

# Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement

## Stakeholder Responses

# U-Y

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## ULSTER ANGLING FEDERATION

### Northern Ireland Future Agricultural Policy Framework

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02/10/18

#### Abbreviations used in the text:

UAF	Ulster Angling Federation
NGO	Non Government Organisation

The Ulster Angling Federation is the representative body for game angling associations in Northern Ireland. We have a membership of some 60 associations with a total individual membership of some 7,000 anglers. The Federation represents anglers in discussions with Public Bodies, Government and other NGO's and has been in existence since 1930. We are represented on a wide range of committees to ensure the concerns of anglers are heard.

Our member Angling Associations are very concerned about the effects of these proposals on rivers, as similar schemes have proved to be detrimental to the river environment generally and to fisheries in particular.

It is important that the natural integrity of rivers is protected to allow continuation of the natural ecology of the stream, and to allow existing fish populations to prosper. The following comments are made in that light.

The Pricewaterhouse Coopers Report of July 2007 for DCAL on the social and economic value of angling in NI, states that all forms of angling in NI support some 780 full time equivalent jobs, and are worth some £40m p.a. to the NI economy, mostly from game angling. If this jobs/economic benefit is to be maintained and enhanced, the provision of good water quality and satisfactory fish stocks are absolutely vital for our fisheries and tourism. UAF are specifically campaigning for;

- \* A sustainable agriculture and land use policy that is fair to farmers, good for nature and benefits society
- \* 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

## 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
- \* 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
- \* 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 environmental outcomes

## **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 is 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

## **Improved Resilience**

### **Key points**

1. 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 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 and 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

### **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

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. This is no different in Northern Ireland, which 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 sorry state of the environment in Northern Ireland and the Water Quality report issued in October 2018 which advised that only 31.8% of our water bodies are at good status.

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.

The following was written recently by one of our members: - "In general terms our natural world is slowly going to hell in a handcart and man's unstinting greed for money is the cause. Most people don't notice small changes in the environment but anglers do. In my lifetime I've seen salmon become a threatened species. Seatrout all but disappear and insect life around our waterways depleted. Many once famous rivers are ruined fish farming, building development, intensive agriculture, pollution the list goes on. I don't think people have really cottoned on that our food chain / health will suffer. Seas polluted with plastic bees vanishing. So far we don't have another planet to go to once this one is wrecked and you can't eat £20 notes"

Government has a duty to protect our world and it needs to start now. As stated above we haven't made a good job of it to date, so things need to change going forward. This future policy would be a good starting point.

R F Marshall

Development Officer

Ulster Angling Federation



## ULSTER ARABLE SOCIETY

**Ulster Arable Society response to the Northern Ireland Future Agricultural Policy Framework consultation document as published by the Department of Agriculture and Rural Affairs on 1 August 2018.**

### **Background.**

This submission is being made on behalf of the Ulster Arable Society.

The Ulster Arable Society (UAS) is a membership organisation which brings together individuals and organisations from throughout the arable production, processing and supply industries with a common interest in –

- furthering the competitiveness of the sector;
- fostering knowledge transfer; and
- facilitating the professional development of those working in the sector.

The UAS therefore represents the arable sector which is an important contributor to agricultural output in Northern Ireland in its own right, but also underpins the sustainable intensification of the livestock sector through the production of feed inputs and the effective use of excess nutrients from those enterprises. The sector currently utilises in the region of 45,000 hectares to deliver £65.5 million of field crop output (DAERA Statistical Review of NI Agriculture 2017) while supporting the wider Northern Ireland economy and employment through providing input to the animal and food processing industries, and a degree of food security for animal feed supply. An additional £18.7m of production is delivered from vegetable production much, but not all, of which is field based.

It will be noted that the objectives of the Society are directly in line with themes emerging in the discussion document, including knowledge exchange and continuing professional development. UAS also has an active interest in determining the research needs of the sector and communicating those needs to research organisations and funders, including DAERA, AFBI and the Agriculture and Horticulture Development Board (AHDB). A representative of UAS sits on the AHDB Cereals and Oilseeds Research and Knowledge Exchange Committee.

### **Introduction.**

The Society welcomes the opportunity to input to discussions on this issue which is of such importance to the future development of the agri-food industry and the associated rural communities in Northern Ireland.

In the absence of any previous engagement with local Executive Departments, the Society responded and provided evidence to the Northern Ireland Select Committee's inquiry to "consider the opportunities and challenges for Northern Ireland's agricultural sector in the light of the UK's decision to leave the EU". This evidence may be accessed on the Committee's website.

This response is provided from the perspective of the UAS membership drawn from the arable sector and associated supply chains. Prior to answering the specific questions provided in Annex A of the consultation document, the Society offers the following thoughts on the document and its relevance to the local arable sector

### **Context.**

First of all we recognise that this is a Policy Framework and so by its nature will be lacking in delivery detail. It should however provide a framework in which that delivery can be progressed for all sectors, including the arable sector.

The unfortunate impression created by the document is one of an industry which wishes to continue more or less as it is at the moment with limited ambition or appetite for long term change. This is probably a result of starting with the existing regime and seeing how it might be tweaked, rather than with a clean sheet of paper; which inevitably constrains thinking. While maximum stability is obviously imperative in the short term it should not constrain consideration of long term structural change and how it can be achieved.

The photographic montage on the cover reflects the emphasis within the content of what appears to be a policy framework driven by consideration of the needs of the grassland livestock sectors and associated processors, with negligible consideration of the important arable and horticulture sectors.

### **Productivity.**

Much is made of the lower productivity of NI agriculture and increased productivity is set as one of the strategic outcomes required of any new agriculture policy.

*Productivity is defined as the effectiveness of productive effort, especially in industry, as measured in terms of rate of output per unit of input.*

This means that a number of different measures will be required, depending on the input selected. Labour productivity is mentioned in Section 4 but is only one of a large number of potential measures. Clearly some measure(s) of outcome achievement will be required but which ones are going to be used to measure the effectiveness of the new Strategic Framework? We would suggest that labour productivity is not the cleverest indicator and may well be a contra-indicator of economic performance through encouraging overinvestment in capital equipment.

The problem with using productivity as a measure is that it suggests we keep producing the same things but do so more efficiently. This loses the market focus which is enshrined in competitiveness (the indicator used in the Industrial Strategy) – as well as the need for adequate returns to the producer. In our view competitiveness is a much better indicator and measure of success. However, it is obviously more difficult to measure in practice than productivity which measures only one component of competitiveness

*Competitiveness is the ability of a nation to offer products and services that meet the quality standards of the local or world markets that are competitive and provide adequate returns on the resources employed or consumed in producing them.*



Benchmarking figures are correctly cited as evidence of the opportunity for productivity improvement amongst local producers / processors. However the comparisons in global terms are much less valid. Many of the reasons why productivity is lower in NI are not linked to technical or management performance but to statutory constraints outside the control of the business. For example Productivity is closely related to scale of operation, size of field etc. Taxation policy however constrains the availability of land to developing businesses and field size is now frozen by the constraints imposed through environmental legislation.

Society has also chosen to impose environmental regulations such as ammonia controls and greening requirements while restricting access to technology such as pesticides, hormones and GM crops available in other countries such as the US.

In short, productivity gains in agriculture here have been constrained by the demands of society and while we recognise the relevance of the proposed drivers of Innovation, Education, Knowledge Exchange and Investment/restructuring, there are other factors, outside the control of the industry, constraining productivity levels locally.

### **Questions – Annex A of Consultation.**

In this section the Society provides its views on the specific questions posed in the Consultation Document, which are of relevance to the Society's membership.

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

*Entitlements should be retained in the short term but in the long term the system must not impede new entrants or systemic growth of existing commercial enterprises.*

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?

*Although the justification for these measures may be of questionable scientific merit in a mixed farming area such as Northern Ireland, they have already been delivered by arable farmers and can be seen as part of the public good provided by the sector and upon which the new area based payment is justified. Acceptance indicates the willingness of the sector to contribute positively to environmental enhancement.*

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

*No real impact on the arable sector but equally the outcome delivered is unknown so may well be unnecessary regulation which can be removed.*

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?

*An agreement entered into must be honoured, so should continue up to 2019 and once awarded should be sustained for the 5 year period of eligibility.*

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

*This seems to assume that entitlements continue into the future. As indicated in Q 1 we believe that they may be a constraining influence on industry development in the long term and alternatives needs careful consideration. We suggest that this needs to be reviewed not simply rolled over beyond 2019. Age alone should not be the sole determinant of preferential payments, qualification and / or proven competence are equally relevant.*

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

*This is of fundamental importance to the future development of the industry. We suggest that this question is too narrow in its aspiration - why facilitating generational renewal rather than facilitating new entrants to the industry e.g. the good farm worker or manager who has proven ability to be a successful land manager? Generational renewal is important but the issue is wider than this.*

*This is a huge and complex subject which needs to be the subject of a major review in its own right.*

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?

*Stability for the short-term transition period is important. The opportunity should be taken to pilot new approaches during this interim period including simplification of the penalty regime, revision of penalties as well as the inspection rates and methodology.*

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.

*Generally understood by the industry so no need for radical change until any new system is agreed.*

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

*The productivity grand challenge approach makes sense but AFBI / CAFRE don't have the resources to take this forward on a broad front. That will require selecting a few elements and past experience makes us nervous that arable will not feature in the priority areas. The Policy Framework needs to be honest and clear as to how the smaller enterprises in the arable sector will be supported through this process.*

*Integration of Science, Technology Exchange and Education has been the ideal for years but DAERA delivery agents are fragmented which impedes this being achieved. DAERA needs to examine its structures to deliver this "challenge".*

*It must be remembered that the cereal / oilseeds sector has the benefit of AHDS research and KT support but this is not true of potatoes or horticulture growers who are not linked to the GB levy system.*

*A coordinated approach bringing research, education, and KE resources together backed by tailored innovation funding has been used very successfully in Rol e.g. seed potatoes and horticulture and should be adopted in Northern Ireland. However DAERA has to date adopted a much less structured more generic approach e.g BIS Tiers 1 and 2. The tailored approach requires particular technical areas / enterprises to be selected upon which to focus. The recent catchment based soil sampling / analysis / workshop approach is an example of how this can work.*

*A "platform approach" to science delivery sounds great but we need more explanation as to what this means in practice and how it would work.*

*The whole concept appears to be based on the assumption that all innovation comes from local publicly funded research. In practice many of the greatest innovations have and will come from the private sector who need to be integrated into the approach in some way, as well as facilitating the adoption of research findings coming from outside NI.*

*The industry must have a major part to play in selecting target areas and participating in delivering the programmes.*

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?

*It is clear from our own experience and from the research evidence referenced in the consultation that education has an important role to play in the development of both productivity and environmental governance, especially in the fluid and fast changing environment of today.*

*This warrants an increased emphasis on education and knowledge exchange. However, existing education provision is well resourced and of high quality but the uptake by self-employed family businesses is still not as good as it should be. Critical questions need to be asked as to why this remains the case after so many years of sustained investment and subsidised provision. Is this due to lack of*

*promotion / publicity of the benefits or is the provision not in a form or content valued by the industry?*

*We recognise that there is still a view in the more traditional elements of the industry that learning “on the job” is superior which suggests that an integrated apprentice type education could meet the requirement for both experience and “formal” education.*

*Competence is ultimately the objective and education qualification is only one part of that ideal. Competence is recognised as including all the related knowledge, skills, abilities, and personal attributes that form an effective person’s toolkit. An experienced individual without an agricultural qualification may well have all these attributes.*

*We question the benefits of incentivising or compulsion – the ultimate objective of personal development will come from belief in the benefit; not from penalising those without the qualification level determined by policy makers as being required.*

*Knowledge Exchange is an essential element of industry development and needs to have a high priority, especially for those subjects without local education or research provision.*

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 believe that qualification attainment to Level 3 in a “relevant” subject is one, but only one, indicator of competence and the inherent ability to manage a business in an increasingly volatile world. In larger and diversified businesses a qualification in retail or accountancy/business management may well be superior to any technical agricultural qualification; as would experience gained in another customer focused industry. Also, many existing farmers and leaders in their sector are not qualified above the College Certificate (Level 2) so would be excluded from eligibility to funding. The older farmer will not have had the opportunity to study to level 3. In that case enterprise performance and benchmarking figures could be an equally effective indicator of competence.*

*The Level 3 qualification is a valid aspiration for an education strategy but too blunt and discriminatory an instrument to be used in isolation as a determinant for funding / access to services. The focus should remain as persuasion not compulsion.*

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 and points attributed to relevant activities already operates within agriculture -e.g. BASIS; but this is only in narrow highly focused areas. Extending this to all areas, risks creating an administrative monster. The thinking in the consultation*



*has a very parochial concept of professional development linked to local provision in technical subjects. The workforce /managers in the smaller sectors have to attend events outside NI e.g Cereals and Potato Events in GB or Rol, as there is no equivalent local provision. How will this be managed with credits etc - we suspect that most will find the administration process too cumbersome, bypass it and go on their own expense?*

*Public funds already provide subsidised free development / advice / education to farmers and growers to a far greater extent than most industries; is any more required? Moving to a credit system suggests that CDP events offered by CAFRE/AFBI will in the future be charged for, which will reduce not increase uptake.*

*Many organisations such as UAS work with DAERA / CAFRE to run CPD events and this should be sustained and developed as it ensures a strong industry relevance.*

*One simple option would be to recommend that businesses hold a simple record of CPD activity and require this to be provided as part of the business / competence plan submitted for investment support.*

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?

