a mind that what once had a positive impact can evidently be used as a method for penalising – e.g. FQAS once carried with it a bonus. Likewise we believe in equality other than preferred access to what should be standard services.

12. Likewise with any potential training is it more value for money if delivered externally and if so why? Are these courses being delivered by tender at a lower than DAERA baseline cost of the same quality? Again going back to point 11, equality - would the incentivisation be financial? One main question coming back from members is when will an active farmer get time for all proposed including compulsory training?

13. Innovation and new technology are trends which are occurring in all businesses not just agriculture. These will have to be promoted in a positive manner to give those who wish to avail of them the opportunity to do so; if environmental enhancement is a targeted outcome and benefits measurable then so be it.

14. Investment in any farm business requires major consideration whether self-financed or supported by a loan facility. The volatility of the industry is sufficiently documented to identify the servicing of debt as a major problem in difficult times when cash flow can be interrupted. There may be some whose circumstances may suit borrowing but a capital grant as an incentive for an investment reduces the investment cost when paid and the value of any repayments over time.

16-26. Resilience – this as it states is one possible option. Again emphasis seems to be agricultural productivity growth and structural adjustment. The word resilient is synonymous with farmers and in particular the disadvantaged areas and of course we support a payment to farmers in disadvantaged areas or ANC which we feel was wrongly removed. However this payment as described would seem to be a very basic allowance for all active farmers with pre conditions for payment. It would seem to be production based with environmental conditions but as we have no proposed budget, no proposals on farm payments etc. we cannot add further comment other than to say we always supported capping of payments. It is as yet an option which cannot be adopted without full stakeholder input and agreement. With regard to anti cyclical insurance type intervention to specifically help address volatility as opposed to crisis this is proposed as an alternative to no support whatsoever. This is again an option for discussion which eventually would appear to operate with a producer contribution. At present with no financial basis and now the potential involvement of third parties we cannot further comment or commit to this proposition although we appreciate the volatility of the industry and the need to try and protect farm families. Government must not use this as an opportunity to avoid intervention in relevant situations.

27-30. Protection and enhancement of the environment is in the main a non-remunerative part of a farmers' daily life as this is their workplace. It is a shared space as land is also used for

recreational purposes. Without farming activity it would be impossible to manage various areas in a positive environmental manner. From our perspective we wish to retain the maximum number of farming families who obtain all or part of their income from activity in their workplace. In order to do this they need to have a sustainable profitable business and be rewarded both for farm produce and environmental goods they produce. Both can work in harmony to deliver positive outcomes. We feel the retention of more businesses will provide more land managers providing positive inputs to landscape and environmental management. Again information and education have a part to play. In addition advice and assistance prior to recourse to any penalty system would be much more productive. Collaboration between all, especially consultation with farmers who are ultimately the land owners and managers prior to introduction of schemes would provide much more positive outcomes than the prescriptive interventions presently available. Incentivisation usually has a positive impact on scheme uptake but long term impact of intervention on farming practice is generally not understood by many participants. Understanding by government of the work of public goods provided by farmers is an essential part of any future policy discussion must involve landowners

31. Our members questioned the terminology of “actors and roles” preferring participants and inputs. What role would be envisaged for the other participants if it would ultimately fall to the primary produce or custodian of the land to be responsible? We do not want to have any further potential compliance issues forced on producers which could eventually create penalty situations or reduction in payment for produce. We feel we are already at the mercy of other “actors” with regard to our incomes. Nowhere does it ask the question if we feel we receive a fair price for our produce and this must be addressed.

33. If the government feels it cannot intervene in risk management then it should be able to ensure transparency in the market. Interdependence not industry provision is what is needed to ensure transparency. We have previously stated that we view the food chain as a structure in pyramid form. The base being the primary producers but no glass ceiling. We also believe that in this chain everyone is entitled to profit margin. It seems however that the chain is compartmentalised and therefore in some way divided which is where we feel we need more transparency and co-operation

As stated previously this questionnaire is based on prior discussion and we can only comment on the questions asked. There are various proposals for financial interventions, investment initiatives, resilience payments plus more which would have to come from a finite budget. There are no guarantees regarding farm gate prices. We know the value of present EU payments, the impact of these and the necessity of these. We respect the work which has gone into preparation of this document and the diverse opinions regarding it. We would wish to participate in further stakeholder engagement with more clarity on budgets etc. using this as a starting point.

NI ENVIRONMENT LINK



Wed 10/10/2016 16:08

Sean Kelly <sean@nienvironmentlink.org>

NIEL Response: Northern Ireland Future Agricultural Policy Framework

o DAFM AG Future Agn Policy



FINAL NIEL Response.pdf

Dear Sir/ Madam

Please find attached response to your Northern Ireland Future Agricultural Policy Framework Stakeholder Engagement Document.

Please note, Nature Matters NI is the public facing campaign of the Northern Ireland Environment Link (NIEL) Brexit Coalition, representing circa 100,000 members in NI.

I would be grateful if you could confirm receipt of our submission.

Best Wishes,

Sean P Kelly

Development Manager
Northern Ireland Environment Link
89 Loopland Drive
BELFAST
BT6 9DW



NI FARM FORESTRY

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September 2018

Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement

As a forestry agent I work with over 100 farmers and landowners throughout all 6 counties of Northern Ireland. My clients include a broad range of farm and rural business types and include the best and the worst the agricultural sector has to offer. Of note is the fact many of my non active farming landowners and land managers feel undervalued and ignored by DAERA in regards to CAP support and the part they have to play in managing our often unique rural resource.

DAERA have a unique opportunity to create a rural support regime that is a much better fit for Northern Ireland than ever before. Key to this will be the creation of a level playing field where all land use decisions are based on need, viability and fiscal efficiency. And not distorted decision making based on the 'grant farming' fixation of the past.

In particular I would like to see inclusion of support package that encourages afforestation, where this is the best use of the land.

TA Johnston |

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.

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?

A logical step.

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?

Yes keep the ban. A ban is something a farmer can understand. To assume that every farmer will abide with EIA requirements is asking a lot. Many just ignore the current EIA requirements and the department seem reluctant to take enforcement action against a farmer who transgresses.

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?

This seems fair and could give a bit of momentum to generational change in the short term

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

No, you have to draw the line somewhere. Hopefully there will be a successor measure post 2022.

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

If farming can become efficient and profitable there will be good incentive for the next generation to come into the industry. At the moment our farms are too small to give a reliable or sufficient income in comparison to other forms of employment. A mechanism is needed that will allow for the merger of small farms into a more viable sized unit. Land prices are disproportionately high and new entrants cannot buy extra land.

Land value is directly related to BPS entitlements. This has led to a divergence between an actual production based value and a valuation based on ability to gain Pillar 1 funds

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 sooner Pillar 1 is removed the better. If it is to be kept in 2020 and 2021 then it needs to be at a reduced level in order to wean farmers off this crutch.

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?

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 is a must. All other areas of industry expect a much higher level of education and training. It is frightening to see farms operating in the same way that they did 50 years ago. There are a very high proportion of our active farmers stuck in the past and who have no desire to learn or adopt innovation or efficiency

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?

An absolute if we are to achieve efficiency and make farming profitable. A sliding scale based on the level of educational attainment could be used. Level 3 is possibly too low. Level 4 should be the aspired base line

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 required in all other areas of industry. Farming should not be any different.

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?

Yes, a better use of public money than direct payments. I agree that this should be used where there is a demonstrable need and not just applied for because it is available. Too much money has already been granted to farmers for things they have not really needed.

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 fantastic idea. Farmers would really need to think through what they want to do and if it was a sensible thing to do. 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?

Control of imported goods (where trade rules permit) that fall below verifiable environmental and animal welfare standards would create a more level playing field for our producers and help improve the prices obtained by our farmers.

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

A useful protective measure but it must not be abused or inadvertently encourage reckless decision making. A safety blanket not a crutch. An insurance not an automatic payment.

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

Needs to be simple, robust and fair. Basing it on previous tax returns would give a degree of assurance that the system was not being abused. The Canadian systems looks to be a good starting point.

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

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.

There are other, sometimes better, ways of utilising disadvantaged land than attempting to thrash out a meagre existence with livestock.

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

This is a must. Cross compliance is the minimum required and every effort should already have been made to reduce risk. Current support did not discourage risk taking. Cross compliance should be the starting point and not the ultimate goal.

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

Much of cross compliance is based on legislative requirements. Payments should not be made to conduct activity that is mandated in law.

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?

Farm businesses that would have access to this must be viable units. Farming should be the main business activity. Care should be taken when basing a threshold on area as sometimes it is not necessarily appropriate as some intensive production systems such as poultry and mushrooms do not require large areas to be a legitimate agricultural activity.

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

Prudent farm business should be doing this already. Other business sectors can have bad years as well as good yet do not benefit from government support funding. Basing any measures within the tax regime seems to be a fair mechanism.

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

If it is more general, and based within the tax system, it would be fair for all. No sector should be advantaged over another.

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

This should be the focus of investigation.

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 sensible approach. It should be focused on unforeseen events that are out-with the foresight or control of rural business.

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

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.

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 important as it will underpin sector credibility in the eyes of the tax paying public.

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

This shift has to be rapid and become the core of any future funding 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?

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 need to be careful that any requirements further up the supply chain are not imposed without a consequent increase in the value they are will to pay for the farm gate product.

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

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

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?

A sensible and beneficial idea.

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?

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.

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.

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.

Farmers can be a 'protected species' when it comes to environmental impact. Other industries are hit much harder for their environment transgressions. Farmers need to realise that environmental impact regulations apply to them as well as everyone else.

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.

The current Pillar 1 payment perpetuates inefficiency, as receipt is not based on whether an active farmer has any capability to run a farm business efficiently and profitably.

There is an over focus on the active farmer. Many non farming land managers and landowners can have an equal, if not greater, contribution to make to the sustainable use of land. I have seen cases where landowners have had farming tenants abuse and degrade the land, whilst claiming public funds to manage it. Any future system of payments needs to acknowledge the important contribution non farmers can make to meeting your stated objectives.

Forestry needs to be seen as an equally legitimate and worthy land use. DAERA has a tendency to focus on agriculture at the expense of the environment, forestry and other rural affairs. Any future agricultural policy has to take account of the benefits forestry, as an alternative crop, can give to achieving your stated objectives. It is interesting to note that Forestry was not included in any of the stakeholder groups that you referred to in your consultation document.

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'.

<http://www.confor.org.uk/news/latest-news/eskdalemuir-carbon-report/>

<http://www.confor.org.uk/media/246612/confor-farm-forestry.pdf>

<http://www.confor.org.uk/media/247024/farm-forestry-business-case-june-2018.pdf>

12 October 2018

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Dear Sir/Madam

NIFDA Response to DAERA Consultation on the Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement – 01.08.18

NIFDA would like to thank the Department of Agriculture and Rural Affairs for the opportunity to consult for the above programme.

The Northern Ireland Food and Drink Association (NIFDA) was founded in 1996 and is an independent, non-party political organisation funded entirely by its members in industry and commerce. NIFDA speaks for over 100 businesses in the food and drink and associated industries. NIFDA is the principal representative organisation for food and drink manufacturing in Northern Ireland representing over 80% of the sector by turnover. NIFDA also has sister organisations which are sector specific in full membership including the Northern Ireland Meat Exporters' Association and the Northern Ireland Grain Trade Association. Taken together with our colleagues in the farming community our members support over 100,000 jobs. Those jobs are non-urban with NIFDA members in all counties.

NIFDA will not respond point by point to the consultation. NIFDA wishes to make the following points.

'Going for Growth' , (the report that the Department and Ministers accepted) states:

<https://www.daera-ni.gov.uk/sites/default/files/publications/dard/going-for-growth.pdf>

We regard the industry as the total supply chain including farming and fishing, both of which provide a source of raw materials, and the processing companies that manufacture products for local, national and global consumers. The central premise underpinning our approach is that the Agri-Food industry is a single supply chain, and we urge the Government to consider it as one entity.

We are encouraged by the support shown by the DARD and DETI Ministers to date and look forward to supporting them, and others, through the implementation of the actions we recommend. Our Strategic Action Plan recognises that a vibrant local economy is dependent upon our ability to earn substantially more from selling our products and services to customers outside Northern Ireland. Successful implementation of this Strategic Action Plan will play a significant part in delivering a more dynamic and high growth economy and will, through injection of much needed revenues into every town and village in Northern Ireland, help to sustain our rural community. Our future growth will, therefore, be driven by sales to Great Britain, the Republic of Ireland, other parts of Europe and the rest of the world. This will provide profitable business activity for all parts of the supply chain.

However, this consultation takes no account of the single supply chain concept or a holistic 'eating ecosystem'. It is widely accepted that

- Environmental sustainability
- Economic sustainability
- Rural society sustainability

Can be considered as three legs on one stool. It is not possible to disaggregate them; however, this consultation attempts to, with its laudable focus on Environmental without considering the other two. It is therefore fundamentally flawed in our view.

Going for Growth made a series of recommendations for Policy makers:

- *Regulators and Industry must engage in order to develop an agreed regulatory environment which adds value, is proportionate, informed and has a risk-based approach to regulation;*
- *Greater weight should be applied to Agri-Food applications reflecting the industry's strategic importance;*
- *A Code of Practice must be developed for implementation of regulations that impact industry;*
- *Industry must speak as one representative body in discussions with regulators;*
- *Government must work with the industry in practical and proportionate regulation to ensure consumer value rather than cost to the industry;*
- *Government must revise current planning and IPPC application procedures and priorities to ensure the speed of successful processing of Agri-Food applications is equal to, or better than those in Great Britain. This revision should also put strict limits on the time taken by other Northern Ireland Departments which are consultees to the process;*
- *Government departments must benchmark their application of legislation and standards internationally to identify best practice in cost effective regulation;*

- *The NIEA must develop an advisory arm similar to the successful model developed and implemented by The Health and Safety Executive (Northern Ireland) which encourages compliance by a partnership approach rather than by prosecution; and*
- *Information required for regulation and control must be gathered using agreed protocols and be as efficient as possible.*

Unfortunately, Innovation is a similar theme:

- AFBI/DARD/Northern Ireland Environment Agency and industry must develop an economically viable model for sustainable production, delivering on improved on-farm profitability from more efficient use of resources;
- Government must ensure a robust scientific base for the measurement of greenhouse gas emissions to promote Northern Ireland as a low carbon location for food production within Europe;
- Government must commission research into measurable, best practice systems for sustainable intensification on-farm, building upon previous work to underpin and promote sustainability as a cornerstone of the Northern Ireland Plc brand and learn from Bord Bia experience with the Origin Green brand.
- Research centres must develop the capability to:
 - Translate genetic improvements in ruminant livestock to the Northern Ireland grass-based system;
 - To assist industry in translating the research for mono gastric improvements into practical, deliverable outcomes;
 - Support development of healthy eating alternatives to processed food ingredients; and
 - Support the R&D necessary to deliver improved human health through developments in animal nutrition.
- Government must develop a strategic regional land management policy to determine the most productive use of our limited land. This should identify areas best suited for specific agricultural use whilst maintaining and enhancing environmental sustainability;
- New Agri-Environment Schemes must be aligned with the sustainability agenda for agriculture, including the promotion of increased woodland, and promote biodiversity within our production systems as part of our overall brand image. This should incorporate clearer recognition that, in some instances, producers are being rewarded for the production of public goods as well as food;
- Government must accelerate extension of the gas network into the West of Northern Ireland to reduce our carbon footprint and cost base and identify ways of improving security of supply in the wider marketplace.
- Government must review incentives for renewable energy and ensure policies are complementary to the Agri-Food industry rather than in competition with it;

- Government must fast track a solution for poultry waste into energy, recognising the environmental benefits and remove a key uncertainty over the growth of the Agri-Food industry in Northern Ireland; and
- The Agri-Food industry must grasp the opportunities that healthy eating offers and work with public health nutritionists, policy makers and the local research base for healthier, moderate portion size products that respond to consumers' demands for healthy eating.

NIFDA sees little evidence of these recommendations being carried forward in this consultation.

In summary,

- Government must stop compartmentalising the supply chain.
- Regulators and industry must develop an agreed regulatory environment.
- Investment in innovation, entrepreneurship and skills is the key to greater economic growth and Environmental sustainability
- Productivity improvement must be targeted to achieve the maximum gain.

NIFDA looks forward to working closely with the Department to develop policies that support environmental sustainability, economic sustainability and in turn rural society sustainability. This will give us the sustainable foundation to further develop our world class food industry.

Yours faithfully

Michael Bell,
Executive Director

THE NORTHERN IRELAND GRAIN TRADE ASSOCIATION

115 Ballymoyer Road, Whitecross, Co Armagh, BT60 2JN

Dear Mr Fulton,

Our association appreciate the opportunity to respond to the consultation on the Northern Ireland Future Agricultural Policy Framework.

On the specific questions raised we would support the principle that active farmers (ie those actually engaged in production) should be the principle beneficiaries of direct support. We are also happy to support measures which encourage the transfer of ownership and responsibility to younger farmers.

The emphasis on efficiency will drive productivity and profitability and education and training should focus on continual development. It is important that this program can enhance skills, lead to improved decision making, better management and a full appreciation of all aspects of food production and land management. The focus should be on delivery of these elements rather than an academic qualification.

Investment incentives should be considered as part of a structured business plan encouraging strategic investment to improve the viability of the farm business.