*As productivity has been identified as one of the key priorities for the Policy Framework and innovation is one of the identified policy instruments to deliver this, investment support for innovation is clearly important. All such support already requires an environmental risk assessment and we see no reason to change or augment this requirement.*

*We fully agree that production cannot come at the expense of environmental degradation. Equally, investment support for environmental / public good enhancement must take full account of the impact on productivity / business viability.*

*In a situation where a high proportion of agricultural land in Northern Ireland is not in its correct productivity capacity status (AFBI soil analysis results) it can not be cost effective to invest in new technology when the basic tool (the soil) is not in a state to deliver optimum results.*

*Farmers should, if they wish to receive a potential area production payment on a farm field by field basis, partake in established science based soil analysis and initiate corrective measures, to ensure that the soil is geared for production. The LIPUS system is capable of identifying every individual field and flagging up each one for an "ability to produce" area payment when, these fields are shown by the applicants soil analysis to have met the desired nutrient and ph status. Such a scheme would require careful development and a lead-in time but merits serious consideration.*

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

*All financial support options should be explored and made available where appropriate. For example, loan guarantees / interest rate subsidies could be a useful tool to stimulate restructuring / business amalgamation / co-operation*

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

*Inheritance Tax Agriculture Relief is of critical importance to sustaining the family farms in Northern Ireland. It is however an impediment to restructuring especially as linked to the conacre system where land is frequently owned and retained by non-farmers solely to achieve the inheritance tax relief. Changes which encourage sale of land held purely for inheritance tax purposes and to provide positive tax benefits for land let in long term lease arrangements, must be actioned. We believe these changes are of such importance that they should be implemented as soon as possible regardless of any Brexit decisions. We recognise the difficulty of progressing a unilateral change for Northern Ireland within the UK tax system but with conacre being unique to Northern Ireland unilateral action may well be required. Action taken in RoI has already delivered useful change, illustrating what can be achieved through simple legislative/taxation changes.*

*One of the fundamental drivers of productivity is scale – generous support should be provided for integration, co-operation and Producer Groups (on the EU model) with a strong emphasis on group-based supply chain co-operation.*

*Any adoption or replacement for entitlements must facilitate and encourage growth of existing businesses and new entrants. All should be based on sound documented business and people development plans, delivered through a new "Farm Business Development Scheme"*

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

*We are very aware of the need for this area-based payment to help sustain farm businesses, but feel it would be much more secure and acceptable to wider interests, if argued on the basis of the applicant's action to maintain the soil in optimal productivity condition, as outlined in our response to Q13, and for other public goods provided – as evidenced by simplified cross-compliance criteria.*

*It is difficult to see how making an area-based payment to active farmers, without expecting any delivery in return, can be sustained on the basis of improved resilience. It will be seen by others outside the industry as a continuation of the CAP "payment for the privilege to farm".*

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



*In the short term the current level of support needs to be maintained at or close to current levels, to avoid business failures and social hardship. Any changes must be gradual to allow businesses and people to adapt to the new circumstances.*

*If the rate is reduced to allow funding of other measures then careful consideration needs to be given to the impact on each sector – e.g. where one sector may not be as able to take up any new schemes developed to replace the existing area payment.*

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

*By definition, disadvantaged land will start from an inherently low productivity base. Additional payment can therefore be justified only on the basis of environmental / public good (tourism) or even social grounds, not provided from funds / policy instruments established to boost productivity.*

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

*A basic tenet of any funding will be “something for something” not “something for nothing”! Cross compliance requirements help justify the payment and will need to be continued. However, the conditions set must be reasonable and justified through evidence. Industry needs to be included when setting criteria standards and understand the reasons why and how the standards are set.*

*Our preference would be to link this “resilience” payment to the requirement to have fields under the control of an individual farm businesses retained in a fit state to produce to its maximum potential; as evidenced by scientifically valid soil analysis. This has positive benefits for both productivity and the environment as productivity will be maximised AND nutrient leaching will be minimised when the soil is in the optimum range of ph and nutrient status.*

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

*Date linked “closed period” conditions are a source of tension and there must be a facility to adapt any such requirements to reflect seasonal variations.*

*Soil management for sustainable production and minimising negative environmental impact should form a core element of any future cross-compliance requirements.*

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

*Some sanction must obviously be incorporated into the scheme. As the ultimate aim must be to achieve compliance rather than impose punitive legal action, a system of "yellow cards" or "improvement notices" should be incorporated. These will drive compliance in a constructive rather than punitive way.*

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

*If the basis of the resilience payment is financial viability, then this is vulnerable to the imposition of a cap above a certain level of "income". However if this is justified (as we believe it is) on the basis of the public good as indicated by soil productivity status and / or environmental benefits, then there is no logical case for capping this payment.*

*The current eligibility threshold is set at a low level. This encourages the retention of land and hobby farming activity. There is a case for considering a higher lower limit to encourage restructuring and increased industry productivity.*

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

*Industry experience suggests that self-insurance is the best way to address volatility. Commercial insurance is expensive, but Government should investigate options to facilitate and encourage self-insurance. Since the Canadian and Australian models require engagement with the national taxation system any such scheme is likely to be UK wide and not sector specific. This would also be required to achieve the scale needed and get the necessary spread of risk.*

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

*See Q 23. Should be aimed at income protection and not sector specific.*

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

*Fiscal measures are an effective means of both reducing income volatility and stimulating investment but need to be carefully designed to avoid the frivolous tax reduction / avoidance spends of the past. Because of the linkage to the UK taxation system all will need to be UK wide schemes but warrant further 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?

*Any system needs to be able to respond quickly to major events. Care would need to be exercised on implementing such a measure to ensure inclusiveness and equality. The Rol has a system which is able to respond quickly to situations and DAREA needs to investigate and consider a variant of this system.*

*We note the reference to difficulties which might arise from animal disease threats. With the increased threats to plant health, which are likely to increase in the post-Brexit era, any scheme needs to embrace the capacity to respond effectively to BOTH animal and plant health impacts.*

*There is no reference to plant health policy in this document yet an all island plant health strategy with common and rigorous enforcement is a key priority to protect the industry from sustained plant health pressures and maintain the current high plant health status with its marketing advantages at home and in export markets.*

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

*The consultation fails to adequately recognise the positive environmental benefits delivered to-date by farmers, and has pitched the tone in a singularly negative manner. Farming impact on the environment can be positive – not just negative, as the wording of the consultation suggests!*

*The society strongly supports the need to ensure that food is produced in a way and using methods which are environmentally sustainable. UAS has engaged with environmental NGOs to explore areas which are mutually beneficial. We therefore agree with the broad principles set out in Section 6.1 of the consultation.*

*The environmental benefit of changes in farm practice such as reduced emissions and other climate change actions will be difficult to quantify at farm level but nevertheless the public good impacts need to be recognised and rewarded. The impact is wider than just biodiversity / habitat enhancement.*

*We welcome the proposed emphasis on achieving behavioural change through education and the provision of information on the reasons for changes imposed. Government and indeed environmental NGOs need to recognise that when a business is asked to spend money on environmental improvement or to forego productive capacity because of some distant undefined / unquantified threat to biodiversity or sensitive habitats, the requirement can seem unreasonable and unjustified. This is a huge and difficult task and needs to be given much increased importance with reduced reliance on inducement, enforcement and penalties.*

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

*Research to ensure environmental policy is based on sound science is important, however these funding streams need to be separated from productivity focused*

*research. This should be ring fenced with a strong input from industry informing decisions relating to the research undertaken.*

*Also, we fully accept the justification for DAERA funding of research on the impacts (positive and negative) of local production on the environment. We believe however that "pure" research on environmental issues should obtain funding from elsewhere. e.g the Natural Environment Research Council.*

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

*We agree in principle with the concept of outcome based environmental measures. This will allow a less prescriptive approach with action linked to local farm and environmental conditions.*

*However, such measures will need to be carefully thought through in discussion with the farmer or the group of farmers involved. The difficulty will be allowing for the impact of elements outside the farmer's or group's control, including local weather, weather on migratory routes, and the fact that outcomes are frequently regionally determined. We can see it working best in a group / location-based agreement but suspect that in many instances a more prescriptive input based programme of work may be required. Perhaps a combination of input and outcome funding may be the most realistic.*

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 welcome the recognition that income forgone / costs incurred are often insufficient incentive to deliver environmental outcomes. It must be recognised that for the smaller farm businesses typical of Northern Ireland, containing overhead costs is a major issue and any reduction in land used for economic activity i.e to grow crops, increases the fixed costs per hectare. The challenge for DAERA will be to ensure that the payments on a cost-plus are compatible with WTO rules*

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

*The need for a joined-up approach has long been an aspiration for the agri-food industry in Northern Ireland. However, achievement of this ideal has been very patchy.*

*Much of the drive for enhanced environmental standards is said to come from the public – in the case of food this is the consumer. The other actors in the supply chain (essentially the supermarkets working through their suppliers such as processors, aggregators and packers) have totally failed to convert this perceived*

*interest in the environment into a payment for the additional cost involved at producer level. Those costs are being picked up primarily by farmers and growers but also to some extent by Government through their payment for public good activity.*

*The only possible exception is for organic produce and even there the extra charges have been severely eroded in recent years.*

*Retailers need to use their marketing expertise and clout to extract more value from the environmental standards achieved and pass these to producers who are delivering them.*

*There is a huge need for educational activity to explain both the steps taken to care for the environment enshrined in the local quality standards. This will be a key role for a local food promotion organisation similar to Bord Bia in RoI. This will be increasingly important post-Brexit where pressure from imported food is expected to increase.*

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

*There are already common standards and validation within supply chains e.g. Producing to M&S / Waitrose standards. There may be scope for regional standards linked to environmental conditions, but this needs to be built around group structures with a number of growers applying the same standards and with common marketing arrangements.*

*Attempts have been made to market low carbon products, but the same problem exists – finding consumers prepared to pay for the additional work / constraints involved.*

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

*Even where supply chains are integrated there remains a considerable lack of trust and this is undoubtedly exacerbated by poor communication and lack of information. In the fresh produce sector there are regular allegations about excessive profit taking by supermarkets and packers / merchants aggregating product between the farm and the retailer. This is based on a lack of information on the costs involved once the product leaves the farm. Benchmarking and the DAERA Farm Business Data Booklet provide the costs of production but all attempts to determine the costs between farmgate and retail shelf founder on the rock of “commercial sensitivity”.*

*There is a critical need to obtain generic information on these supply chain costs which consume much time by producers coveting the margins, which on superficial observation, appear to be considerable, elsewhere in the supply chain. The more equal sharing of margin along the supply chain is seen by many as the solution to all problems. This needs to be determined urgently to establish the*



*validity or otherwise of the perception, so the industry can react appropriately and more forward.*

*The Grocery Code Adjudicator only has authority to investigate practices by the larger retailers as they affect their immediate suppliers. The scope needs to be extended to regional operators and along the entire supply chain and to proactively undertake supply chain reviews.*

*Price reporting in the cereal sector is well documented and publicised. It is however an important activity which needs to be developed for other sectors in Northern Ireland. This has to be done by a third party – if not the government then an organisation such as a University with whom commercial organisations will be content to share commercially sensitive information*

*Benchmarking production efficiency with competitors in other regions must be an important indicator especially since productivity is a key indicator of the ability to compete in global markets.*

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 note with some surprise that supply chain awareness does not appear to be an element of existing education provision. This is a critical omission which needs to be addressed immediately.*

*Supply Chain Awareness is a mandatory element of the AgriFood Development Programme shortly to be launched under the Rural Development Programme 2014 - 2020. Past experience suggests that this will be both popular and an effective education method which should be more widely used as part of CPD in all sectors.*

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?

*Co-operation has always been a difficult concept within the culture of Northern Ireland and especially amongst independent self-employed farmers. Efforts to encourage this must continue through fostering and funding Producer Organisations and other cooperative enterprises. Such support must include funding professional management in the initial start-up phase. Past experience shows that attempts to self-manage such group enterprises have been a common cause of failure.*

*The small size of enterprises in Northern Ireland makes equipment sharing / hiring a sensible option but has never been widely accepted. The contrast to Plant Hire in construction should be used as a model to stimulate and encourage this business model in agriculture.*

*This is a difficult process to deliver as it requires commitment from participants – not something which Government can engineer. The achievement and benefits of organisations such as the Northway Mushrooms Producer Group need to be*



*promoted but even those exposed to this find it very difficult to relinquish their independence. Programmes such as the AgriFood Cooperation Scheme operating under the Rural Development Programme 2014 – 20 already offer support to groups wishing to explore opportunities and develop cooperative working arrangements. Government can only promote and facilitate; the desire must come from the industry itself.*

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.

*In the legislative framework operating in Northern Ireland the qualification requirement put forward as an option must contain the risk of an element of age discrimination linked to the level of availability of Level 3 qualifications in agriculture / horticulture some years ago. The provision of such qualifications in certain aspects of horticultural crop production is still questionable. Greater efforts need to be made to provide distance learning and accredited prior learning validation or accept alternative evidence of competence if this is to become mandatory.*

*On a less legalistic point farmers need to be viewed as equal partners in the food supply chain. In many of the existing supply chains they certainly do not feel this at present*

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.

*A thriving farming industry is the foundation upon of a vibrant rural economy can be built and helps sustain rural communities and services.*

*With the accelerating transition to on-line business, including Government reporting, grant application and regulatory compliance, universal access to high speed broadband throughout all rural areas is an urgent requirement.*

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.

*There is growing concern about the fragmentation and resulting inconsistency in the delivery and interpretation of Planning conditions for both commercial and domestic dwelling. We appreciate that this change does facilitate flexibility linked to local situations, but it does lead to inconsistencies. Improved guidance, training and appeal procedures are required.*

*In addition, the review of procedures enabled in the post-Brexit situation, provides the opportunity to redress the balance between errors / omissions by those being regulated and those made by the regulators. The industry feels that there is much*

*less or no latitude for their mistakes / omissions compared to the latitude permitted of officials.*

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

*The vision of the industry promoted in the document is one of developing a more productive industry but "not at the expense of environmental sustainability". The inference being that farming has a negative impact on the environment ignoring the fact that in many cases it is farming which delivers the landscapes and the environment enjoyed by society and utilised wildlife and by other sectors of the economy. In short, farmers already produce a mixture of economic outputs (food) and public goods. The value of these "public goods" needs to be better recognised and rewarded.*

*Arable farming adds considerably to the landscape/scenic diversity enjoyed by both wildlife and people and without it the rich tapestry of the local scenery will be impoverished and reduced to a tedious green carpet*

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.

*This Framework, mistakenly in our view, considers the industry in isolation from the wider NI economy. There is an almost total absence of any cross-reference or linkage to the NI Industrial Strategy with its vision of "To be a globally competitive Economy that works for everyone". That strategy embraces agri-food and includes reference to the Going for Growth strategy and its targets.*

*Clearly agriculture makes a fundamental contribution to other sectors including food processing, amenity and tourism. We need to emphasise these benefits to justify the support for the industry proposed in the Policy Framework and build alliances with the wider economy. It must be remembered that in the post-brexite situation all funding will be drawn from the same Treasury or perhaps Executive funds.*

*For example, tourism is seen as a major growth sector – currently worth £926m to the local economy and equivalent to exports of £657m. Of the 9 places most recommended to visit in Northern Ireland by tourism websites, 4 are scenic areas – landscapes created and maintained by farming. Also, an important focus for the future is food tourism which is clearly dependent on the local produce provided by farmers and growers. We should not underestimate or undersell this contribution to the wider economy.*

*In the same context, surveys show Northern Ireland has a high score for wellbeing / happiness to which our natural environment and amenity facilities contribute - again something which the agricultural and horticultural sectors help*

*deliver. This high wellbeing / quality of life is a major USP for attracting inward investors.*

*We appreciate that the narrow perspective of the Framework may be because the Department does not want, in the absence of a functioning Executive and Minister, to encroach on the responsibility of other Departments. This is nevertheless very disappointing in view of the need recognised in the Framework for integration and cooperation in the food supply chains so we would have liked to see a more integrated approach embraced within this Agricultural Policy Framework.*



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Mr Norman Fulton  
Deputy Secretary  
Food and Farming Group

10 October 2018

Dear Mr Fulton

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

I am writing to you enclosing the UFU submission to DAERA's consultation on Northern Ireland's Future Agriculture Policy Framework, on behalf of our organisations' 11,500 plus members. This response was formulated after lengthy discussions at meetings of the UFU's 16 policy committees and ratified by the UFU's Executive. The detailed response covers a range of issues and outlines key measures that government should enact to help the farming sector thrive in the coming, potentially turbulent, years.