Business resilience can be improved by driving efficiencies and cost reduction. Specifically there should be an increased focus on nutrients produced on the farm with a much greater emphasis on grassland productivity. The idea of a sympathetic tax regime which would allow funds to be set aside when prices are good to help through periods of low income would probably appeal to farmers. The issues involved are sector specific with those dependent on export markets and subject to global competition most at risk.

Agriculture is the major economic activity in Northern Ireland and in the absence of other industries it generates the majority of emissions in some sectors. It also represents significant mitigation opportunities in terms of carbon sink and sequestration. Resource efficiency is part of the solution. Accurate measurement is necessary to establish baseline levels against which progress can be measured. Management of emissions should be a key element of the training and educational programs for all farmers.

The wider supply chain also needs to engage in the issues at farm level encouraging efficiency and sustainability as well as an awareness of market requirements. Supply and processing businesses need to develop strong communication channels with the primary producer to allow long term business strategies to be developed.

Yours Sincerely,

Robin Irvine

Chief Executive

NI GREENWAYS



NI Greenways <ni.greenways@gmail.com>

Northern Ireland Future Agricultural Policy Framework

1 CASEA NI Future Agn Policy

1 You replied to this message on 10/10/2018 14:31

Hi,

I'm writing to add feedback to the Northern Ireland Future Agricultural Policy Framework consultation, as representing the Northern Ireland Greenways campaign.

The main issues which a new framework should tackle as regards to access to the countryside and supporting greenway development are outlined here:

<https://ni.greenways.com/northern-ireland-policy/cap-brexut-greenways/>

I also endorse the Cycling UK submission to your consultation,

Best wishes,

Jonathan Hobbs

Northern Ireland Greenways

Post-Brexit agricultural payments should support greenway development



As the UK is due to leave the European Union in March 2019, the future shape of agricultural support is being considered by the Department for Agriculture, Environmental and Rural Affairs (DAERA). Northern Ireland Greenways believes that any revised agricultural payments framework should encourage greenway development under access to the countryside aims and the greening of land opportunities.

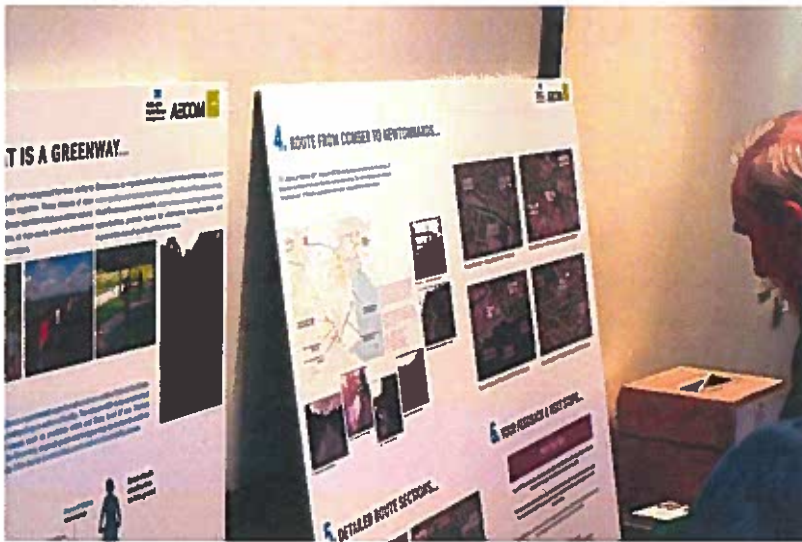
The single biggest barrier to greenway development in Northern Ireland is land access. When our extensive railway network was closed and lifted in the mid 20th century, most of the land was sold or taken into private ownership. Subsequent development or agricultural use makes certain sections unlikely to be considered for greenway use as things stand. A range of options will need to be explored over the next quarter of a century between landowners and government to realise the 1,000km vision for a world-leading greenway network.

“A network of green corridors will contribute to delivering these benefits whilst building attractive environments and vibrant communities around the centres where we live and work. Greenways can make a huge difference to the daily lives of people by providing the opportunity to enjoy safe and easy access to fresh air and exercise, encouraging more people to commute to work by foot or bicycle, more children to walk or cycle to school, and provide a vital leisure resource for local people and visitors alike.”

Exercise Explore Enjoy: A Strategic Plan for Greenways, DfI

The land access negotiation process can be difficult, as has been seen in route development in parts of the UK and Ireland. Landowners and farmers can see potential greenway paths as problematic, with worries over routes slicing up land holdings, affecting productive potential, and fears of compulsory purchase meaning decisions being imposed upon them.

In Northern Ireland discussions are not that far advanced in most cases, and the Department for Infrastructure (DfI) has so far insisted on a system of landowner, neighbour and public consultation as part of early route exploration by local councils.



Consultation event on a potential greenway route from Comber to Newtownards, March 2018 ©nigreenways
 The implications of Brexit on the future of agricultural payments creates an opportunity to reframe the debate on greenways and public access to the countryside.

Some of the criticisms of the current Common Agricultural Policy (CAP) payment system include it being too narrowly focused on certain agricultural uses of land, even if it's not particularly productive or sustainable. Revising the subsidy framework to include the concept of 'public money for public goods' can prompt new uses of land to benefit the wider public.

“Active promotion of access to countryside, educational farm visits and biodiverse green space and ensuring the access is healthy, for example ensuring opportunities for beautiful and tranquil experiences, wildlife encounters and physical activity.”

Public health is a public good and should be supported in farming policy, Vicki Hird

This can start with creating a system of payments which reward the creation of new public pathways across private land. This would recognise the need for partnership working between landowners, the local community, councils and government to identify strategic route objectives, standards of design and ongoing operation.

This can not only support the routes identified through the Strategic Plan for Greenways but also be a spur to local communities working to seek new opportunities for active travel infrastructure in their area. Future payments for any greenways created would need to be dependent on the continued access to, and maintenance of, those routes.

There is an industrial heritage aspect of greenway development which can also be recognised in this type of payment framework. Landowners with remnants of our railway past – station platforms and buildings, bridges, tunnels, viaducts and so on – can be rewarded for the conservation and possible regeneration of certain features, protecting and preserving them for future generations.



Neill's Hill Station platform restored by local campaigners along the Comber Greenway in Belfast ©nigreenways

Another way in which greenway development can benefit from a new approach to agricultural payments is in the repurposing of land away from arable and pastoral use to greening such as wild meadows and forestry. Concerns about greenway routes which may divide portions of land could be used as opportunities for landowners to create pockets of woodland, or wild areas which would give a much needed boost to biodiversity and wildlife habitats – and have that work reflected in support payments.

Access to the countryside isn't just about linear pathways for walking and cycling, but also the quality of engagement with nature and agriculture. Again the future subsidy system should reflect ways in which the public are encouraged to visit and interact with the countryside, such as the creation of open farms, educational opportunities, cafes and visitor experiences, accommodation and outdoor activities. Greenways should be seen as key active travel corridors to enable the public to access these potential activities – and the local employment they will support – creating a beneficial feedback loop to society.

A framework of agricultural payments which recognises greenway development as a key aim of society over the next quarter century, and can reward landowners for work to realise this vision, isn't a magic wand to wipe away the difficulties and concerns which greenway development can sometimes bring. But it could be an important incentive to work together to create special places and a dense web of easy access to our wonderful countryside, which can draw in visitors from far and wide, and benefit all.

Get involved by emailing your response to the DAERA consultation at NIFutureAgriPolicy@daera-ni.gov.uk by **Wednesday 10 October 2018**.

You can also use a pro-forma response email (and adapt the text as you need to) [on the Nature Matters website](#).

Read more

[DAERA: Northern Ireland Future Agricultural Policy Framework](#)

[DAERA: NI Future Agricultural Policy Framework – Stakeholder Engagement \(PDF, 990K\)](#)

[Cycling UK: Get on my land!](#)

[Cycling UK: Why post-Brexit agricultural policy is as important for you and your child as it is for farmers](#)

[Cycling UK: Agricultural subsidies and why countryside access is a public good](#)

The [Programme for Government outcomes](#) which agricultural payment support for access to the countryside, greenways and re-greening can help to deliver:

Indicator 6: Improve mental health

Lead measure: % of population with GHQ12 scores ≥ 4 (signifying possible mental health problem)

Indicator 23: Improve transport connections for people, goods and services

Lead measure: Average journey time on key economic corridors

Indicator 25: Increase the use of public transport and active travel

Lead measure: % of all journeys which are made by walking/cycling/public transport

Indicator 27: Improve cultural participation

Lead measure: % engaging with arts/cultural activities in the past year

Indicator 29: Increase environmental sustainability

Lead measure: Greenhouse Gas Emissions

Indicator 30: Improve our attractiveness as a destination

Lead measure: Total spend by external visitors

Indicator 31: Increase shared space

Lead measure: % who think leisure centres, parks, libraries and shopping centres in their areas are 'shared and open' to both Protestants and Catholics

Indicator 34: Improve the regional balance of economic prosperity through increased employment

Lead measure: Employment rate by geographic area (areas to be defined)

Indicator 37: Improve air quality

Lead measure: Nitrogen dioxide concentration.

Indicator 40: Improve our international reputation

Lead measure: National Brand Index

Indicator 42: Increase quality of life for people with disabilities

Lead measure: Average life satisfaction score of people with disabilities

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Northern Ireland Future Agricultural Policy Framework

General comments

NILGA welcomes the opportunity to respond to this stakeholder engagement. Our response has been compiled with a focus on aspects that directly relate to the nature and function of the work undertaken by NILGA and its member councils.

A new agriculture policy for Northern Ireland must take account of the regional and sectoral characteristics in Northern Ireland. Agriculture should continue to be fully devolved to Northern Ireland when we leave the EU, but we respect that fact that a framework at UK level should be maintained to protect the single UK market where required. This Framework must be agreed by all four nations of the UK.

We would also assert that under Strand two of the Good Friday Agreement, agriculture is one of the six key areas under North-South cooperation. The UK Government acknowledges that North-South cooperation on agriculture means the island of Ireland has become “a single epidemiological unit for the purposes of animal health and welfare”. Tremendous efforts have been made on an all-island basis to ensure that our food products are safe, of a high quality and fully traceable. NILGA is therefore opposed to any regression on standards in traceability, food safety and animal welfare and would assert that any future trade deals should impose these high standards on imports.

Supply chains in the agri-food sector are highly integrated and interdependent across the island with trade worth £1.3bn per year. We are concerned at the prospect of WTO tariffs and non-tariff barriers being enforced if a deal with the EU is not reached, as this has the potential to cripple the farming and food manufacturing sectors. It is essential that security in food supplies are guaranteed for consumers and that farm businesses and the agri-food sector can continue to service local and export markets as at present.

With this in mind, Northern Ireland must continue to have access to migrant labour supply. A recently published report notes that migrant labour accounts for 20% of the paid agricultural workforce, with the majority coming from Bulgaria, Lithuania and Poland. Dependence on migrant labour is a feature of the NI economy and this must be protected if the farming sector is to survive. Any future immigration policy must take account of the regional and sectoral needs of the agri-food sector in Northern Ireland.

We would welcome ongoing engagement with DAERA to shape our future agricultural policy to ensure it meets the expectations and balances the needs of all stakeholders. In particular we would assert that since rural development funding has been critical to developing economic and social cohesion in rural council areas, there must be early engagement with councils on how Pillar 2 of the CAP will be replaced to allow councils to time to plan and prioritise investment in their local areas.

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?

NILGA notes that under the EU Common Agricultural Policy, Single Farm Payments to farmers in Northern Ireland are worth in excess of £2.3 billion, accounting for 87% of annual farm incomes, compared to 53% in the UK as a whole. We maintain that a new agricultural policy must continue to direct payments to active farmers, otherwise farmers in Northern Ireland will not survive.

NILGA would support the retention of entitlements as the basis of direct support until a new policy framework is agreed. Amidst market turmoil, the agricultural sector requires certainty to be able to plan and invest - a hasty change in policy should be avoided and an adequate transition period should be agreed to allow the sector time to plan, adjust and invest.

Northern Ireland's dairy farmers are already at a disadvantage compared to farmers in Scotland, England and Wales in terms of inconsistency in pricing received for goods - currently farmers receive 3p per litre less for milk than their counterparts. Northern Ireland calf farmers also struggle to achieve profitability levels reached in Republic of Ireland, Scotland and England as farmers there receive subsidies of between £100 - £200 per calf. Overall, the costs of running a farm business here are higher due to the increased costs for transport, food and fodder – we would also point out that the Republic of Ireland has an assistance scheme to help farmers buy fodder.

Brexit represents an opportunity to introduce agricultural policy reform, but given the cross-border interdependence of agricultural supply chains, the sector will have to cope with systemic shock (the effects of which will be amplified on Northern Ireland's small farms) and additional pressure will be difficult to manage. A meaningful stakeholder consultation should take place to design a new policy framework that could be in place for 2022.

NILGA would support the trialling of new approaches during this period, including delivering mentoring and training to enable the sector to prepare for a new policy framework. If legislatively possible, those elements of support that are not relevant in Northern Ireland could be removed from the scheme.

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?

NILGA would support the introduction of simplification measures if it reduces the burden on the agricultural sector. As there is minimal scope for application of the greening requirements in Northern Ireland due to our landscape, most farmers and landowners are already meeting the requirements through planting of hedgerows. Post 2021 we would encourage the Department to work with all stakeholders to develop a workable environmental policy.

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?

As we move towards a new agricultural policy which protects and sustains our environment, NILGA asserts that measures to protect our environment should be maintained.

- 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?**

NILGA supports the retention of the Young Farmers' Payment for as long as they are eligible.

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

Given the importance of agriculture to the Northern Ireland economy and the need to ensure that farming is an attractive option for young people and new entrants to the sector, appropriate measures to ensure generational renewal should be put in place. NILGA maintains that an outcomes-based approach will allow flexibility and innovation in how this is delivered.

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

NILGA would support the introduction of measures to encourage generational renewal on farm businesses, for example through retirement schemes and fiscal incentives. The potential for fiscal schemes to cater for two generations working on a farm should be investigated.

- 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?**

Overall NILGA believes there should be no radical change within the short-term, that farmers and landowners need time to transition to a new scheme and for a longer-term vision for the future to be agreed.

The status quo should be maintained for elements such as active farmer provisions, land eligibility rules, cross compliance and key dates. A simplification of the penalty regime would be beneficial to the sector but it will be important to ensure the limits on maximum penalties are proportionate and act as a deterrent. NILGA would suggest that a percentage system for fines should not be used as this discriminates against larger farms.

- 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.**

NILGA believes the agricultural sector is best placed to comment on simplification proposals.

- 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?**

NILGA welcomes the "Productivity Grand Challenge" approach, which should be linked to Northern Ireland's draft Industrial Strategy, Innovation Strategy and Smart Specialisation Framework.

The draft Economic Strategy 2012 proposed to focus on innovation, export led Growth and regional Strengths. The Innovation Strategy 2014-25 asserts that Northern Ireland, by 2025, will be recognised as an innovation hub and will be one of the UK's leading high-growth, knowledge-based regions which embraces creativity and innovation at all levels of society. The Smart Specialisation Framework identifies agri-food as a priority sector.

A Productivity Grand Challenge will focus attention and resources on agriculture and promote innovative solutions to enable the sector to:

- take advantage of global change and compete globally
- increase international reputation of the sector and become 'best in class'
- be resilient and ensure that productivity gains are realised

NILGA believes that profitability (not just productivity) as well as environmental sustainability should be incorporated in a Grand Productivity Challenge since they are mutually compatible, particularly in Less Favoured Areas where a reduction of inputs will in return reduce costs and increase profit – thereby creating a win-win situation by improving the environment at the same time.

We would draw attention to the fact that the farming sector in Northern Ireland struggles to achieve the same profit margins as counterparts in the rest of the UK due to lower prices received, subsidies allocated in neighbouring jurisdictions and higher transportation costs due to our peripherality. These issues should be considered in the productivity challenge.

It will be essential for all parts of the agricultural sector, business, academia, civil society, local and central government to engage together to reach an agreed future support framework. Clarity will be required on which departmental budget would cover such an initiative.

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?

The Innovation Strategy clearly identifies knowledge generation, knowledge exchange, knowledge exploitation and leadership / behavioural changes as the drivers of innovation.

A cultural and mindset change to encourage greater levels of entrepreneurialism within the sector will only come about by increased collaboration between all actors in the entrepreneurship ecosystem.

We are aware of concerns around low levels of literacy and numeracy skills among older farmers and landowners and this issue must be factored into the design and delivery of any educational initiative. NILGA would suggest that equity across the four key objectives as laid out in the paper should be reflected in all training.

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?

NILGA recognises the benefits of continued professional development for all individuals and sectors and would support incentivising farmers and landowners. However, it is imperative that individuals are not alienated for not engaging with education and training schemes. Training should be pitched at an appropriate technical level, not be overly academic and should be delivered by those who have practical experience in the sector. We would suggest that consideration be given to recognising prior learning and experience – there could be a role for farming bodies, colleges and universities to design a system that meets all needs. Clarity is required on which departmental budget would cover such an initiative.

We would also highlight that an assessment of the delivery methods should be undertaken. Due to the lack of broadband, or the poor quality and speeds attainable in rural areas, online delivery would not currently be feasible. This option may suit farmers who wish to pursue learning and training opportunities at a time that suits them in their own home. NILGA calls on the Department to work with the Department for the Economy to ensure that suitable broadband is made available in rural areas.