We now have an opportunity to work together to create a well-funded, refreshed agricultural policy that delivers for all sectors. The UFU believes it is essential for Northern Ireland to maintain at least the existing level of investment in farming. Farm businesses invest in the long-term, so an abrupt cliff-edge halt to long established policies and income streams must be avoided. We expect DAERA to provide sufficient time for a managed transition and for new policies to be agreed and implemented.

This is a once in a generation chance for the government to develop a NI specific agricultural policy that drives integration of profitable food production with high environmental and animal welfare standards. Any future policy should require that, while maintaining a range of purposes for financial support, any such assistance is linked explicitly to genuine active farmers.

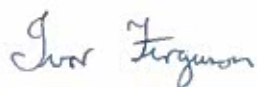
Government therefore have a strategic interest in ensuring a sufficient level of domestic food production, in a volatile world this is a critical aspect of food security. Supporting domestic agriculture to ensure food security and stability of food supply should be included in the purposes for which financial assistance can be provided under any future policy. Farm businesses also have an important role to play in other strategic priorities such as energy and water supply, so these should be further areas to which financial assistance can be provided.

The UFU and its members believe we must use this opportunity to create the conditions for a productive, resilient and sustainable agricultural sector. We need to meet the expectations of the UK

countryside and contributing to productive and robust economic growth. This consultation response therefore provides an opportunity to help meet these ambitions, and this response from the UFU provides recommendations on key measures which DAERA should enact to help ensure our farming sector thrives.

The UFU look forward to future engagement with DAERA on their views on the Northern Ireland Future Agricultural Policy Framework.

Yours faithfully,

A handwritten signature in cursive script that reads "Ivor Ferguson".

Ivor Ferguson  
UFU President

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

Thank you for the opportunity to respond to this very important stakeholder engagement document. The Ulster Farmers' Union (UFU) is the largest farming organisation in Northern Ireland representing approximately 11,500 farming families. The UFU represents farmers from all areas of Northern Ireland and across all sectors.

The UFU has a vision of a productive, profitable and progressive farming sector. The UFU want to work in partnership with Government to achieve this with a predictable and manageable transition process.

The UFU believes that, while the importance of direct support will be related to the openness of any trade agreement reached, it is essential for Northern Ireland to: maintain at least the existing level of support for and investment in farming; to provide for a sufficient delivery implementation transition to give individual farm businesses the necessary time to adapt to a new overarching Domestic Policy for Agriculture; and for flexibility through devolution to best adapt a common policy framework to the differing regional needs of farming.

We now have an opportunity to work together to create a well-funded, refreshed agricultural policy that delivers for all sectors. The UFU believe it is essential for Northern Ireland to maintain at least the existing level of investment in farming. Farm businesses invest in the long-term, so an abrupt cliff-edge halt to long established policies and income streams must be avoided. We expect DAERA to provide sufficient time for a managed transition and for new policies to be agreed and implemented.

The UFU is actively engaged in the debate about how and why we should harness public policy and public investment to support our farm sector. The answer is clear: food and farming matter to the UK – not only because of the range of economic, social and environmental benefits it delivers, but also because of the risks that the country faces from a farming and food system that functions poorly, both in terms of food security production and the price of food for consumers. However, we recognise that Brexit provides opportunities for our sector too, and the UFU and its members believe we must use this opportunity to create the conditions for a productive, resilient and sustainable agricultural sector. We need to meet the expectations of the UK countryside and contributing to productive and robust economic growth. This consultation response therefore provides an opportunity to help meet these ambitions, and this response from the UFU provides recommendations on key measures which the Government should enact to help ensure our farming sector thrives in the potentially turbulent years to come.

As farmers we need to be equipped with the right tools in order to meet growing demand for food at home and abroad, protecting the environment as well as meeting the demands of climate change.

Approximately 75 per cent of the total Northern Ireland land area of 1.35 million hectares is used for agriculture, including common rough grazing (Statistical Review of Northern Ireland Agriculture, DAERA, 2017). Approximately 44 per cent of this land is classified as Severely



Disadvantaged. DAERA must ensure schemes are open to all and properly recognise and reward the environmental contributions of farmers.

Northern Ireland farmers and growers are an important part of rural economies, providing jobs and driving growth both in food production and in diversified industries such as renewable energy and tourism. NI agriculture is also a significant element of our local economy, collectively accounting for around 70,000 local jobs (based on 47,979 total farmers and workers and 23,557 food and drink processing full time and employment agency workers), and 3.25% of Northern Ireland's Gross Value Added (GVA) which equates to £1.1bn at basic prices.

The UK faces an enormous threat from a range of potential pests and diseases, as well as invasive weeds, pesticide resistance and non-native species. The UK Government should commit to a science-led approach with fit-for-purpose legislation to approve safe and effective tools, coupled with effective border controls to retain the UK's high health status.

The UFU response to the questions in the DAERA document are outlined below.

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

The UFU are in favour of the retention of entitlements during this transitional period as it helps to ensure as best as possible under existing rules that support is largely directed to current active farmers.

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

The view would be to retain separate greening requirements and a separate greening payment at this stage. Post 2021 there is a need for in-depth discussions with DAERA to develop a workable and sustainable environmental policy based on strong scientific evidence.

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

The UFU in principle supports the retention of the current ploughing ban on environmentally sensitive permanent grassland. However, a more pragmatic implementation approach must be taken in that this should only apply to a clearly defined designated area and not the entire field in which the designated area is located.

**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 support the continued payment for YFP participants as long as they remain eligible. An agreement entered into must be honored until the participant's eligibility period ends.

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

The UFU in principle support the encouragement of young farmers in to the industry. As such, the UFU is also supportive of the current scheme being retained for a further 2 years during a transitional period until 2021.

In advance of 2021, a review of both the Young Farmer Payment and Regional Reserve Schemes should be undertaken to consider a more targeted and outcomes based approach for generational renewal beyond this date.

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

Farm profitability is ultimately the key to achieving generational renewal. However, additional measures can be introduced to help facilitate this process. The UFU would support the introduction of fiscal measures for both generational renewal and also longer term land tenure similar to that in ROI.

Support should also be introduced in particular to encourage and develop farms where two or more generations of farmers are working together.

**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?**

**Active Farmer** – The current definition of an active farmer should be retained for a transitional period until 2021 to provide stability in the medium term. Alternative arrangements should however be explored to target genuine active farmers on a longer time frame post 2021.

**Land Eligibility** – Support the principle but rules and mechanism for inspection and penalties need reviewed.

**Cross Compliance** – Support in principle however proportionate penalties must be introduced along with a 'Yellow Card' for minor offences with a chance to resolve the issue in question.

**Key Dates** – Date of payment and the application process are well established and should be retained during the transitional period.

**Penalty Regime** – Proportionality is the key issue that must be addressed and there must also be a review on limits for maximum penalties

Simplification is also necessary with the use of the 'yellow card' approach

**Retrospective Recoveries** – UFU are opposed to retrospective recoveries. There must be recognition of the principle of proportionate effort in the recovery of small sums.

**Inspection Regime** – The system should be reviewed and made more efficient. Earned recognition and a more effective risk based inspection system along with being more efficient.

**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.**

As mentioned in question seven, rules and mechanism for inspection and penalties require amending. Proportionate penalties must be introduced and 'Yellow Card' for minor offences with an opportunity to repair/fix the problem. There must be no further tightening of the rules and all should be reviewed to ensure they are appropriate for Northern Ireland.

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

The UFU are broadly in favour of a “Productivity Grand Challenge”. This must however also be supported by a more joined up collaborative platform approach to Research and Development, Knowledge Exchange and Policy Development. In particular, there must be a key focus on farm profitability with realistic outcomes to meet any future challenges that farming may face. Funding for the implementation of a ‘PGC Model’ must be provided from other Departmental sources and must not come out of the existing farm support budget.

**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 UFU recognise agricultural education and knowledge transfer are important however we are opposed that it should be compulsory. The Union is opposed to making level 3 a requirement and there is a need to take into account other qualifications other than those linked to agriculture e.g. Economics /Accountancy etc., as outlined in the UFU response to the DAERA Knowledge Framework consultation. Furthermore, life time experience in Agriculture also needs to be taken into account and valued.

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

The UFU are supportive of farmers gaining qualification attainment and undertaking formal training. However, this should not be linked to other policy interventions. A lack of formal qualifications should not be used as a barrier and could be perceived as discriminatory.

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

The UFU support the need for CPD however it should not be compulsory. CPD must be beneficial for the farmer and not a ‘tick box’ exercise. It must be targeted at genuine active farmers and should be funded from other public sources.

**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?**

The UFU are supportive of investment that is directed towards innovation and new technology update however this should not just be limited to environmental performance.

Productivity has also been identified as one of the key priorities for the Policy Framework and innovation will help deliver this. However, the delivery mechanisms and rules must be appropriate.

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

The UFU are supportive of a maximum range of options as possible. All options must be explored and made available when appropriate.

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

There must be a stronger focus on longer term land tenure in particular the need for generational renewal.

Government must look to other and closer to home at the action taken in ROI where they have already delivered useful land tenure and succession restructuring changes through legislative and tax changes.

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

The UFU in principle support a basic farm resilience payment. This payment must be based on productivity, efficiency and linked to inflation. Before the UFU can comment further however, more clarity/progress is needed on future trading arrangements in particular. However, any future support measure should be simple, realistic, attainable and targeted towards genuine active farmers.

It is a matter of national interest to ensure that our country can feed itself, and a high level of domestic production capacity in a volatile world is a critical aspect of food security, therefore a basic farm resilience support measure can help in preserving this. Furthermore, without a lack of meaningful basic resilience support payment this could lead to a reduction in domestic production which subsequently means a greater reliance on imports from other parts of the world, where we have no control over production standards, so effectively exporting and likely increasing our environmental footprint and impact on animal welfare.

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

The UFU in principle support a basic farm resilience payment. This payment must be based on productivity, efficiency and linked to inflation. Before the UFU can comment further however, more clarity/progress is needed on future trading arrangements. However, any future support measure should be simple, realistic, attainable and targeted towards genuine active farmers.

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

In addition to the UFU's support for a general basic farm resilience payment, we also fully recognise the need for an additional support payment to be made for natural disadvantage. While the format of such support does not need to be finalised at this stage, it is essential

that the Northern Ireland direct agri support budget is set at an appropriate level to incorporate support payments for naturally disadvantaged land.

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

The UFU support the principle of cross compliance. However, penalties and inspections must be proportionate and a 'yellow card' system must be implemented with prior farmer stakeholder agreement.

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

In response to question 19, if this is to be implemented, the minimal amount of cross compliance rules and regulations should be included with details and measures to be developed at a later date.

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

The UFU recognises the current (GAEC) Good Agriculture Environmental Conditions requirements however this will need reviewed.

Obligations need to be carefully defined and must allow productive agriculture to co-exist with environmental stewardship. Measures to improve the productive capacity of all land types should be considered

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

The UFU are totally opposed to capping and tiering of payments but recognise the requirement for a minimum threshold subject to a caveat for the horticulture sector.

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

The UFU would be generally opposed to the introduction of these measures however we would need more detail/progress on future trading arrangements before giving this issue further consideration.

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

If such measures are to be introduced, they should be sector specific and not aimed at general income protection. However, more detail is needed for further consideration.

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

All fiscal measures/options should be considered such as the development of a similar deposit scheme as in Australia. Further investigation and analysis is needed before being progressed further.



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

More details are required however this framework would need to be implemented at a national level, be financed from UK wide funds, not require ministerial approval and provide for both a rapid and flexible response. Care would be needed on implementing such a measure to ensure inclusiveness and equality.

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

The UFU's major objective from any future agricultural policy framework is to deliver profitable, sustainable agri food production. An integral element of this is to encourage environmentally sustainable farming practices.

In our view, this consultation has failed to recognise the many positive environmental benefits already delivered to date by farmers and recognition in going forward must be given to them for these past activities. There is also a strong need for the 'correct information' to be made available for farmers at the right time. Real time data and sound science are necessary to allow farmers to respond and better manage their activities.

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

Environmental research is essential however not at the expense of research for other major areas such as production. Environmental research needs to be scientifically based and more closely aligned to production, undertaken on local farms and across all farming enterprises. Farmers have an integral role to play in this and peer learning is a vital part of knowledge transfer. Collaborative research between AFBI, DAERA & CAFRE with the key focus on profitable, sustainable production is essential. It is also imperative that the necessary funding required comes from a separate budget.

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

More information is required around outcome based measures. The principle is positive but how this works on the ground needs further consideration e.g. would a farmer fail to be paid if a habitat fails to improve when there are so many different factors that could impact on this despite the farmer doing everything right? However, the UFU strongly support the involvement of farmers in co-designing actions that could deliver environmental improvements.

The best environmental outcomes have been delivered on a local scale when others have worked in partnership with farmers and where farmers are genuinely part of the process. Proper facilitation is required to deliver this approach and it is vital that the facilitator has agricultural experience and can work with farmers to ensure positive results.

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

This is essential. The existing cost incurred/income foregone approach does not deliver enough to incentivise or encourage farmer uptake. Payments must be at the right level and any future schemes need properly designed to ensure a positive response from farmers. It needs to be fully recognised that farmers cannot be 'green' when they are in the 'red' financially.

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

This is market led and is already happening. As such, the UFU considers that there is no role for Government in this respect. It should be noted that all players in the supply chain have an environmental responsibility. The UFU believe that this is however unlikely to deliver premiums to farmers. Any market-led initiatives must also be science led and not based on perceptions.

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

Delivery must be simple and add meaningful financial profitability to farms. Profitable farmers are the best way to deliver environmental improvements. The target outcomes listed in section 6.5 need further explanation. It may be that delivering against one target area of the environment could result in perverse outcomes and negatively impact on another area. Therefore, a balanced and pragmatic approach is required along with a recognition that environmental perfection is not always achievable nor indeed desirable. Relevant sound science is also vitally important for any delivery model.

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

There remains a lack of transparency, trust and information within supply chains. The producer must be profitable, this is priority. Equality of production standards are essential despite any push for a cheap food policy. Farmers should only be competing with imported product of an equivalent not a lesser standard. Local consumers consistently demand high quality, traceable food. A secure equitable supply chain is critically important.

Government has not only a role to ensure market transparency but also that timely, accurate market information is made available to farmers.

The development of improved and more integrated supply chains going forward also necessitates government involvement.

**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?**

The UFU are supportive but this should not be compulsory, remain optional and paid for from a separate budget.

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

Government need to ensure better and more robust transparency within the supply chain but this must not be linked to direct farmer support payments. They also have the responsibility to avoid abusive practices which is key to ensuring producer confidence.