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

NILGA maintains that any for the sustainability and growth of any sector of the economy, continuous professional development is a necessity. But so is the investment of public funds to support that sector – the public sector needs to be less risk averse to encourage innovative practices.

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?

Northern Ireland's Innovation Strategy says that "by 2025, will be recognised as an innovation hub and will be one of the UK's leading high-growth, knowledge-based regions which embraces creativity and innovation at all levels of society". Our agriculture sector must prioritise investment in innovation if it is to compete on the world stage, but we must recognise that we cannot compete in every market. The sector must make use of the research facilities and strengths within our universities & colleges and encourage collaboration between technology entrepreneurs and the farming sector. NILGA would suggest that investment should be directed at infrastructure and other strategic objectives, not just environmental performance.

There are some good examples of win-win situations being created through soft engineering approaches, for example by improving water quality and reducing runoff there has been a reduction in inputs and an increase in costs or by planting hedgerows to limit the effect of wind – such approaches should be encouraged.

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

NILGA would support the provision of investment incentives that respond to the needs of the wider agriculture sector and improve access to finance to encourage industry growth. The incentives must be flexible to adapt to market need.

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

NILGA would encourage the department to look at international best practice to identify potential initiatives which could drive productivity. An example is successful tax incentive scheme in Republic of Ireland which allows longer land tenure. Retirement schemes and low interest loans are of particular interest to the sector.

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

NILGA would welcome a basic farm resilience support measure to active farmers to mitigate the effects of market volatility that are associated with the sector, but more detail on the scheme is required.

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

A farm resilience support measure should be linked to inflation, paid on productivity and efficiencies and should be designed to minimise market disruption and create a level of certainty for the sector post Brexit. It can also incorporate environmental resilience since in the long term, improving environmental performance through designing more resilient landscapes can improve economic performance at the same time.

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

Northern Ireland is already at a disadvantage due to its peripherality and geography, so natural disadvantage should be recognised and adequately resourced. Over 80% of our farms are classified as very small and therefore they will not be able to benefit from economies of scale and they may be more susceptible to external shocks.

In upland areas farmers are restricted in agricultural choices due to climate and environmental factors and NILGA would support the retention of support to these areas to ensure farmers can mitigate against adverse factors. Resilience payments should reflect the public good opportunities that disadvantaged areas could provide, for example through nature tourism and high nature value farming initiatives. Entrepreneurial farmers and landowners wishing to engage with such initiatives should be supported.

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

NILGA would suggest that farming and environmental bodies should agree the details of this measure.

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

NILGA looks forward to receiving more detailed proposals in due course.

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

NILGA would assert that farming and environmental bodies should agree the details of this regime.

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

NILGA asserts that the structure of a payment system should be co-designed with the sector but we would support the introduction of capping to enable smaller and developing farmers and landowners to gain maximum benefits.

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

NILGA would assert that all options to reduce risk and improve profitability for the sector should be considered in greater detail and that an agreed model should take into account the circumstances in Northern Ireland, but this should not be a total replacement for government support.

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

An agreed regime should be designed to reflect the unique circumstances of the sector in Northern Ireland.

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

NILGA supports the enhancement of fiscal measures to address income volatility.

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

NILGA is acutely aware that payments for crisis events in 2017-18 have not been made to the farming sector due to the political impasse in Northern Ireland. This is unacceptable and a mechanism to ensure farmers and landowners are compensated for crisis events should be put in place as a matter of urgency.

NILGA asserts that any crisis response framework must enable close cooperation with the Republic of Ireland, as well as the devolved assemblies within the UK. DAERA should closely engage with councils to ringfence long-term investment for contingency planning. Councils have the ability and capacity to play a key role in local contingency planning, including the disbursement of relief payments.

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

NILGA agrees that a future policy framework should recognise the environmental benefits that can be achieved through farming. Farmers and landowners are already playing a part in protecting our natural environment for future generations and this should be supported to continue. NILGA would support the principle of public money for public goods and encourages a policy shift to bring about positive behavioural change in the sector, through a life-long education & training programme. NILGA believes there is a role for all in the wider agricultural sector to have a role in developing new policy, but it will be important to learn from best practice elsewhere in the world and for new policy directions to be agreed by all stakeholders.

However, there is a need and demand for high quality, nutritious, traceable and affordable food and a strategy to secure food supplies, maintain standards and encourage development of the agri-food sector should be a priority in Northern Ireland.

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

NILGA supports the provision of research and targeted education to assist farmers and landowners make responsible decisions on management of their land. We would suggest that investment in research and education to improve productivity and profitability of the sector is equally important.

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

NILGA supports a shift towards outcome based environmental measures and agrees these should be co-designed with the farming sector. Where a co-design ethos can be established, the best outcomes will be realised for all stakeholders.

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?

It will be essential to move beyond the costs incurred income forgone approach but we would welcome early engagement on the design of future schemes to ensure there will be uptake among the farming sector. There could be merit in exploring a mix of outcomes, results and action-based approaches across the four objectives laid out in the stakeholder engagement document.

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

NILGA welcomes the integration of environmental outcomes across all policies and initiatives and would encourage the dissemination of research to raise awareness of the benefits of improving environmental outcomes.

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

Any delivery model must be targeted to addressing the four key objectives of productivity, resilience, environmental sustainability and supply chain development. It must be evidence based, adequately resourced and be capable of providing locally relevant advice services to the sector. In terms of funding, NILGA believes that a long-term approach should be applied, to provide security and certainty to the sector. This should be backed up by a 10-15 year strategy for the sector

NILGA maintains that the existing North / South cooperation on agriculture and environmental issues should continue to address shared challenges (including water quality, animal diseases and invasive species) to obtain the best outcomes.

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

NILGA recognises the benefits of a government funded body to provide market information, identify opportunities, provide funding and support the branding and promotion of locally-grown products. Consideration could be given to establishing an equivalent to the Republic of Ireland's Bord Bia, as well as to including the role Food NI could play in such a delivery body.

We are aware of the successes that have been made by the Grocery Code Adjudicator and would welcome proposals on how this role could be enhanced.

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?

NILGA would support the extension of CPD to other management practices but does not believe this should be compulsory.

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?

NILGA maintains that the role of government is to balance future demand and supply sustainably, ensure stability in food supplies, protecting the environment and ensuring the high trading standards that we have in Northern Ireland are maintained.

Consideration could be given to establishing an equivalent to Bord Bia, as well as to including the role Food NI could play in such a delivery body. This body could be tasked with developing a premium brand for Northern Ireland's food products which will require the agri-food supply chain to collaborate to further improve standards.

Given the interconnected nature of the agri-food supply chains in Northern Ireland and the Republic of Ireland, it will be necessary for a coordinated approach to be taken to ensure greater collaboration.

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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NORTHERN IRELAND MEAT EXPORTERS' ASSOCIATION

Response from the Northern Ireland Meat Exporters' Association to the DAERA Agricultural Policy Framework Stakeholder Engagement

About NIMEA

NIMEA is the representative body for the Northern Ireland Red Meat Processing Sector. Our sector employs approximately 5,000 workers in Northern Ireland and accounts for over£1bn in turnover annually. Our members include:

- ABP UK Ltd
- Bawn Bua
- C&J Meats
- Dunbia
- Foyle Food Group
- Hewitt Meats
- Linden Foods
- WD Meats

Introduction

NIMEA welcomes the publication of DAERA's Agricultural Policy Framework Proposals and the opportunity to provide comment. NIMEA is providing a detailed response to this consultation given that primary production underpins the Northern Ireland agri-food processing sector and the appropriate agricultural policy / support is of vital importance to the supply chain going forward. Rather than respond to the 40 consultation questions we have offered comment on the major policy themes and highlight any gaps or imbalances that we have identified in the document.

NIMEA has consulted extensively with its members in respect of these proposals. Additionally, we have sought out the views of progressive NI beef and sheep producers and leaders in the farming sector and this response will also reflect those discussions.

Background

In Northern Ireland, beef and sheep farmers, operate in a vulnerable and volatile agricultural sector, with a low level of profitability in respect to other industries. Yet this sector delivers the greatest contribution and influence with regards to the natural environment, the rural economy and underpinning the tourism industry. The beef and lamb sector is unquestionably the most dependent on agricultural support, and for this reason, there must be clarity on future domestic agricultural policy for these producers at the earliest possible opportunity.

In addition, this stakeholder engagement is being conducted in the context of the EU / UK negotiations and the policy position must be flexible to deal with the different kind of outcomes that may emerge, including the withdrawal agreement, future trading relationship and a "no deal" scenario.