The Grocery code adjudicator should have more power/teeth to protect integrity and fairness in the 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.**

As these are not out yet as per consultation, the UFU will comment in due course.

**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.**

As these are not out yet as per consultation, the UFU will comment in due course.

**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.**

There is growing concern around the inconsistencies in planning policy between council areas. Farmers are being blocked/turned down for planning especially within areas that are designated and within the proximity to designated areas through no fault of their own. Improved and consistent guidance, training and appeal procedures are required.

**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.**

As these are not out yet as per consultation, the UFU will comment in due course.

**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 UFU firmly believe that a **profitable** agriculture industry is key to providing a healthy economy, generational renewal and a better environment. The lack of the mention of the word 'profitability' and the overarching swing of questions on environment compared to productivity in this consultation document is concerning. There should be an explicit and clear overarching agricultural focus to this framework. This is a once in a generation chance for the government to develop a NI specific agricultural policy that drives integration of **profitable** food production with high environmental and animal welfare standards. Any future policy should require that, while maintaining a range of purposes for financial support, any such assistance is linked explicitly to genuine active farmers.

Over the last five years, direct CAP support (Pillar 1) amounting to £1.3bn has accounted for 83% of the cumulative total income of the Northern Ireland agricultural industry. In two of these years, the industry as a whole would have been in a loss-making position without this support. This illustrates the importance of support payments in sustaining the industry and underpinning its competitive trading position (Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement, 2018). It is therefore essential that the current level of support needs to be maintained to avoid business failures and rural social hardship.

The Agriculture and Food Processing sectors in Northern Ireland are a very substantial element of our local economy, collectively accounting for around 70,000 local jobs (based on 47,979 total farmers and workers and 23,557 food and drink processing full time and employment agency workers), and 3.25% of Northern Ireland's Gross Value Added (GVA) which equates to £1.1bn at basic prices. The Agri-Food sector has also been identified as a key future driver for the economic development of Northern Ireland, as evidenced by the publication of the Going for Growth Agri-Food strategy in 2013 which sets out a vision of, 'Growing a sustainable, profitable and integrated Agri-Food supply chain, focused on delivering the needs of the market'.

Government therefore have a strategic interest in ensuring a sufficient level of domestic food production, in a volatile world this is a critical aspect of food security. Supporting domestic agriculture to ensure food security and stability of food supply should be included in the purposes for which financial assistance can be provided under any future policy. Farm businesses also have an important role to play in other strategic priorities such as energy and water supply, so these should be further areas to which financial assistance can be provided.

This domestic food must also be safe and traceable. Short supply chains and more direct oversight of food safety processes allow greater control of, and trust in, the food we deliver to consumers, meeting a clearly expressed desire for British food by the British public. A reduction in domestic food production would also mean a greater reliance on imports from other parts of the world, where we have no control over production standards, effectively exporting and likely increasing our environmental footprint and impact on animal welfare.

The UFU's major objective from any future agricultural policy framework is to deliver profitable, sustainable Agri Food production. An integral element of this is to encourage environmentally sustainable farming practices.

In our view, this consultation has failed to recognise the many positive environmental benefits already delivered to date by farmers and recognition must be given to them for these past activities. There is also a strong need for the 'correct information' to be given to farmers at the right time. Real time data and sound science are preferable to allow farmers to better manage their activities. Viable farm businesses mean farmers are better able to deliver positive environmental outcomes. Businesses that are struggling financially will find it almost impossible to devote the time and resource to this important element of our future policy. With agriculture occupying over 75% of the NI landmass, viable farm businesses play an irreplaceable role in looking after our cherished natural landscapes.

As mentioned in question seven, rules and mechanism for inspection and resulting penalties need changed. Proportionate penalties must be introduced and 'Yellow Card' for minor offences with a chance to repair/fix the problem. There must be no further tightening of the rules and all should be reviewed to ensure they are appropriate for Northern Ireland. A system must also be considered for the deferral of penalties either for all or a proportion of the penalty to the following year to ease financial pressures on farms. This would allow farmers to plan ahead.

According to Rural Support Figures 2017/2018. Out of 338 calls to the Rural Support Helpline, 41% of clients were experiencing finance and debt issues. 54% of callers were male, with 73% over 45 years of age. 65% of callers were full time farming and almost (46%) had dependents. Government therefore need to be mindful of the personal aspect of farmers farming on their own with cross compliance inspections, FQAS Inspections, spot-checks etc. and any future changes need to be carefully managed. Any future Minister must use the power within the NI Agri Policy to minimise bureaucracy and administrative complexity, putting fairness and proportionality at the heart of enforcement mechanisms and along with an effective independent appeals system.

Northern Ireland has a world class agri-food industry that produces top quality food and it is a completely missed opportunity if we do not market and promote it strongly, both here at home and further afield, to the best of our ability. Competition in world export markets is fierce and timing is everything. Already our neighbours in the Republic of Ireland and in Scotland are forging ahead with their food promotion activities and there is a very real chance that Northern Ireland will be left behind. We believe that there is a need for a single agri-food marketing and promotion delivery mechanism within Government. We also believe that the Government must provide additional and meaningful funding for this initiative. Northern Ireland branding and labelling will be an integral part of promoting our industry and must be considered carefully.

The UFU also support applications to a new UK Geographical Indicator scheme. Achieving Protected Geographical Indication (PGI) status would help underpin the qualities of our local product and acts as a secure point of reference guaranteeing the products specificity. This would be of great benefit to NI farmers as it could be used as an instrument to encourage diversification and enhance the value of their produce. It could help remunerate producers for their investment in high quality production

Over the next few years' farmers will need to embrace and utilise a range of digital technologies in their businesses to help them farm more efficiently and productively. The current lack of digital coverage in some parts of NI is creating a huge barrier for farm businesses and putting them at a severe disadvantage. The UFU is calling on government to ensure a roll out of superfast broadband to all farms and growers and their rural communities, alongside complete mobile phone coverage.

The UFU is actively engaged in the debate about how and why we should harness public policy and public investment to support our farm sector. The answer is clear: food and farming matter to the UK – not only because of the range of economic, social and environmental benefits it delivers, but also because of the risks that the country faces from a farming and food system that functions poorly, both in terms of food security production and the price of food for consumers. However, we recognise that Brexit provides opportunities for our sector too, and the UFU and its members believe we must use this opportunity to create the conditions for a productive, resilient and sustainable agricultural sector. We need to meet the expectations of the UK countryside and contributing to productive and robust economic growth. This consultation response therefore provides an opportunity to help meet these ambitions, and this response from the UFU provides recommendations on key measures which the Government should enact to help ensure our farming sector thrives in the potentially turbulent years to come.





## **Ulster Unionist Party Submission**

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

#### **Introduction**

The Ulster Unionist Party recognises the economic, social and environmental benefits associated with a profitable agricultural industry in Northern Ireland. In terms of employment and GDP Northern Ireland is more dependent on food and farming than the other regions of the UK. Agri-food is worth over £4.6 billion to the Northern Ireland economy annually and employs some 48,000 people, it is also perhaps the industry most affected by Brexit. In addition to producing food to high standards our farmers and growers are also custodians of the countryside. It is clear therefore that whatever replaces the Common Agricultural Policy (CAP) is of huge significance not just to the agri-food industry and our rural communities but to Northern Ireland as a whole.

In addition to developing a new framework for farm support and rural development Brexit has also opened up questions surrounding a host of other issues that affect UK food and farming, including; the UK's future access to the EU market and its approach to trade more generally with an independent trade policy post-Brexit, access to labour plus the level of divergence from the EU in the future in terms of animal health and other regulations.

Agriculture is a devolved issue and whilst withdrawing from the EU and the CAP will allow greater flexibility for Northern Ireland to tailor future agricultural, rural and environmental policies to suit local needs there is also a need to ensure some degree of a level playing field across the UK. The significance of this was underscored by recent ONS analysis which showed that sales from Northern Ireland to GB were worth nearly four times the value of exports from the Province to the Republic of Ireland. Cross-border trade and supply chains that straddle the border with the Republic of Ireland are a key feature of the local agri-food industry, crucially however there will have to be agreed UK frameworks in place post-Brexit to prevent disruption to the internal UK market. UK common frameworks are also important if the UK is to fully realise the benefits of an independent global trade policy.

An added complication is of course the lack of a functioning Assembly and Executive which means this exercise is not a consultation but rather a 'stakeholder engagement'. This means that currently there is even less post-Brexit certainty for farmers and growers in Northern Ireland than there is for their counterparts in the rest of the UK. We do however welcome the fact that industry has been consulted in the development of the stakeholder engagement document and in identifying key strategic outcomes. It is important that the industry is consulted and listened to

throughout the design and delivering of a new agricultural policy for Northern Ireland beyond Brexit.

### **Transitional Agricultural Support Regime, 2019-2021**

There are a number of assumptions made about the outcome of the on-going Brexit negotiations plus recognition of the need to conduct further consultation underpinning DAERA's proposals for 2019-2021.

Using the 2020-2021 scheme years to pilot new initiatives and to allow farmers to prepare for the policy framework post-2022 has clear merit. Whilst the industry values continuity it is important that any simplifications that can be implemented for the 2020-2021 scheme years are also made.

Identifying and removing restrictive red-tape for farmers and unnecessary administrative costs for the public purse is a task that should be carried out in partnership with industry. There is for example always scope to improve and streamline the inspection and penalty regimes through improving the working relationship between officials and farmers and making the system more proportionate.

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

Allowing adequate time for the agricultural industry to adjust to new policies is always important. This is particularly the case now as we consider the shape of the agricultural framework that will replace the CAP as this amounts to the biggest shakeup in agricultural policy for a generation.

In relation to future agricultural support there remain many 'unknowns', not least the level of funding that will be available beyond the UK Government's commitment to provide the same cash total in funds for farm support until the end of the Parliament, expected in 2022. Furthermore, will the UK's post-CAP agricultural budget be divided in the same way as the UK's CAP envelope is currently divided between England, Scotland, Wales and Northern Ireland, and if so will it be ring-fenced? Questions also remain around the issue of UK common frameworks and degree of flexibility for the devolved administrations.

Brexit provides an opportunity to evaluate the CAP plus agricultural policy and initiatives beyond the EU and design and implement a framework that will best support the local industry in the future. It is vital that future UK agricultural policy is adequately funded and supported, this is particularly the case in Northern Ireland given the importance of food and farming to the economy, our rural communities and the natural landscape.

We strongly agree that adequate time will be needed to transition to any new agricultural policy. Meaningful and timely advice and information must be provided to farmers and growers to allow them to plan for what follows the CAP. Given its strategic nature it may also be useful to assess 'Going for Growth' to identify lessons for developing a post-Brexit framework for Northern Ireland.

## **Increased Productivity**

We recognise the important role that science and innovation within the agricultural industry plays in driving long term productivity growth, delivering high animal health and welfare standards and improving environmental sustainability. Increased funding in innovation would help to ensure that the industry locally can continue to compete with global competitors post-Brexit.

Improving the level of collaboration and cooperation in relation to research, education and knowledge transfer will help increase the adoption of new technology and equip our farmers and growers with the skills and knowledge they need to drive up productivity and improve profitability.

In terms of Continuous Professional Development (CPD) we recognise the important impact this has at both an individual and industry-wide level. We do however feel that CPD should not be mandatory, many farmers are time poor and should not be penalised as a consequence.

Alternatives to grant aid to boost on-farm investment should be fully explored, this is an opportunity to identify the best model for the industry locally by learning from what measures are used around the globe.

The UFU/YFCU land mobility and succession planning initiative has been operational for a year and is delivering results, work to address these key issues for the industry should continue.

## **Improved Resilience**

The realities of farming plus the increasingly global nature of supply chains and markets means that the industry locally is prone to shocks from various sources.

Developing a new policy framework provides an opportunity to critically assess the effectiveness of the safety net provided by the CAP, which is itself being reviewed, and develop a new set of measures to help farmers and growers manage price volatility or extreme weather events.

There is some merit in retaining an element of area-based payment in the longer term, however further consultation incorporating detailed analysis of any proposal, including the funding attached is required. Agreed UK frameworks are likely to be required as part of the suite of measures needed to respond to crisis events post-Brexit.

A managed transition from the CAP to the new domestic framework will be essential.

## **Environmental Sustainability**

The countryside is a working landscape. In addition to producing food farm businesses invest time and funds to improve water quality, manage habitats and increase biodiversity. The important work of the farming community in delivering a range of environmental benefits must be recognised by policymakers as future policy

is developed because farmers' buy-in is crucially important if desired outcomes are to be realised.

Defra Secretary Michael Gove MP has advocated a system of 'public money for public goods', farmers recognise that they have a key part to play in delivering public goods such as improved water quality or increased biodiversity however this approach risks failing to recognise the importance of food security and overlooking the need for farms to be profitable.

Giving farmers and land managers greater freedom on how to achieve defined environmental outcomes and incorporating co-design with them would be a positive step change in policy. The theory behind designing schemes that achieve environmental outcomes at landscape scale is sound but we recognise that this could be difficult to achieve in practice.

The bringing together of agricultural and environmental policy with the creation of DAERA is an opportunity to ensure that future policy is designed and implemented in a more collaborative, joined-up fashion. Work is needed to improve the inspection regime and the way in which the NIEA and officials in general interact with farmers and the agri-food industry as a whole when it comes to environmental matters.

### **Supply Chain Functionality**

We believe that more needs to be done to strengthen the position of farmers and growers within the food supply chain.

Asymmetric access to market information is a key issue that reduces market transparency and can lead to an imbalance of power developing in the food supply chain. Primary producers benefit from access to clear, timely and accurate market information. Markets and supply chains are of course increasingly global in nature.

At the EU level the Milk Market Observatory provides dairy farmers with information on pricing and market conditions, similar resources exist for other commodities. These resources improve transparency and help to boost producers' bargaining power. The UK's farmers and growers and wider agri-food industry will still need access to market information to once we leave the EU.

The role of the UK's Groceries Code Adjudicator should be strengthened especially as supermarkets continue to compete for market share on the basis of price which often creates downward pressure on the prices paid to producers. Tackling Unfair Trading Practices (UTPs) is high on the agenda at the EU level and the UK must continue to address this issue post-Brexit.

### **Conclusion**

Brexit does indeed provide an opportunity for the CAP to be replaced with a new framework tailored to suit local needs and priorities. At present there is very little clarity as to what the future holds for Northern Ireland's farmers and growers in relation to; farm support, the nature of our access to the EU market, UK trade policy and access to labour. This lack of certainty stems not only from the on-going Brexit

negotiations - where the issue of the backstop dominates talks - but also from the political vacuum at Stormont.

The agri-food industry is a key part of the Northern Ireland economy, all parts of the industry need clarity on policy beyond the CAP plus sufficient time to plan for and adjust to future arrangements. Any future agricultural framework must be adequately funded and recognise that supporting domestic food production is a public good.

Beyond Brexit and any transitional phase the new framework must deliver on a number of key fronts including delivering environmental benefits, however any post-CAP policy must have food production and farm profitability at its core. Whilst there is scope for considerable flexibility we are conscious of the need to protect the integrity of the UK internal market given the importance of sales to GB. Clarity is therefore needed in relation to UK common frameworks.

Designing and implementing the new framework is also a challenge for DAERA given that for decades agricultural policy was effectively set in Brussels. The department must therefore be properly equipped by HM Treasury to help ensure that Northern Ireland agriculture can respond to the challenges and opportunities presented by Brexit. The department must prepare for whatever the outcome of the negotiations might be, which could of course potentially include a no deal scenario.

ENDS

10<sup>th</sup>October 2018



## ULSTER UNIVERSITY BUSINESS SCHOOL

### Response to Consultation on Northern Ireland Future Agricultural Policy Framework

Agri-Food Business Development Centre  
Ulster University Business School

Prepared by

Dr Lynsey Hollywood, Dr Sinéad Furey, Professor Barry Quinn, and Dr Esmond Birnie

The Agri-Food Business Development Centre was established by Ulster University Business School in May 2017 in response to key agri-food policy drivers. The Centre seeks to provide sector-specific support to Northern Ireland's local agri-food industry through the promotion of agri-food business education. The Centre aims to provide bespoke courses to support knowledge and skills development in agri-food business and provide industry-focused research and innovation support for agri-food business development. We are keen to engage with policy makers and industry to provide them with evidence-informed research to help improve the competitive position of the Northern Ireland agri-food industry.

Our response to the consultation centres on increasing productivity, supply chain functionality and rural deprivation. Please find the responses to each question in the table below.

**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 agree in principle that a continuation of the entitlements system towards a flat rate payment by 2021 is the best option as it aims to reduce farmer's reliance on such support.

**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?**

Given the size and scale of farming businesses in Northern Ireland we agree that the greening requirements should be abolished. It will be important however that farming practices that are beneficial for the climate and environment continue to be required to promote the maintenance of biodiversity. The pivotal role that farming can play in preserving and enhancing the rural and natural environments should not be diminished. Therefore the incorporation of greening requirements into the BPS should continue to require a robust standard of environmental stewardship and the public good of countryside management

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

We support retaining the ploughing ban on environmentally sensitive grassland for reasons of protecting biodiversity and agree that based on an assessment of farmland this should be built into the Basic Entitlement Payment.

**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?**



Financial support is important for Young Farmers to entice them into a career within the farming industry which in 2016 had a median age of 60 for UK farmers, an increase of one year from 2013 (DEFRA, DAERA, Welsh Assembly and Scottish Government, 2017). Irrespective of the mechanism chosen to support their continued entry into a farming career, there should be some form of financial support for young farmers to ensure a sustainable supply of primary producers in to the future. For example, instead of cash payments, financial support could be used to subsidise their participation in educational and skill-based programmes.

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

Northern Ireland requires generational renewal of farmers to secure primary production into the future. We welcome the opportunity for further consultation on this agenda to arrive at an evidence-informed, targeted means of encouraging young people into the career. Where any benefits accrue to the agri-food industry, as a matter of principle any costs associated with that should be borne by the industry. It will be important that any solution does not serve to increase food prices to the consumer, which penalises, disproportionately, families on low or reduced incomes.

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

We propose that linking an outcomes-based approach with educational activities/programmes which support their practical and theoretical understanding of how to run a farm as a business could help to engage Young Farmers in the family business.

**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?**

Emphasis on the 'active' management of land should remain and be rewarded.

**Penalty Regime:** We support the Polluter Pays principle that calls for the polluter to pay for any environmental damage created.

**Cross-Compliance:** We recommend that the principle of cross compliance *should* be retained. It is our position that farming is more than its principal purpose of primary production and it would be important to continue to make any payment schedule conditional upon certain food safety, food quality, environmental, animal welfare and occupational safety standards (cross-compliance). The farming community also serves as custodians of the natural environment and this is important given the growing recognition of the amenity value of the countryside and the pivotal role that farming can play in preserving and enhancing the rural and natural environment. Consumers have an interest in the countryside and a healthy environment (indeed consumers have an articulated right to a healthy environment – Internal Organisation of Consumer Unions, 1987), not just in relation to food production and food safety, but in terms of recreational (open farms, food tourism) and other activities.

Any future Agricultural Framework should aim to preserve and enhance the amenity and recreational value of the land and reward landowners for conducting this public good on society's behalf. The Framework should fund this without allowing the

associated costs to be passed on to consumers in the form of higher food prices. Payments should only be made however where such cross-compliance is evident and this element should not be allowed to become a surrogate for income support, nor as a means of maintaining, indefinitely, uneconomic farming units.

**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 propose that any future Agricultural Framework should represent meaningful support to the farmer in recognition of their contribution to primary production and cross-compliance while delivering a supply and choice of safe, wholesome and nutritious food at affordable prices. Any support should be clearly targeted and funded separately whereby costs should not be borne by the consumer in the form of higher food prices. Neither should the Framework nor consumers subsidise or support lack of competitiveness or inefficiencies within agriculture.

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

The Agri-Food Business Development Centre welcomes the four broad policy instruments that have been identified to drive productivity. Our research has found that the farming community and small agri-food businesses can be mistrustful of ‘scientific’ agencies and sources of information for innovation, and that there are significant barriers to collaboration (Quinn et al., 2014; McKitterick et al, 2016). We therefore support the proposal for a multi-actor approach towards science and innovation, between support agencies and research institutions, in order to increase the agricultural community engagement. This would lead to greater knowledge exchange and would maximise the impact and value of research from universities. In collaboration with other institutions (e.g. AFBI, CAFRE and QUB) we at UUBS AFBDC believe that collectively we can deliver a step-change in the rate of advancement for the Northern Ireland agricultural industry to become world-leading.

In welcoming the key desired outcomes and long term vision for the Northern Ireland agricultural industry, we believe it is appropriate to include ‘health’ among these factors. The links between diet and health are well established. Any Framework for the future of agriculture in Northern Ireland would be incomplete without regard to the relationship between food, choice, nutrition and health. Paradoxically, those consumers who stand to benefit most from a healthy diet are those who can least afford it. However, neither is it enough to be producing food which is safe and affordable – we must also be producing the right kind of food whereby agriculture, food production and health policies more closely complement each other. We therefore recommend encouraging the production of food which is consistent with healthy eating and dietary guidelines. This will require food innovation in developing healthy choices that meet simultaneously consumers’/the market’s changing demands and preferences. We agree that these gains cannot be at the expense of environmental sustainability and that the twin objectives of productivity and environmental sustainability should be mutually inclusive.

**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 Centre welcomes the focus on increasing professional educational attainment and knowledge transfer among the farming community. Universities have an important role to play in providing access to short courses, CPD programmes and degree level qualifications that can foster general business and entrepreneurial skills to help farmers grow and diversify into the production of value-added goods that may have export potential. While generic courses in business and entrepreneurship will have value, it would also be important to tailor programmes in terms of content and flexibility to meet the needs of the farming community.

Our undergraduate short courses (from 5 to 20 credits) can be taken for professional development and do not require any previous qualifications or experience. Once you have accumulated 60 credits, you will be awarded an undergraduate Certificate in Continuing Personal and Professional Development. Our postgraduate short courses are offered in a range of subject areas for professional development and career enhancement. Courses (from 5 to 30 credits) can be taken individually or combined towards a Postgraduate Certificate of Professional Development (60 credits). Within the Centre we have currently developed three CPD undergraduate short course (5 credit points) in the following areas: export marketing, hedging risk in the agri-food industry and using social media to build competitiveness. We currently are seeking to use the CPD framework to develop an MSc Agri-Food Global Competitiveness, which will allow students to learn at their own pace. It will be important that any suite of courses meets a recognised need and it will be important to understand the skills gap analysis among farmers to ensure that we deliver courses that meet any perceived or actual deficit.

**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?**

Incentivisation will be important in order to overcome barriers to engagement such as apathy, trust and time commitment. Some consideration could be given to providing funding assistance particularly for those new to training and education. Subsidising CPD courses or higher qualifications (Level 4 and above) would allow for further career progression on a 'life-wide learning' basis.

**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 welcome the proposal on investment in CPD. CPD should be tailored where possible to meet the development needs of farmers. Financial support for CPD would likely improve engagement levels. Participants should be encouraged to view CPD as a dynamic process, where there are opportunities to build on knowledge through further training. We currently are seeking to use the CPD framework to develop an MSc Agri-Food Global Competitiveness, which will allow farmers the opportunity to academically progress to Post Graduate Level.

**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 also believe that investment in innovation and new ideas, including new technologies, processes and products, could also help to boost productivity and should be considered as a component of the policy vision. In collaboration with other institutions (e.g. AFBI, CAFRE



and QUB) we at UUBS AFBDC believe that collectively we can deliver a step-change in the rate of advancement for the Northern Ireland agricultural industry to become world-leading.

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

No Comment

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

No Comment

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

Primary food production is considered a special case. Agricultural exceptionalism is necessary because of the economic characteristics of food markets, the political and social importance of the food supply; food security concerns; and in recognition the fact that agriculture is a provider of public goods in respect of its importance in land management, watershed management; and as a driver of rural development.

As above, we propose that any future Agricultural Framework should represent meaningful support to farmers in recognition of their contribution to primary production and cross-compliance without subsidising or supporting any lack of competitiveness or inefficiencies within agriculture. It is entirely appropriate that farmers in less favourable areas or whom experience other natural disadvantages should receive a basic resilience payment with appropriate eligibility conditions attached to the payment, as per our above comments in respect of cross-compliance: Payments should only made however where associated conditions are met and this element should not be allowed to become a surrogate for income support, nor as a means of maintaining, indefinitely, uneconomic farming units. The future Framework should not allow for any regression in terms of any return to a coupling of direct payments with production. Direct payments should be fully decoupled from production to allow the agri-food industry to be more responsive in terms of becoming a more market-oriented and consumer-focused industry.

Additionally, food is a basic right. According to the Universal Declaration of Human Rights everyone has a fundamental right to be free from hunger and have access to safe and nutritious food. We endorse the Belfast Food Network's rights-based approach to food poverty eradication and believe this approach should be regionalised across urban and rural Northern Ireland. Our rural dwellers are Northern Ireland's environmental custodians and primary food producers and merit special case treatment, where appropriate and possible.

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

No Comment

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

It is entirely appropriate that farmers in less favourable areas or whom experience other natural disadvantages should receive a basic resilience payment with appropriate eligibility conditions attached to the payment, as per our above comments in respect of cross-compliance: Payments should only be made however where associated conditions are met and this element should not be allowed to become a surrogate for income support, nor as a means of maintaining, indefinitely, uneconomic farming units. The future Framework should not allow for any regression in terms of any return to a coupling of direct payments with production. Direct payments should be fully decoupled from production to allow the agri-food industry to be more responsive in terms of becoming a more market-oriented and consumer-focused industry.

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

As above, we propose that any future Agricultural Framework should represent meaningful support to farmers in recognition of their contribution to primary production and cross-compliance without subsidising or supporting any lack of competitiveness or inefficiencies within agriculture, as per our above comments in respect of cross-compliance: Payments should only be made however where associated conditions are met and this element should not be allowed to become a surrogate for income support, nor as a means of maintaining, indefinitely, uneconomic farming units. The future Framework should not allow for any regression in terms of any return to a coupling of direct payments with production. Direct payments should be fully decoupled from production to allow the agri-food industry to be more responsive in terms of becoming a more market-oriented and consumer-focused industry.

Cross-compliance records should be reviewed regularly in order to measure success effectively and permit timely review and amendment.

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

We recommend that it would be important to continue to make any payment schedule conditional upon certain food safety, food quality, environmental, animal welfare and occupational safety standards (cross-compliance). The farming community also serves as custodians of the natural environment and this is important given the growing recognition of the amenity value of the countryside and the pivotal role that farming can play in preserving and enhancing the rural and natural environment. Any future Agricultural Framework should aim to preserve and enhance the amenity and recreational value of the land and reward landowners for conducting this public good on society's behalf. The Framework should fund this without allowing the associated costs to be passed on to consumers in the form of higher food prices. Payments should only be made however where such cross-compliance is evident and this element should not be allowed to become a surrogate for income support, nor as a means of maintaining, indefinitely, uneconomic farming units.

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

We recommend that a cross-compliance regime should incorporate safety, food quality, environmental, animal welfare and occupational safety 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?**

Tiering or capping payments to avoid over-compensation of large farm holdings is particularly important in Northern Ireland where we have a reliance on smallholders whom play an important role in providing additional food security to our region.

As above, we believe that our rural dwellers are Northern Ireland's environmental custodians and primary food producers and merit special case treatment, where appropriate and possible in respect of ease of access to and affordability of food.

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

Given agricultural exceptionalism, and in line with *Food 2030*, some mechanism needs to be in place to ensure that the food system is secure, sustainable and healthy. To achieve this, volatility needs to be avoided to prevent erratic food prices and market distortion.

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

No comment

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

No comment

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

No comment

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

We support the principles-based approach to addressing environmental concerns associated with farming. We agree that a collaborative approach is to be welcomed, as farmers and wider stakeholders should be consulted upon decisions that ultimately impact upon them. As above, any breach of these principles or environmental thresholds should result in sanctions deductible from the BPS.



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

We agree that both more research and education should focus on driving sustainable practices across the supply chain to achieve the necessary security, sustainability and fitness for purpose of our food system.

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

As above, we agree that a collaborative (co-design) approach is to be welcomed, as farmers and wider stakeholders should be consulted upon decisions that ultimately impact upon them.

We consider that it is imperative to have the relevant departments, agencies and organisations represented within and across the Framework for reasons of optimal efficiency and effectiveness in respect of participation and contributing to a debate in which their specialisms are paramount. The represented bodies should share ownership of and responsibility for the delivery of the Framework, where appropriate. However, there should be one lead stakeholder (DAERA) who is responsible for co-ordinating and driving the Framework with the relevant rural stakeholder reference groups to assist, support and advise where necessary and appropriate.

**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?**

No comment

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

Every member along the food chain has a role to play in environmental sustainability and it is therefore appropriate to include other actors in the supply chain when seeking to deliver optimal environmental; outcomes as a public good.

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

No comment

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

We have no comment to make other than to support the principles of openness and transparency as good policy outcomes.

**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?**

Again, the Centre welcomes the focus on increasing professional educational attainment and knowledge transfer among the farming community. Supply chain awareness training is an area of critical importance and business planning, benchmarking and risk management would seem appropriate aspects to focus on in any training initiatives. A better understanding of market requirements would enable farmers to move from a production to a marketing mindset. The farming community would benefit from greater know-how around marketing aspects (identifying a market need for the product and how to differentiate the product). This would help create diversification and allow farmers to identify possible value-added products with strong market potential. As stated above, the agri-food industry should be empowered to be more responsive in terms of becoming a more market-oriented and consumer-focused industry.