General Comments

We believe that this new policy development represents a significant opportunity to set a new agenda and direction for agriculture and primary production in Northern Ireland and that it should not be wasted. We have the following general comments, which indicate cross-cutting priorities or issues that fall outside the high-level themes of productivity, environment, resilience and supply chain effectiveness:

- Policy development and financial support must recognise the importance of having a level-playing field with industry counterparts and key competitors in the Republic of Ireland the rest of the UK. The Irish and Scottish approach appears to be geared towards actively underpinning food production via direct support. It must be recognised that the NI policy will not be implemented and delivered in a vacuum, but within this broader British Isles and Ireland context.
- The importance of maintaining a level-playing field through our domestic agricultural policy is particularly important within the context of Brexit. There are valid concerns about Republic of Ireland producers being given a significant advantage over NI producers through their continued membership of the CAP. It is also important that Northern Ireland secures an agricultural budget that reflects and matches the support in the ROI to ensure that we avoid significant distortions in the all-island economy in line with the commitments in the December Joint Report.
- There is a very strong case for reintroducing an element of coupled financial support to the suckler-beef sector as is currently the case in Scotland and Ireland. There is a gradual decline in the suckler herd and a policy shift is required to stabilize numbers. There are strong justifications on both economic and environmental grounds for such an approach.
- However, headage payments should be conditional on active farming recipients demonstrating improved resource efficiency, genetic improvement and animal welfare. The correct policy can build in obligations that focus on behavioural change to offset the negative effects of coupled subsidies.
- Generational renewal should be an over-arching priority and we regret that this has not been addressed particularly strongly in the stakeholder document. This is a particularly pertinent issue in the suckler beef and sheep sector, but also affects all sectors. Younger farmers need to have the potential to realise a good income, lifestyle and work/life balance from their farming enterprise. There needs to be focus on helping young farmers achieve this outcome and this will sometimes be within the context of a farming across a mixture of intensive and extensive enterprises. In this regard, any emerging planning constraints associated with livestock emissions are a concern in this the respect.
- Engagement with HMRC – a more joined-up approach is required in collaboration with HMRC. With respect to changing the conacre system, there are perverse incentives (or at least the perception of) currently in place. To ensure that the policies of two different government departments are aligned, it would be useful to have a policy forum established between the devolved agriculture departments and HMRC to establish how the tax system could be flexed to better align with agriculture policy. One option could be to extend income averaging to farms where there are off-farm income streams and to use fiscal measures to incentivise long term leases on land.
- Importance of targets – the complete absence of targets and benchmarks in the productivity and resilience sections is a disappointment. This is in contrast with the environmental section where there are very specific targeted outcomes. This is not acceptable, because there needs to be targeted outcomes to help stakeholders agree on

how to define success within the productive sphere Studies and polls clearly show that the consumer/taxpayer values food from a proven provenance produced to a high quality as much as the more clearly Government defined public goods.

2019-2021 Scheme Years

It is essential that farmers are given confidence to carry on producing beef and lamb during this period of significant political and economic turbulence. The uncertainty surrounding this policy and future industry support is an immediate risk to output in the NI beef and lamb sector because of its obvious dependence on financial support. Policy clarity during these years should be given as soon as possible and the use of pilots (see below) will give producers a strong level of encouragement that Government is serious about its intentions and concern for the sector.

Entitlements / Current Direct Payments

Entitlements should be retained as the basis for payments until the new policy is agreed. However, the practice of making direct payments to non-active and under-active farmers should stop as soon as possible with and financial support / DAERA focus, moving to food production.

Generational Renewal

NIMEA supports the retention of young farmers schemes and the use of the regional reserve for this purpose. The age profile of farmers in the beef and lamb sector is of major concern and these schemes can be flexed to encourage productivity, professionalism and succession planning which are key policy objectives.

In addition, we feel that there needs to be an immediate survey of succession intentions across the production sector, so that DAERA has an evidence base to address succession issues through the policy and develop a longer-term strategy.

Pilots

The government should be piloting new initiatives during this phase to ensure that good policy instruments are available to “hit the ground running” in 2022. We would want to see coupled pilot exercises in areas such as environmental efficiency, calf welfare and genetics. Financial modelling on the effects of various policy options on the productive output from beef and sheep farms is an essential part of these pilot initiatives.

Land Mobility

Collaborative working with HMRC should be undertaken with some urgency to establish the cost of applying similar fiscal incentives for long leases instead of conacre (see below). If this is not feasible, then DAERA should consider how its policies could be flexed to provide incentives for longer leases. On a related point, anaerobic digesters are becoming a growing feature of our market and environment and there are concerns that the presence of an anaerobic digester in an area is skewing conacre prices for farm land that could otherwise be used for direct primary production. A review of support should take place to ensure that this sector is not being effectively double subsidized through a combination of ROCs and direct agricultural support.

Productivity Grand Challenge

NIMEA supports the concept of a Productivity Grand Challenge for the beef and lamb sector. It is well-recognised that this is a much greater challenge for the beef & lamb sector relative to the other sectors, such as the poultry, pork and dairy sectors, where there are already higher levels of profitability, efficiency and continuous improvement. Some very progressive beef and lamb producers have demonstrated that a profitable future for the sector is possible, but because of the current productivity challenges facing the red meat production base, the Productivity Grand Challenge should be heavily weighted towards the beef and sheep sector. DAERA should look closely at the ABP Better Farm Programme / Better Farm Challenge which has been successfully demonstrated how knowledge exchange can drive improved margins at for beef producers. This scheme has been run in conjunction with CAFRE and the Irish Farmers' Journal.

In addition, we would make the following points:

- **Productivity must be measured / targets for improvement:**
There are no targets or industry metrics in the current document and there must be ambitious but achievable targets introduced. There must be a much greater focus on cost per unit of production which should be a key measurement in the productivity agenda.
- **Challenge is to make it scalable**
Significant consideration must be given to how the productivity grand challenge can be scaled up to have a significant impact on as many farmers as possible. This is essential in the beef sector. Unfortunately, productivity and efficiency policies introduced to date tend to reach only a small proportion of farmers. There needs to be a focus on behavioural change as the foundation for a productivity grand challenge. Consideration should be given to new channels for delivering knowledge transfer and there cannot be a sole focus on increasing capacity for KE through CAFRE. The approach must be smarter, working in partnership with the broader supply chain and should involve the development of a market in private consultative and advisory services.
- **Genetics**
NIMEA would be strongly supportive of a genetics programme with headage payments made for beef and lamb production to encourage participation and encourage the greatest level of uptake. Such a scheme, delivered through system, such as that offered by ICBF in ROI, could deliver an excellent platform for productivity improvement.

In conjunction with this, serious examination should also be given to the pilot scheme being rolled out in Ireland (the Beef Environmental Efficiency Scheme) which pays a €40 per head, aimed at improving the production efficiency of suckler cows with a view to reducing carbon emissions from the suckler herd. This would have the combined impact of helping meet environmental objectives and improving productivity.

- **Young Farmers and Retirement Schemes**

There must be a focus on encouraging young farmers into the sector who are more willing to learn, apply learnings and adopt new technologies. There must also be a focus on facilitating older farmers to access a decent retirement and put in place suitable succession plans. There are omissions in the consultation on how to deal with this difficult issue, whereby the aging population of farmers, is a threat to the ongoing sustainability of the sector.

Capital grant support for young farmers is particularly important and DAERA should examine the TAMS scheme in ROI, where the support threshold is raised for young farmers working in partnership agreements to aid succession. This type of approach would provide useful incentive for generational renewal and productivity, particularly if it is geared to young farmers with a minimum level of agricultural education.

- **Land Mobility**

Efficiency and productivity improvements will not be made without improving land mobility and developing longer term rental contracts to encourage longer term investment in soils and grass. The policy should focus on developing the kind of fiscal incentives to encourage longer leases as have worked in Ireland. With Ireland incentivizing movement away from the archaic conacre system, Northern Ireland risks being left behind as the only part of the British Isles with such a clearly inefficient and unreliable system on land which represents 30 per cent of our production base. Close cooperation with HMRC would help to align tax systems and agricultural policy. HMRC clarification that inheritance tax will not be applied to long leases would be very helpful.

- **Capital Grants Schemes**

We would support the use of capital grant schemes to promote bio-security, resource efficiency and environmental goals. This should mean that the grant schemes should support even small investments, such as double fencing, weigh scales, grooved flooring, given that these could make a significant improvement on all three fronts.

Resilience

We would challenge the continued provision of a resilience payment on the basis of a per ha allocation. While this will be easily administered, it will not ensure good value for money, or be guaranteed to go to the active farmer. There will be many cases where it will go to non-farming, large landowners who may never need it as they are not taking on any financial risk.

Again, it is important to consider this on a sectoral basis and it is the case that different approaches to resilience are required for different sectors. For example, it is useful to consider resilience in the context of average long-term profitability and the fact that some sectors have greater potential to save in profitable years, to make provision for losses in the more difficult years. Clearly, there is a distinction to be drawn in the beef and lamb sector, where farmers are heavily exposed to market volatility, but where the currently low levels of profitability rarely allow for enough savings to be made to offset future volatility. An income volatility support mechanism would be attractive.