In any training initiatives, farmers are possibly more likely to engage if they can see how this approach has proved effective in other cases, for instance through best practices shared by their peers, or examples taken from other countries. The Interreg IVC project LOCFOOD, carried out by Centre staff at Ulster University (2012-2014) is an example of how transnational best practices can be exchanged.

**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?**

A lack of collaboration in the farming community and in agri-food more widely is an issue. This has been identified by the Agri-Food Strategy Board (2013) and in various academic studies carried out by researchers in the Agri-Food Business Development Centre (Quinn et al., 2014; McKitterick et al, 2016). Government intervention to foster greater collaboration is necessary but how this can be achieved needs careful consideration.

Incentivisation through preferential access to support and other means has a role to play. However, our research indicates that intervention tends to work best at a local level, or when advice is tailored to meet specific needs. Consistency of advisors working with farmers is of critical importance in building relationships with farmers. Farmers tend to use and value advice from government agencies more when they trust the advisor. Thus, personal relationship building is key, where the advisor can display strong personal, motivational and empathetic skills in fostering networks and collaboration (Quinn et al., 2018).

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

No comment

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

The issue of poverty is significant in Northern Ireland where 18% of households live in poverty before housing costs and 15% live in poverty after housing costs, with children,

older people and working age adults particularly at risk of poverty (Department for Communities, 2017).

Northern Ireland is one of the most deprived areas of the UK and has an above average dependence on welfare as income. Northern Ireland, Wales and the North East of England jointly had the highest percentage of income from state support (21%) (Department of Work and Pensions (DWP), 2017). The Institute for Fiscal Studies has identified Northern Ireland along with North East England and Wales as the areas most likely to see increases in poverty in the next five years as the welfare system in the United Kingdom is reformed (Hood and Waters, 2017). With the reform of welfare in the United Kingdom, areas such as Northern Ireland, the North East, the East Midlands and Wales are expected to suffer disproportionately as they depend on welfare with only half their income coming from earnings.

Approximately 37% of the Northern Ireland population lives rurally; this is a significant minority and it is entirely appropriate that their experiences of poverty and social exclusion are ameliorated. It is our position that Northern Ireland must not typify a two-tier system whereby householders and consumers are disadvantaged by consequences of their rurality.

By virtue of our dispersed population, Northern Ireland consumers already experience high costs in relation to fuel and transport expenses which, in turn, increase their potential to experience poverty and social exclusion compared to their urban counterparts. For this reason, any collaborative effort is welcomed to reduce poverty generally and health inequalities; food, fuel, financial and transport poverty; and social exclusion more specifically.

Food is a basic right. According to the Universal Declaration of Human Rights everyone has a fundamental right to be free from hunger and have access to safe and nutritious food. The 1966 International Covenant on Economic, Social and Cultural Rights (ICESCR), and the 1989 Convention on the Rights of the Child are both legally binding. Both explicitly name adequate food and housing as basic human rights. Article 11 of the ICESCR states that: *The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions*".

Access to basic services and choice – including food, socio-cultural activities, and informational access – must not be depleted for our rural dwellers. Furthermore, physical access is compounded for rural dwellers where they may experience the double disincentive of car-lessness and/or problematic access to purposive public transport amenities.

Importantly, we would make particular mention of food poverty as an issue for the Northern Ireland consumer. We consider it important to include food poverty on as many agenda and fora as possible given its status as a public health emergency in 21<sup>st</sup> Century UK and the lack of a dedicated policy for food poverty (beyond its citation in *A Fitter Future for All: Framework for Preventing and Addressing Overweight and Obesity in Northern Ireland 2012-2022*). Importantly, we believe there should be adequate funding of community and statutory initiatives to address this issue.

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

No comment

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

Our comments in respect of cross-compliance refer.

**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.**

***Additional comments from Dr Esmond Birnie, Senior Economist, UU Business School.***

This consultation exercise is particularly welcome given that Brexit does give an opportunity to "re-set" agricultural support policy in Northern Ireland as in the rest of the UK.

The document rightly draws an important distinction between the question of the policy appropriate for the more immediate, transitional period in contrast to the question of what might be the right policy for the longer term, i.e. 2022+.

The document's "vision" also, rightly, includes an emphasis on: raising productivity, increasing resilience to external shocks, improving environmental outcomes and upgrading supply chain aspects.

Nevertheless, there may be some cause for concern about a possible inadequacy of scope or ambition in the consultation document. In particular:

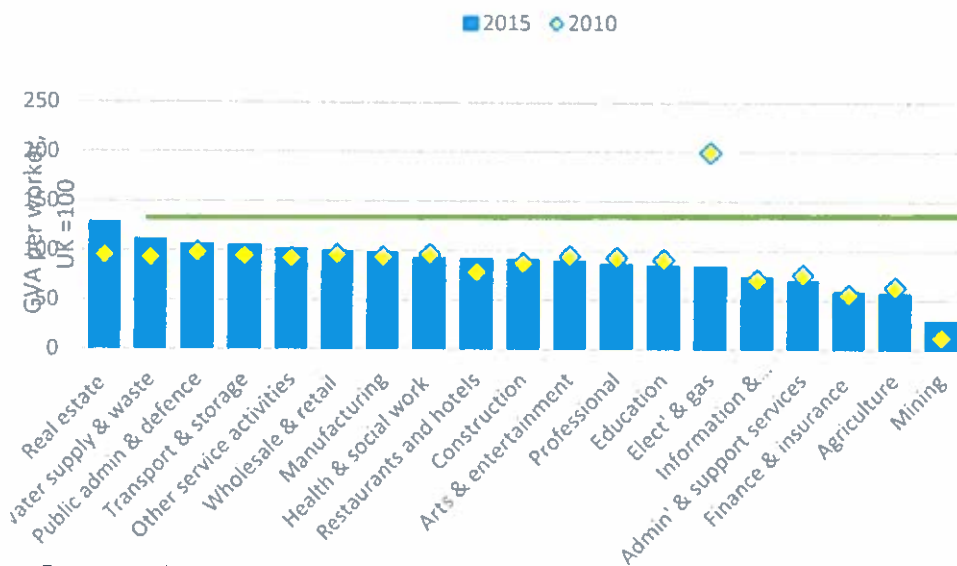
(p. 11) the document lists four groups of stakeholders. The one group which is not mentioned is the largest group of all: the consumers of food products. Consumers are entitled to have expectations about the reliability, quality and price of food supplies. Agricultural policy should not be viewed solely through the lens of the interests of the producers.

(p. 12) it is stated that DAERA's objective will be preserve Northern Ireland's share of the UK budget spent on agricultural support. Is this objective realistic given how much higher per capita spending has been than that in Great Britain?

Whilst it is good that the document places stress on increasing productivity in the sector, is the approach as outlined sufficiently radical? It is important to recognise that there is a very large productivity gap between agriculture in Northern Ireland and the counterpart sector in Great Britain (see diagram below). The diagram shows the productivity level in 2015 was only about three-fifths of the UK average. There was little change in that position during 2010-15 (a relatively low level of productivity in Northern Ireland agriculture was similarly evidenced during the 1930s and 1980s: see Isles and Cuthbert, 1957, and Hitchens and Birnie, 1999):

**Level of gross value added (GVA) per employee in Northern Ireland as a % of the UK average level in that sector, 2010-15**





Source: NOMIS and Regional Accounts.

Admittedly, inter-regional comparisons of productivity may face various measurement problems (e.g. could there be product price differences between Northern Ireland and Great Britain?) but the size and consistency of a Northern Ireland shortfall is indicative that this is indeed a major challenge.

Given that Brexit does provide an opportunity to re-set both the levels and types of financial support for farming there could be value in the following:

- A comprehensive evaluation of the costs and benefits of the traditional approach (as in the CAP through the Single Farm Payment and now the Basic Farm Payment) of providing very strong subsidies for farm income.
- A consideration of *all* the policy options, e.g. including a “status quo” option whereby previous high levels of subsidy continue but also a “low subsidy” model (e.g. as exemplified by the adjustment to low subsidy in New Zealand in the 1980s- as a percentage of GDP, the agricultural and the food processing sectors in New Zealand continue to be much larger than here in Northern Ireland).

***Additional comments from Dr Sinéad Furey, Lecturer in Consumer Management and Food Innovation at Ulster University Business School.***

Importantly, we would make particular mention of food poverty as an issue for the Northern Ireland consumer. We consider it important to include food poverty on as many agenda and fora as possible given its status as a public health emergency in 21<sup>st</sup> Century UK and the lack of a dedicated policy for food poverty (beyond its citation in *A Fitter Future for All: Framework for Preventing and Addressing Overweight and Obesity in Northern Ireland 2012-2022*).

There is no universally agreed food poverty indicator. Unsurprisingly therefore, there have been calls for the routine collection and analysis of data to determine the extent of food

poverty in the United Kingdom and NI. An April 2016 workshop, *Time to count the hungry: The case for a standard measure of household food insecurity in the UK* (<http://foodresearch.org.uk/wp-content/uploads/2016/04/Food-Pov-Alliance-report-25-04-04-16.pdf>), achieved policy expert consensus calling for the UK government and its devolved regions to quantitatively monitor the extent of food poverty in their respective administrations.

In the absence of government-endorsed data, Ulster University Business School conducted research with Causeway Coast and Glens (CCAG) Borough Council in 2015. The full report is available from: [https://www.causewaycoastandglens.gov.uk/uploads/general/CCAG Food Poverty Report.pdf](https://www.causewaycoastandglens.gov.uk/uploads/general/CCAG_Food_Poverty_Report.pdf)

In summary, our findings concluded that food poverty has reached a concerning level within the CCAG Borough, with affordability and accessibility proving important points of concern. Two in five (41%) respondents at risk of fuel poverty also reported being unable to comfortably feed themselves and their families three meals per day all of the time, and this statistic worsened among larger households, where 45.7% reported not being able to comfortably afford to feed their families all of the time. Twenty-two respondents (6%) reported rarely or never being able to afford three meals per day, while one in six (17%) reported missing meals because their food budget was inadequate (24.8% of larger households), and one in eight (13% of all households) reported missing a meal in the previous fortnight due to budgetary restrictions – an indictment of the severity of food poverty among this cohort. Three in ten (31%) reported being forced to make a choice between food and other essentials. More than half of the respondents (54%) reported some anxiety about whether their budget would fulfil their food needs. An important minority (13% – 40%) cited their inability to afford social activities that their peers may take for granted. This sense of being socially excluded from both low-cost, routine to more expensive, occasional activities is worrying given how social inclusivity contributes to quality of life. Respondents indicated support for various local authority-organised activities including quality, local food and cookery demonstrations to help overcome the negative repercussions of food poverty. The research concluded that efforts must be ongoing to address the structural causes of food poverty for a truly sustainable solution.

More recently, Ulster has commenced food poverty measurement research that aims to investigate the inter-reliability of various food poverty indicators and determine if there is a single best fit indicator for NI to inform evidence-based policy making. This work is eagerly awaited by the UK governments and third sector to facilitate the monitoring of trends over time and the identification of the population experiencing food poverty. It will inform the design of effectively implemented interventions and strategies with the purpose of alleviating food poverty. Developing an indicator will enable trends to be monitored on an annual basis, and will allow for more focused strategies and targeted interventions to tackle diet-related health inequalities in society.

There is a policy impetus for this research and political drivers from the public health perspective. For example, the cross-departmental obesity prevention strategy for NI – *A Fitter Future for All: Framework for Preventing and Addressing Overweight and Obesity in Northern Ireland 2012-2022* – seeks to develop a coordinated approach to food poverty as measured across a variety of settings across the population's life course as important outcomes. Furthermore, *Making Life Better: A Whole System Strategic Framework For Public Health 2013-2023*, is designed to provide direction for policies and actions to improve the health and well-being of people in NI and to reduce health inequalities. NI's anti-poverty and social inclusion strategy - *Lifetime Opportunities* - builds on similar developments at the EU and UK levels and structures its monitoring framework around 'layers' of relevance to this research question including poverty and social inclusion indicators.



Governance point: Associated action planning should be reviewed regularly as an evolving and working document with robust monitoring and evaluation activities attached and planned for from the outset. We recommend that evaluation is built in from the outset of the future Framework in order to measure success effectively and permit timely review and amendment. In this way, targeted interventions that have been formatively identified as effective are prioritised and more likely to achieve success.

## **White's Speedicook Ltd Response to Consultation 28/09/18**

### **Annex A 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?**

BREXIT has considerably heightened both the uncertainty and risks especially in the Agri Food industry in Northern Ireland. Retention of entitlements until at least 2021 is critical to provide some assurance and breathing space for farmers whilst negotiating future sustainable income support realignments. That stated this is a very tight time frame equating to only two harvests which in an arable context does not cover a normal crop rotation.

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

The current crop diversification scheme is ill-suited for Northern Ireland where there is an absence of large arable enterprises and a lack of viable rotational crop options. A more appropriate scheme aligned to arable practices (including rotation) which improves soil health and is environmental benign should be considered. Crop diversification could be achieved by support initiatives to stimulate direct grower processor contracts which encourage adoption of added value or niche crops which would provide both crop biodiversity as well as enterprise diversity.

#### **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?**

Ploughing release massive amounts of CO<sub>2</sub> into the atmosphere and Designated Special and Protected Areas should be retained with appropriate compliance measures considered alongside the post 2022 agricultural policy and support review. Such a review must be mindful of the changes in cultivation practices being brought about by technological advances and other events such as the banning of glyphosate. Farms are businesses, and as such regulations need to be appropriate and proportionate; they should not increase the burden of costs nor unduly restrict the ability of the owner to make a profit from their enterprise.

#### **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?**

The successful entrants will have had an expectation of support and this should be upheld. It is totally inappropriate to consider reneging on any stated obligation or promises made to these young entrant farmers.

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

There is now an opportunity to review the YFP uptake its success and retention. The present scheme should not be extended. However there should be schemes in place to ensure new entrants or facilitate family succession, as the reality is that NI has a disproportionate percentage of older farm owners.

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

A more innovative outreach programme should be considered and in this respect there are interesting and successful models being introduced in other countries eg ROI and Scandinavia. Use of fiscal measures to encourage long term leases as in ROI.

**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?**

Political uncertainty, cross border trading and current inertia in respect to BREXIT are complex issues: the outcome of those negotiations will largely steer the answers. At this time, however we should remain as status quo, but scenario plan for that which will best suit our Province which provides confidence for future investment and employment in the Agri Food Industry in Northern Ireland.

A visionary approach should plan well beyond 2021 taking account the market place and expectations from society on the role of agriculture to produce quality food efficiently whilst protecting the environment. In this respect the Canadians have successfully incentivized various business models to add value to primary agricultural production and these and others should be considered.