Environment

We recognise that farming has the potential to impact both positively and negatively on the environment. We want to see policies that promote environmental sustainability, but these must not threaten the industry's growth targets or the economic sustainability of the sector, as is the approach taken in ROI. If the financial viability of farming is threatened, along with the ability to upgrade / develop facilities, then the industry will not attract new entrants (currently a major concern) and the many positive benefits of farming on the environment will be at risk from the potential decline of the sector.

Emissions

In Northern Ireland, the relationship between agriculture and the environment must be considered in the context of our competitive advantage in ruminant livestock production due to the grass growing conditions that exist on this island and because our land, in many cases only lends itself to grazing. This has implications meaning that Northern Ireland has a proportionately higher level of agricultural emissions than the rest of the UK, but proportionately lower overall emissions. Specific targets for agricultural emissions therefore have a much greater impact on Northern Ireland's economy than in other regions.

This balance outlined above must be reflected in the approach taken to deal with GHGs, phosphates and ammonia. The key to success is to promote and incentivize "win wins" whereby productivity improvements will also help improve the environment and vice versa. **This is a core principle that should be adopted in this policy. To this end, the approach in the following reports that were developed by DAERA in conjunction with industry, should remain the bedrock of agri-environmental policy:**

- Efficient Farming Cuts Greenhouse Gases
- Sustainable Agricultural Land Management Strategy Report

We agree that resource efficiency can make a major contribution to emissions and industry is keen to work constructively with government, farmers and others to help drive behavioural change and best practice.

When developing environmental emissions policy for Northern Ireland, an all-island approach should be taken, given that the island of Ireland is a single environmental unit. This approach has been taken for animal health and is equally fitting for the environment. Agricultural emissions do not stop at the border and the production sector is similar north and south. The current potential for significant environmental policy differentials between NI and ROI runs the risk of facilitating growth in one part of the island, while restricting growth in the other, with no broader impact on emissions. This risk demands a cooperative approach on emissions to ensure beneficial environmental outcomes and avoiding distortions in the all-island economy which would serve to disadvantage NI industry.

NIMEA would support an urgent prioritisation into research into practical methods of reducing livestock GHG emissions, such as measuring grass sequestration of carbon and methods to treat slurry for reducing ammonia emissions. We are aware of ongoing research, but given the importance of livestock production and processing to the Northern Ireland economy, we believe that these should be attracting a greater level of funding and the pace needs to be increased.

Land without livestock

Livestock production makes a significant contribution to rural landscapes which is an invaluable asset for the tourism sector and as a public good. The following independent report demonstrates the impact on landscapes were livestock to be removed.

<http://beefandlamb.ahdb.org.uk/wp-content/uploads/2018/06/Landscapes-without-livestock.pdf>

Supply Chain Effectiveness

The role of government in ensuring market transparency is already very strong in respect of the information and statistics currently provided, such as supply figures (weekly slaughtering statistics), livestock import / export statistics and mandatory price reporting. Transparency is under-pinned by the carcass classification legislation, which defines dressing specifications, rules for cattle grading and reporting prices. It is important that the same information is continued post-Brexit.

The Livestock and Meat Commission perform a useful role through the publication of market information in their weekly Bulletin and this is provided via levy payments. This provides important, independent analysis of the weekly trade.

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Old Westland Road
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BT14 6TE
www.niwater.com



Your Ref:

Our Ref: By email

Date: 12th October 2018

Dear Brexit Division,

RE Consultation on Northern Ireland Future Agricultural Policy Framework

1. Introduction

Northern Ireland Water welcomes the opportunity to comment on the DAERA Consultation on Northern Ireland Future Agricultural Policy Framework.

The Common Agricultural Policy has proven in the past to be very effective in supporting and sustaining the rural and agricultural economies. Whilst there are many complex and legislative issues to be considered in relation to supporting the agricultural sector, the reforms must not lose sight of the fact that the final outcome will affect land-use and agricultural practices within drinking water catchment areas. Agricultural policies and resultant agricultural practices have a direct impact on water quality, which is abstracted for water treatment. If raw water quality from the catchment area is of a poor quality, water treatment costs will be higher and there could be implications for drinking water quality.

Northern Ireland Water currently supplies approximately 563 million litres of drinking water per day to customers. This is treated at 23 Water Treatment Works (WTW's), where raw water is abstracted from approximately 34 sources, each supplied from a different catchment area. NI Water owns approximately 94km² of land in Northern Ireland and has an active interest in many times this of land within



drinking water catchments that are owned by others, mainly in the agricultural industry. The public water supplies are mainly obtained from surface water sources, with only one source, on Rathlin Island, being supplied from a borehole.

Raw water quality can vary between sources due to factors within the catchment area such as; farming methods, pesticide usage, soil type, vegetation, and land use. The quality of raw water coming from these catchments is directly affected by the way this land is managed. The agricultural sector can have a direct impact on the quality of water being abstracted from these catchments. This in turn can have significant cost and potential drinking water quality implications for the wider community of Northern Ireland.

2. Sustainable Catchment Area Management Planning Northern Ireland (SCaMP NI)

It is NI Water's aim to improve the quality and reliability of the raw water received at NI Water's raw water abstraction points through sustainable catchment based solutions that focus on protecting the natural environment through achieving favourable condition and habitat improvement. In managing its catchments and water treatment processes, NI Water has been adopting the principles of Sustainable Catchment Management Area Planning (SCaMP NI), within a large number of its catchments. The project aims to deliver the optimum quality and quantity of raw water to NI Water's water treatment works through the reduction of diffuse pollution and improved land management practices. This protects drinking water quality and sources, avoiding the requirement for more capital-intensive solutions, and mitigates against increased energy usage and carbon emissions.

Key elements of SCaMP NI focus on reducing the amount of chemicals and contaminants that are found within the raw water catchments. NI Water is also seeking to use the ecosystem to provide natural water treatment "services" to reduce the contaminants, which reach the WTW's abstraction point. This means less reliance on energy intensive treatment solutions to meet drinking water standards, and reduces the risk of compliance failure. SCaMP NI contributes to reducing the carbon used by NI Water by reducing treatment needs and pumping requirements. This in turn means that NI Water reduces its electricity consumption.



SCAMP NI is aligned with the objectives of the Biodiversity Strategy and The Water Framework Directive River Basin Management Plans for Northern Ireland. NI Water works with a wide range of stakeholders, including the following:

- DAERA
- NIEA
- Farming groups / Ulster Farmers Union
- Forestry Service
- Mourne Heritage Trust
- NI Fire and Rescue Service
- The Royal Society for the Protection of Birds
- The Ulster Wildlife Trust
- The Woodlands Trust

A SCaMP NI steering group has been set up with representatives of the above stakeholders. The aim of the group is to ensure that SCaMP NI actions are aligned with best practice and the aims and objectives of all stakeholders.

The SCaMP NI project has been successful at demonstrating how, by working together, we can manage catchments for water quality and an improved natural environment. A SCaMP NI Steering Group, involving representatives from a wide range of environmental stakeholders, meets regularly with the aim of ensuring that actions are aligned with best practice and the aims and objectives of all stakeholders, therefore contributing holistically to sustainable catchment management.

The following types of projects have been carried forward by SCaMP NI:

- **Working on Cross-Border Catchments** – Several of our catchments straddle the border with the Republic of Ireland and through the development of an INTERREG VA funding application, a close working relationship has been established with Irish Water to co-operate to mutual benefit and to deal with the issues through joint SCaMP initiatives.
- **Managing Invasive Species** - Many non-native species have been intentionally or unintentionally introduced into Northern Ireland from around the world. NI Water have been working to ensure that the spread of invasive species is managed on NI Water landholdings.



- **Public Recreation and Access** - NI Water welcomes members of the public to enjoy access to its land and will endeavour to facilitate recreational activities, where it is safe to do so. A Recreation and Access Policy has been developed to provide a framework defining what access is permitted to NI Water owned lands and waters, and how access arrangements will be communicated, controlled and governed.
- **Wildfire Control** - Wildfires have devastating effects on habitats, flora & fauna and can also result in a deterioration in raw water quality and increased treatment costs. This has been a particular issue in the Mourne drinking water catchment. NI Water, in conjunction with stakeholders have developed a coordinated approach to wildfire prevention in order protect the water supply and preserve the Mourne landscape for generations to come.
- **Riparian Planting** - The SCaMP NI team have been working with stakeholders to plant riparian zones. These are vegetated areas or buffer strips along watercourses, usually planted with trees, which helps shade and partially protect water from the impact of adjacent land uses. It plays a key role in increasing water quality in associated streams, rivers, and lakes, thus providing environmental benefits through intercepting sediments/nutrients, intercepting pesticides, and bank stabilization.
- **Dealing with Pesticides** - In recent years there have been rising levels of the grassland herbicide MCPA found in watercourses across N Ireland, which is difficult and expensive to remove in the water treatment process. Work has continued with The Water Catchment Partnership to deliver the message to effectively tackle the problem of pesticides in the water environment. This has involved distribution of best practice advice at agricultural shows and farm engagement visits in problem areas and co-operative working with the agricultural and amenity sectors.
- **Forestry Management** - Some water catchments are particularly vulnerable to the effects of forestry felling and replanting activities, due to their particular soils and underlying geology. Forestry activities require careful planning in order to avoid any detrimental impacts on raw water quality, which is abstracted for water treatment. NI Water have been working closely with the forestry industry to minimise any detrimental effect to raw water quality or the environment.