**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?**

Solutions are delivered from innovation. However as presented in this consultation the idea is somewhat pompous and elitist. Science and research must deliver with impact. With the uncertainties of Brexit what is required are short term deliverable research programmes. Longer term blue sky and basic research should be undertaken in partnership and only when there is greater certainty on the outcome of the Brexit negotiations. Better engagement with industry will ensure a more effective transfer of research to the market place and open opportunities for inward investment. Generally lacking in NI at present are strong research models that forge meaningful links with those where the research will be applied and brought to commercialization. All too often research projects are concluded with little or no transfer into the market. At the onset R & D must have well defined and measurable deliverables. This implies a better understand of sectoral challenges and needs to identify solutions and to encourage more public : private partnerships. The idea of "A Productivity Grand Challenge" is grandiose when what is more urgently required is a pragmatic and modest approach which in time, and with proven results can lead to greater and more ambitious research platforms.

NI needs a vibrant research environment to retain, train and enthuse scientists and researchers. This can be achieved by an overriding research framework that engages industrial partners whilst coexisting with more academic, scientific or long-term basic research.

**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?**

An educated and inspired workforce is a pre-requisite to economic growth and prosperity. Once again however this consultation and view expressed is disappointing. Improving the economic prosperity through acceptable social and environmental policies requires total engagement along the entire supply chain starting with education and going right through to the consumer.

The market for education is employment. Industry and employers must be at the backbone of any future policy where they can provide insight and direction to their needs and future aspirations. Transition into the work place is daunting and often challenging for individuals. Creative schemes such as sponsored internships and apprenticeships can ease this situation and should be extended across all sectors of the NI Agri food industry.

In the face of the continual challenges from the technology economy, Government must be mindful of the very specific issues that agriculture faces in attracting new entrants to its industry. This may mean preferential incentives to individuals and tax incentives or grants to employers regardless of the scale of that enterprise.

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

The Health and Safety record in Northern Ireland is not good and this might be a priority area where a package of measure can be introduced at sectorial, regional or national level.

The provision of subsidized short but topic focused courses which bring together small groups of farmers would be our preference as opposed to formal individual training. It is important that farmers share and learn from the experience of others. A tailored programme of course can be developed which can also embrace aspects of new policies such as those relating to improving soil health, waste and pollution control measures, environmental diversity case studies, succession planning, and the use of financial benchmarking to improve farm performance, would be examples.

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

Continuous professional developments should be a serious consideration for those who have finished or recently completed formal agricultural qualifications. It will be this sector that will have most interest in CPD especially with the pace at which digital and technological advances are being adopted in agriculture and the food industry.

As in our response to question 11, the need is for effective public spend and this needs to be measured against qualified objectives. Over elaborate or ambitious schemes aimed at the older generation farmer may not appeal and survey analysis may reveal a high level of disinterest.

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

Investment incurs risk. To reduce risks full economic appraisals and scenario planning and engaging compatible and meaningful partnerships can mitigate and share risks. Government can be instrumental in establishing acceptable policies, models and incentives to create and stimulate a business engaged environment.

There should be considerable scope for NI to consider a creative and novel approach to deliver against specific and strategic policy objectives. On the raft of new environmental policies for instance, the NI government could consider a "Green Bank" or "Green Fund" where application is made for co funding high to moderate risk projects where there is a requirement for initial capital or underpinning of cash flow. Investment in Environmental performance needs to be at the appropriate level i.e Income forgone.

Attracting inward investment into NI agriculture is critical for its future prosperity. Partnerships therefore can be upstream as well as downstream. The government could embrace the financial resources, skills, experience and business understanding of Banks and Financial Institutions to establish fund, administer and monitor loans and repayments under new structured fund.

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

Going forward cash flow will, in our opinion, increase the pressure and willingness of farm businesses to invest in new capital projects or ventures. The provision of business loans set against accepted policy objectives should strive to ensure that entrepreneurs with enterprising ideas are supported and nurtured through to commercialization and market .

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

When it comes to business and capital investment, Government must provide clear, purposeful and long-term commitment which may entail the financial underpinning of meaningful new projects and ventures. Business and industries stagnate when there is no investment. To attract investors (either within the province or outside) they must be provided with a confidence and assurances and importantly a Government that is open to attract business and employment to Northern Ireland.

A lowering of tax rates for specific new ventures especially those revolving around innovation or those that add value to primary agricultural produce should be one consideration. Government must redress the drift away from careers in agriculture and agri food industry by providing robust policies to catalyst inward investment. In business short term secondments supported by tax incentive might be worth a trial run.

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

We are in agreement for the need to provide basic income support whilst we move from the former CAP Pillar 1 regime into a yet to be defined new scheme.

A Basic Farm Resilience Scheme, at whatever level, is a well understood mechanism of providing universal support and in this way provides a baseline assurance on their income.

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

We believe that regulators should redress the dependency on the basic farm income support whilst supporting other targeted initiatives. It is important that such moves are introduced in a phased transition such as an annual reduction of 5% per annum up to 2025 ie a reduction of 25% from present rates.

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

Basic Farm Resilience Support should be at a flat universal rate allowing those in income deprived situations to seek additional support through other target specific schemes

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

Cross compliance measures and enforcement is an absolute necessity where tax payers money is being allocated out of the public purse. The planning and introduction of new schemes must be developed with a clear understanding how the schemes are to be monitored and how compliance measures can be effectively introduced.

Failings within the existing CAP arrangements have led to extensive and wrongful distribution of public funds. Compliance must be accompanied with appropriate penalties which are forcibly enforced especially in the cases of intentional false claims and animal welfare situations.

Those benefiting from support in any form must accept the compliance measure and adhere to the requirements. Noncompliance within either farm and agri industry businesses, should lead to lead to loss of entitlements and disqualification of company directors.

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

Compliance should be set against specified expectations of delivery and if this implies good farming practice and adherence to all regulations so be it. It will be the responsibility of the Government, in its duty of care, must ensure that all those applying for support are aware of the requirements and the penalties that may incur for failure to comply.

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

Total adherence to the any regime or scheme requirement including the need to maintain records and evidence to support any claim on the public purse.



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

The adage of keeping it simple could apply here. The more complicated one makes a scheme then the more difficult it will be to define categories, the more open it is to abuse and the more difficult it will be to enforce and check through cross compliance.

The adoption of a sensibly lower standard and uniform rate will also allow for better Department budgeting and provide scope to provide support to other specific areas where bespoke needs have been identified.

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

We do not see it as Governments role to provide or underwrite insurance. At best its role maybe to assist in the development and promotion of schemes for producers to consider but it should not act as an underwriter. It may however consider a tax advantage ( ie offset 120% of cost of of premium) where the producer has taken out an approved policy.

In Canada producers can and often do take out crop insurance and this is costed in to their gross margins: it is not financially support by central government.

This stated, and accepting the vulnerability of both weather and commodity price fluctuations the Government should have at its call a specific contingency reserve to deal with extreme situation dealt with on a "as happened basis".

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

See above

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

As above. Government can not cover for all contingency. Severe volatility and hardships resultant from natural disasters, such as flooding, will be best managed real time when the needs and consequences can be more accurately assessed.

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

As answered already it is probably more appropriate to have a contingency plan which can be drawn upon rather than endeavor to develop pre defined responses to unknown and unquantifiable events in the future.

Of course there is a need to have a structured crisis management plan developed and ready to be actioned in the event of a crisis. To that end scenario planning across sectors and development of a risk register and mitigation strategies should be developed.

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

Measures to improve environment at national, regional or enterprise level do not generate an income but incur both costs and a disruption or departure from standard and traditional practices. Enhancing agriculture's environmental delivery is best achieved by linking Basic Support Arrangements to good farming practices whilst incentivizing specific environmental programmes through additional support mechanisms which are sufficient to encourage a sustained and progressive uptake.

Schemes should be linked to the agricultural policy framework so ensuring a seamless and effective compliance. Future schemes should have biodiversity targets and measurements.

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

Before investing there needs to be a comprehensive review of what are the environmental challenges specific to NI and from that point how may they be best addressed through targeted research. One such challenge may be that associated with water pollution and with Holland also the ROI also in a similar position a review undertaken to identify what research is being undertaken there, its time scale and costs.

There are probably sufficient formal educational programmes in place both in NI and elsewhere.

But education should go beyond formal institutions and colleges. For instance, one aspect of environment improvement not covered in this consultation is that of waste reduction. Waste is created at each and every point of production. A campaign on waste reduction across all sectors in the agri industry could bring immediate and long-lasting results. Waste management and its reduction maybe one area for specific research and training.

In our own situation the oat hull which is a by product of oat milling is at present deemed to be a waste. Research into this fraction could however reveal new uses either at a lower end commodity use such as pet litter, paper, fiber board or into higher value fractionalization products. At the present time it is not a viable research consideration for us to contemplate as a stand-alone research project.

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

Environmental improvements are by nature difficult to objectively measure and must be regarded more as a step by step process. There is scope however to develop new business models which take into account a lower generated income, and the costs associated with a move to more benign environmental farming practices. Support schemes can then be tailored at sufficient levels to compensate for this loss.

**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?**

Land owners and farm managers often have a different approach to farming practices, but both have an eye to running a profitable business. Moving to uncompensated environment practices may be in the long-term interests of the land owner but will not necessarily be in the interests of the manager who will have an income related salary.

There are of course greater considerations than just monetary compensation or gains, and it is important that under new reforms the concepts and rationale behind them are driven home in order to gain buy in from farmers, influencers, stakeholders and consumers.

Not covered under this review but very pertinent is the impact of technology and there should be consideration given into the application and adoption of technological advances, including artificial intelligence, drone and robotics and how they could drive efficiency at farm and processor level. A "Vision for Precision Farming" might be a useful starting point.

Innovation capture should be a strong focus in moving NI agriculture forward. Harnessing advances in plant breeding which generate new genotypes with improved disease resistance should be encouraged. New crop types such as highly prolific oat biomass varieties could herald a new concept in green fodder production and one which would be ideally suited to encourage less intensive agriculture and reduce the heavy nitrogen dependence required on grassland.

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

Having a desire to progress is not sufficient. The challenge facing the Government is how to instill a level of confidence in a meaningful businesslike manner without rhetoric and the burden of heavy handed bureaucracy. Regulations must be proportionate fair and transparent set against plausible objectives.

The Department must be the first actor to initiate change. It must adopt an out-ward approach and embrace stakeholders at every level. This should include sectors outside the Agri Industry such as financial institutions, supermarkets and retailers and universities all of whom have a role to play in attracting inward investment. Its communication strategy requires a radical rethink especially with the imminent regulatory changes.

Consideration should be given to creating sectorial task forces with a brief to develop and initiate the new regulations and implement the change process strategy.

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

POORLY WORDED ... Do not understand the question?

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

Government collects and, has in its power, the rights to request information from individuals and businesses. From its own governance it also has a raft of information covering census and import export data, and that relating to employment, fiscal and economic performance and information on public spending including grants and other aids. Specifically in agriculture the centrally collected and collated data on NI production, such as crop areas, livestock numbers, employment and financial and other performance data is all critical to understanding the background dynamics to the market. Such information should continue to be provided with out charge and in timely manner so that business can take future decisions based on creditable and independent data.

Of concern going forward (beyond Brexit) will be the movement of goods, products and services between NI and ROI.

The central provision of macro economic and market information available freely to all agricultural sectors should be a core Department function and one established with pre-set objectives.

The government should engage with industry and at sectorial level (crops, beef, dairy, pigs, sheep, poultry, forestry) and AHDB to review and identify the future needs and to map a strategy on how best to transparently provide and release the information to each of those sectors.

### **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?**

There is the need to widen farmer training and disciplines. A better understanding of managing cash flow, financial planning, conducting appraisals, to use of benchmarking for enterprise improvement, budgeting and identifying risks and developing mitigation strategies would have a broad application in NI.

Other aspects could cover understanding production orientated contracts their role and benefits, and how to work towards sustainable partnerships whether vertical or horizontal.

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

Government can be pivotal in creating partnerships as it is under their policies that farming, and its associated industries must operate.

This consultation has had a strong focus on the public support issues relating to environment and educational issues and where best public funds should be allocated within agriculture. It is however a disappointment that this stakeholders consultation has totally ignored aspects relating to the business and profitability of farms, their suppliers, consumers and those processors whose business is to add value to the primary production.

By its nature agriculture operates in a somewhat dysfunctional value chain where there is little relationship between cost of production and returns. Agricultural commodities are traded globally and, being largely substitutional, are interchangeable depending on price. To move to a more resilient and sustainable position there needs to be a shift from a simple, but often inefficient supply chain, to one where risks and values are created and shared by identified integrated

partners. Encouraging farmers to engage in trustworthy and transparent production contracts will reduce their market speculation and provide a basis for better budgeting and financial planning.

Initially, and whilst a sectorial stakeholders discussion take place, Government could promote the benefits of short chain production contracts by provide examples and case studies of successful value chain approaches where the expectations of the producer and consumer are met. The benefits of driving forward the processing of primary agricultural production in NI will be substantial in terms of attracting inward investment, creating new ventures and increasing skills and employment needs: all to the benefit of NI economy.

The first principle of having a sustainable business is that it is profitable. Businesses are not sustainable unless they create wealth. Policies must stimulate the creation of wealth which in turn ensures employment, the payment of taxes and the reinvestment of profit.

NI and its agricultural base is uniquely positioned to develop schemes and policies which can provide more assured sustainability along the value chain and in so doing create a preferential demand for home produced quality food.

New Assurance Schemes linked to production driven contracts should be considered. These should be monitored with full inspections and audits to verify highest standards of production compliant with both the regulations and the contract specifications.

An identification of addressing and elevating the pressures being experienced along the supply and value chain might be a first step in providing a sustainable and more resilient agriculture for NI.

The Government and specifically DAERA should investigate agricultural business and research models and initiatives that are successful elsewhere (specifically in Canada, ROI and Finland) with a view to modification and implementation for NI.

**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 have no comment to add other than state that policies must apply fairly and equitably to all.

**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.**

Those living rurally are disadvantaged by way of their isolation. Services to rural communities and areas are restricted; be it transport, broadband speeds, access to schools, doctors, hospitals, or a raft of recreational actives. The absences of such provisions at an individual level can culminate and escalate into mental stress issues especially for the elderly or more vulnerable individuals many of who are living on farms.

A specific review should be undertaken to ascertain how best to provide care to this sector of the community with actions appropriate to the findings of that review.



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

The withdrawal from the main EU framework of agricultural policies provides an opportunity to modify and hopefully simplify regulations whilst maintaining a regulatory compliance. Many Agri industry business operating in NI are small family concerns and an disproportionate, complex or overly bureaucratic approach is unnecessary and in many situations could increase personal mental stress especially during this time of change and uncertainty.

**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.**

A vitally important aspect not covered in this consultation is that of reducing waste from the Agri Industry.

Efficient resource use is critical to sustained profitability and with green credentials likely to be at the forefront of new Agricultural policies the adoption of new waste reducing and handling practices should be accelerated through short term measurable initiatives or tax incentives.