- **Peatland Restoration** - Over the years many peat bogs have been overgrazed by livestock or damaged when drainage ditches were dug, giving rise to exposed peat that is susceptible to erosion. The management of grazing and creation of peat dams reduces the water velocity in the drains, reduces runoff and improves raw water quality and reliability. This results in cost savings at the treatment works, as the requirement for chemical treatment to remove colour from the raw water will be reduced.

3. Pesticide levels in raw water

Pesticides are a group of substances that include insecticides, herbicides, fungicides and algacides that are commonly used as part of land management practices in catchments. These can find their way into watercourses from a variety of sources, mainly from use in agriculture for weed control. Unfortunately, on occasions, the way these products have been used and disposed of, has led to higher than normal levels of pesticides in raw water supplies. The pesticide levels in raw water supplies continue to be very expensive for NI Water to remove, both in terms of operational running costs for Water Treatment Works, and in terms of capital upgrades required for pesticide removal.

Monitoring is required to be undertaken for those pesticides, as identified through NI Water's risk assessments and NI Water require treatment barriers to be effective at achieving the regulatory standards. Although there are no public health concerns, the current high level of pesticide residuals in raw water at some catchments has attracted the attention of the Drinking Water Inspectorate. The predominant cause of this is agricultural use. The EU drinking water limit for pesticide is 0.1ug/l. In grassland areas of NI, there are frequent high levels of MCPA detected in watercourses. The catchments where this high level of pesticide are recorded are all agricultural grassland areas, with the main pesticide detected being MCPA, a herbicide widely used for controlling rushes in grass pasture.

Within the existing Single Farm Payment arrangements there is a requirement for farmers to control rush cover on landholdings to ensure land eligibility guidelines are adhered to. This can be done by mechanical means, but a longer-term solution is to control rushes by pesticide application. The predominant pesticide used for rush control is MCPA based chemicals.



There is a real opportunity in the revised agricultural arrangements to remove any incentive for farmers to control rushes. If the land eligibility rules were changed to allow fields with rush cover to attract the same level of payments, then it is likely that the usage of MCPA would drastically reduce. This would be reflected in MCPA residuals in the raw water. In addition, it could be argued that the fields would then return to their natural environmental state and create better cover for wildlife to flourish.

Alternatively, the agricultural arrangements could be adjusted to target resources at particular water catchments where there is a clear MCPA problem in the raw water. On return for additional financial compensation the farmer could have an obligation to cease use of MCPA on his farm.

There is detailed data available from NI Water at raw water abstractions showing MCPA levels over many years. In addition, data is available from NIEA on MCPA levels at various sub-catchments within each catchment area. This data can be utilised to benchmark MCPA residuals and demonstrate clearly and improvement in residuals in raw water, as a result of the revised agricultural policy. The recording of MCPA levels in each drinking water catchment will continue by NI Water and so results will be visible and clearly measurable. Detailed maps can be provided of each of these catchment areas if required. This proposal would complement the work already being undertaken by the Water Catchment Partnership.

The following initiatives could be considered as part of the Agricultural Reform proposals to control MCPA use:

1. Ensure fields with rush cover are eligible to attract the same payments as fields with no rushes.
2. Eliminate all MCPA use on participant farms in return for an enhanced financial incentive, particularly within the drinking water catchments.
3. A requirement for a dedicated sprayer washing areas for farmers within the drinking water catchments.

4. High Colour and Turbidity in raw water



The quality of raw water from the catchment area has a high impact on the water treatment process, chemical usage and hence costs. In recent years at many abstraction points there has been a trend of deteriorating raw water quality. This can be often be directly attributed to catchment land management and agricultural practices, however in some cases other factors such as rainfall or forestry activity may be a contributory factor.

Consideration should be given within the agricultural reforms to ensure agricultural practices within drinking water catchments do not detrimentally affect raw water quality. A requirement for a stocking density reduction or improved land management practices within drinking water catchments could have a beneficial impact on runoff water, and therefore raw water quality, at abstraction points.

5. Summary

The high MCPA levels in raw water are difficult and very expensive to remove from drinking water supplies in Northern Ireland. There has been a trend of increasing MCPA residuals and raw water colours in recent years. In the revised agricultural arrangements there is a real opportunity to address this by creating a system where there is no advantage to the farmer in spraying MCPA. Improved land management, particularly within drinking water catchment areas, will improve raw water quality and the wildlife habitats. There is a benefit to all in Northern Ireland that this issue be addressed in this new era, both financially, environmentally and from a drinking water perspective.

Responses to the specific questions in this consultation are provided in Appendix 1.

Yours sincerely

ANGELA HALPENNY
Head of Environmental Regulation
Enc.



Appendix 1: 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 should have no impact on water quality.

- 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?**

All greening requirements should be retained to maximise the protection of water quality in NI. There are currently high levels of pesticides detected in watercourses, high colour from agricultural runoff/sediments and high nutrient levels in many water bodies. These issues must be addressed in any new agricultural policy and water quality improved. Abolishing greening requirements could make the situation worse.

- 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?**

If the ploughing ban were to be abolished, it could result in an increase in sediment and soil erosion runoff from fields, which could detrimentally affect water quality.

- 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?**

This should have no impact on water quality.

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

This should have no impact on water quality.



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

This should have no impact on water quality.

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 incentive to control rushes by spraying MCPA should be removed as it is having a detrimental impact on water quality. If rush covered land were eligible for payment then it would remove any incentive to spray MCPA.

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.

A requirement for a stocking density reduction or improved land management practices within drinking water catchments could have a beneficial impact on runoff water, and therefore raw water quality, at abstraction points.

The incentive to control rushes by spraying MCPA should be removed as it is having a detrimental impact on water quality. If rush covered land were eligible for payment then it would remove any incentive to spray MCPA.

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?

This should be positive as long as it is focused on improving water quality, not just on increasing production.

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 would be a positive development as there is currently an educational gap. Farmers should all be trained in best practice when using pesticides and the principals of protecting water quality and avoiding pollution.



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 would be worth considering, if there is no financial incentive farmers will not obtain the qualifications.

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 would be worth considering, if there is no financial incentive farmers will not obtain the qualifications.

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 would be worth considering.

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 not impact water quality.

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

Initiatives should focus on sustainability and measures to protect water quality and the environment.

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

This should not impact water quality.

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

This should not impact water quality.



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 should not impact water quality.

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

This should not impact water quality.

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

The incentive to control rushes by spraying MCPA should be removed as it is having a detrimental impact on water quality. If rush covered land were eligible for payment then it would remove any incentive to spray MCPA. The cross compliance rules should be changed to ensure rushes become eligible, they are the natural species/habitat in many areas of NI and spraying pesticides should not be encouraged.

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

See comments above on rush control.

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

This should not impact water quality.

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

This should not impact water quality.

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

This should not impact water quality.



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

This should not impact water quality.

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

This should not impact water quality.

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

See comments above on rush control.

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

Investment in research and education is important to develop new sustainable methods, which allow agricultural production to flourish, whilst better protecting water quality.

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

Catchment based initiatives amongst farmers is a worthwhile initiative to consider. Farmers should be encouraged to work collaboratively in drinking water catchments to together improve water quality, with an incentive for results obtained. The Catchment Sensitive Farming scheme in England should be considered in NI to incentivise farmers to work together to improve water quality. Training and support should be given to farmers to achieve this.

29. 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?



Farmers need to have an incentive to actually increase income by moving to environmentally sustainable methods. If income is potentially increased then it will focus minds in this direction.

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

The pesticide industry have a responsibility to ensure water is protected and should be more involved in working with farmers and stakeholders to improve water quality.

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

Should not impact water quality.

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

Should not impact water quality.

33. 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? Should not impact water quality.

34. 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?

Should not impact water quality.

35. 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.

Should not impact water quality.



36. 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. Should not impact water quality.

37. 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 pesticide levels found in NI watercourses are having an impact on NI Water quality, which had resulted on enforcement orders from the Drinking Water Inspectorate. This is as a direct result of agricultural policy and the farming industry.

38. 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.

Nil response.

39. 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.

Nil response.