**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.**

As an employer and significant long-term capital investor in the Agri Food industry what is concerning to us is the lack of any business vision in this document. Profitability in the business sector is the first platform on which to build and strengthen our agricultural economy in NI. Of course, environment and education are important issues, but policies must be tailored within a wealth creating, vibrant and progressive industry.

There is no real inclusion or vision for the arable or horticulture sectors who have the potential to play such an important role in the whole farming ecosystem and this is urgently required in order to provide an overarching framework for the future.

We are willing to discuss any issues arising from our submission and should there be specific points requiring clarification then please make contact.





**Department of Agriculture, Environment and Rural Affairs  
consultation on  
Northern Ireland Future Agricultural Policy Framework**

The Woodland Trust is the UK's leading woodland conservation charity. The Woodland Trust Northern Ireland has been working to plant and protect trees and woods in Northern Ireland since 1996. Northern Ireland is one of the least wooded countries in Europe, with just 8% woodland cover compared to the European average of 46%. Ancient woodlands (areas wooded since 1600) are home to many rare and threatened species but this important and fragile resource covers just 0.08% of Northern Ireland's landscape.

The Woodland Trust Northern Ireland restores ancient woodland and plants trees for the benefit of people, the environment and wildlife. In Northern Ireland we have over 10,000 members and supporters and manages more than 50 sites, from Kilcooley Wood in Bangor in the east, to Burn Walk in Strabane in the west, covering over 350 hectares throughout Northern Ireland. Our vision is a Northern Ireland rich in native woods and trees.

We have been working with a range of land managers for many years to integrate trees into land management and to provide the evidence that demonstrates the value of practices such as agroforestry - for economics, productivity and for the environment - or restoration of damaged ancient woodland, or the opportunities for management of ancient woods and trees.

The Woodland Trust Northern Ireland is a member of Northern Ireland Environment Link and supports the submission to this consultation by Nature Matters NI.

**The future of land management policy in Northern Ireland**

We recognise that there is a need to provide clarity for Northern Ireland's land managers on support for the sector post Brexit. However, we regret that this consultation is limited in its scope and has not taken the opportunity to clearly signal a way forward for land management support after the initial transition period or to identify and pilot any new approaches.

We strongly believe that Northern Ireland needs a new, sustainable land management support system that delivers for the environment, for land managers and for rural communities.

The State of Nature Report 2016<sup>1</sup> showed that nature has suffered badly over the last 40 years and a review of the factors driving changes to the UK's wildlife found that the intensive management of agricultural land had by far the largest negative impact on nature, across all habitats and species.

We regret that the opportunity has not been taken to reform land management support, in particular to provide a clear indication that future payments will need to be much more focused on the payment of public money for the delivery and care of public goods.

The current Common Agricultural Policy is not working. In an analysis of the issues by Dieter Helm, chair of the Natural Capital Committee, on the potential future for British agriculture policy after

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<sup>1</sup> [https://www.rspb.org.uk/Images/State%20of%20Nature%20UK%20report%2020%20Sept\\_tcm9-424984.pdf](https://www.rspb.org.uk/Images/State%20of%20Nature%20UK%20report%2020%20Sept_tcm9-424984.pdf)



leaving the EU, he lays out the problems inherent within the current system, including the result of 40 years of attempting to correct previous mistakes<sup>2</sup>

*“On the environmental side, the efficient policy would be to charge farmers for the pollution they cause. As the polluter, they should pay, just as other parts for the economy are confronted with the external costs they impose on the rest of us. Yet the CAP works the other way around: farmers are paid to do less environmental damage, subsidised not taxed.”*

CAP has also not supported rural communities. Across the UK whilst rural populations have not been significantly depleted in absolute terms there has been a significant shift in demographics. In general the younger generation have moved to urban areas whilst those in later middle age and retirement have moved in to rural areas. The average age of farmers, particularly in less favoured areas (LFAs), mostly the uplands, has increased.

Ongoing development work for the National Ecosystem Approach follow on phase<sup>3</sup> has shown that there is the potential for significant increases in net benefits to society arising from the design and implementation of spatially targeted land management policies that actively and deliberately take advantage of the environmental-economic and biophysical heterogeneity observed across Great Britain. Specifically that no single uniformly applied land use policy is likely to maximise the total economic value of land and any future policies need to be multi-functional ie a sustainable land use policy rather than separate policies for farming, wildlife, forestry etc..

The use of the area based payments has resulted in an increase in the price of land which has acted as a barrier to new entrants to farming. The structure of subsidy and cross compliance also appears to have stifled innovation, the greatest differentiation in both techniques and markets is found in non-supported farming systems such as poultry or horticulture.

This is an unprecedented opportunity to break down the barriers that have artificially divided farming and forestry for so long, and bring these mutually beneficial areas together through integrated thinking and delivery.

#### A new Sustainable Land Management Policy

There is a need for a new sustainable land policy for Northern Ireland that looks at all land and all potential land management. We must move away from the artificial hierarchy of land-uses that has resulted from the support delivered through CAP giving payments to wheat but not lettuces or sheep but not poultry. The Woodland Trust believes that public money should only be used to deliver public goods. We want to remove the concept of “pillars” of support, eligibility criteria and the belief that it does not matter if we support environmental damage with one scheme if we can then compensate for that damage with another scheme.

We need to move towards a better definition of public goods, identify where the opportunities exist and develop effective mechanism for delivery. This will require a fundamental unpicking of the existing top down structure that determines who merits support and towards a more innovative landscape of opportunity.

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<sup>2</sup> Helm, D. (2016) British Agricultural Policy after BREXIT. Natural Capital Network – Paper 5.  
<http://www.dieterhelm.co.uk/natural-capital/environment/agricultural-policy-after-brexit/>

<sup>3</sup> <http://uknea.unep-wcmc.org/LinkClick.aspx?fileticket=1n4oolhksY%3d&tabid=82>



Trees and woods provide and/or allow best management of many of our essential requirements: clean air, water, soil, food, fuel and building materials, biodiversity, recreation, health and wellbeing, tourism, cultural heritage, climate mitigation and adaptation including carbon sequestration. Previous schemes have separated trees and woods from farming; any future arrangement should be an integrated land management scheme that fully enables the benefits of trees – at a variety of scales - to be recognised for everyone.

Any public goods scheme should support and protect well managed native woodland, abundant agroforestry, integrated land-management, long-term carbon sequestration, improved biodiversity health, clean air and water, soil quality and retention, natural flood mitigation.

We need environmental delivery to be valued for the positive and long lasting impact it will have on productivity – not seen as a “nice to have”. For example, we can show that introduction of trees into intensively farmed landscapes, via agroforestry techniques, can result in positive responses across a variety of sustainability measures including production, creating a win-win situation. The SRDP has been a leader in the UK in introducing agroforestry support but this must go further if all the benefits are to be realised. We also recognise there are situations where providing for the environment may result in direct costs to a land manager – particularly if delivering public goods without an obvious ‘productivity benefit’. In such cases public support payments are fully justified and necessary.

#### Consultation Questions: Section 6. Environmental Sustainability

##### **Q27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?**

Biodiversity underpins our ecosystem services and the functioning of the environment; a sustainable environment is the basis of our prosperity and essential to the health and wellbeing of society. And yet the 2016 State of Nature report highlighted that nature remains under increasing pressure across Northern Ireland. Work to inform the report also identified that intensive agriculture has been, and remains, the biggest driver of biodiversity decline across the UK; agriculture occupies 70% of UK land. Declines in pollinators in recent decades have been dramatic, and are already known to be affecting the health of ecosystem services. The repercussions of continued declines in key groups of pollinators for agriculture and the health of our environment would be profound.

Integrated into farming systems, trees and woods protect our valuable natural resources by helping to absorb water and air pollution, prevent soil erosion and flooding, and boost soil sustainability through support of microorganisms and addition of nutrients. They help with shelter for livestock, crop pollination, integrated pest management and product diversification.

In some places our native woods, trees, the wildlife they support and the benefits they bring to people have been damaged by land management practices, often supported by Government policies. Woods are often small and fragmented remnants of their former size; trees have been lost from fields and hedges; hedgerows have been removed to increase field size; ancient woods have been replanted with non-native conifers, affected by pesticide or fertiliser spray drift from adjacent farmland or suffered grazing, browsing and invasive species impacts preventing natural regeneration. Yet for all the growing recognition of the many benefits trees provide, planting rates remain lamentably low.



For woods and trees in Northern Ireland there remain some key issues that need to be tackled, and a positive land management policy will be essential to achieving many of these aims.

### **What we need to achieve**

#### **Ancient woods**

The UK's rich heritage of ancient woodland, ancient trees, and ancient wood pasture and parkland are the last remaining, primary components of 'old growth' woodland. Ancient woodland is our richest terrestrial habitat for biodiversity. The unique biodiversity of our ancient trees, many of which are found outside woods, alongside ancient woods and associated semi-natural grassland and scrub as part of wood pasture, represent a valuable and increasingly rare habitat supporting specialist plant and animal communities found nowhere else. Once lost, they can never be replaced.

We must ensure that all ancient woodland and ancient trees are protected and appropriately managed, including removal of invasive non-native species. There is a need to extend and buffer these small fragmented woods recipients of ever increasing pressure from tree disease and pollution it will make them more resilient. We need to ensure a future for this unique and irreplaceable part of our natural and cultural heritage.

#### **Plantation on ancient woodland**

Since the 1930s, almost 40% of the UK's remaining ancient woodland has been replanted with non-native species. Many of these sites will continue to decline without appropriate restoration. Many Plantations on Ancient Woodland Sites (PAWS) retain key populations of rare flora and fauna as well as characteristic ancient woodland features. With time and care, these sensitive ancient sites can be successfully restored to secure the long term future of their remnant ancient features – features which cannot be replicated.

The potential gains in biodiversity and for habitat networks are significant, but opportunities are limited. If sites are harvested and then restocked without taking account of surviving features it could be decades before restoration can begin and many features will be lost forever. Restored ancient woodland will have more structural and age diversity, and if restocked with a wider range of native species, will become ecologically more diverse and have greater resilience to tree disease and the effects of climate change.

We must ensure that all Plantations on Ancient Woodland Sites are assessed and restored to recover their biodiversity and become part of fully functioning ecosystems.

#### **Woodland creation**

Woodland covers 13% of the UK, only 8% in Northern Ireland, compared with an average of 44% in Europe. Current rates of planting new woodland are at an all-time low. This is one of the most glaring policy examples of a disconnection between an ever more compelling evidence base around the benefits on offer and the reality on the ground. The Glens Resilient Farms project uses the benefits of green infrastructure and diversifying farming practices to improve individual farm businesses, reduce the need for intense farming practices, reducing the time livestock spend indoors, the need for the spread of slurry and ammonia emissions. The new approach should be able to properly support projects like the Northern Forest in England which have the ability to deliver across a wide range of agendas and engage the general public with their environment.



Increasing native woodland and tree cover, in the right places, has many benefits. It will boost the resilience of the UK's landscapes and natural systems in the face of pressure from climate change, pollution, intensive land use, and increasing numbers of pests and diseases. New native woods that buffer existing ancient woods, extend and link habitats together into networks and create 'stepping stones' in the wider countryside will contribute to the well-established Lawton principles of delivering conservation benefits at landscape scale.

We must increase tree and woodland planting to achieve 12% woodland cover in Northern Ireland by 2060.

### Agroforestry

Agroforestry describes farming systems which combine trees and shrubs with agricultural crops or livestock in a land management approach that balances productive and protective functions of ecosystems. This can be designed in a way that avoids the potential trade-offs between food provision and other ecosystem services that occur in modern farming systems.

Trees on farms is not a new practice, having traditionally provided important sources of fruit and nuts, fodder for livestock and wood or fuel for timber, as well as shade and shelter. Typical agroforestry features still present in many landscapes include wood pastures, hedgerows, windbreaks and riparian buffer strips on farmland, and intercropped and grazed orchards and forests. The evolution of agriculture has resulted in the loss of many of these features and contributed to reduced soil and water quality, to a loss of biodiversity, and to increasing greenhouse gas emissions.

### Trees outside Woods (TOWs)

Many trees do not grow in woodland but are found singly, or in hedgerows, along roadsides, railways and watercourses. These trees are no less valuable than larger woodland and are a valuable contribution to the landscape in terms of their visual impact, biodiversity and habitat connectivity.

Individual trees can be a valuable resource for many species in those areas with low woodland cover where they can provide habitat refuges that support species populations in an otherwise hostile environment. In well-wooded landscapes they act as corridors and stepping stones that increase the permeability of the landscape and contribute to the total area of edge or transitional woodland habitat. TOWs also contribute to wider benefits such as water quality and quantity, soil conservation, air quality and carbon storage.

Changes in land use over many years and the more recent increasing impacts of tree pests and diseases have resulted in serious declines in tree numbers and their associated benefits. Approximately 60% of trees in hedgerows in NI are ash and the spread of ash disease is going to have a serious impact on our hedgerows. Integrating trees back into the landscape can start to reverse these declines.

### Urban and urban fringe

Communities close to accessible woodland see improvements to their health and wellbeing through using these green spaces actively and through the tree canopy intercepting and removing airborne pollutants, and modifying the urban 'heat island' effects.





Planted in the right places, trees and woods can keep cities cool, improve air and water quality, and mitigate the impacts of flooding. They provide places for people to escape the stress of modern life, and contribute to the economy directly and indirectly. The savings in terms of 'avoided costs' in health care terms alone are substantial.

An outcome based incentive and support scheme should recognise and support the value of urban and peri-urban woods and trees.

We welcome the four policy principles outlined in the consultation

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

A critical barrier to delivery of integrated land management which provide wide public benefits is the consideration of land use/land management issues in isolation from wider negative effects and without consideration of cumulative impacts.

There is an attitude embedded in farming and forestry that it is acceptable to pass environmental impacts and costs onto other stakeholders to deal with. This view point has also been exacerbated by the use of Pillar 2 funding to compensate for the damage caused under Pillar 1 payments.

We welcome the Policy Framework's objective to create an land management 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 all land management for the long term.

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

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 use of the term "public good" is poorly understood by non-economists, any future policy development will need to be much more explicit about the definition of public goods.

The relative importance of any particular public good will depend on the geographical location and the pressures that have developed as a result of geology, climate, past management or cultural impacts. Many environmental outcomes are interlinked and should be afforded equal priority given the important cross-government public policy challenges they address. It should also, in many cases, be possible to deliver these outcomes simultaneously. For example, the planting of appropriately managed woodland or shelter



belts in key locations will provide highly stable soils with low erosion risk, but will also absorb rainfall which helps to reduce flooding and provide valuable habitat for a variety of species, in addition to sequestering carbon from the atmosphere. Incentivising strategic land use change as part of any future payments system will be key to achieving these outcomes.

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

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. Please see our response to Q28 for more information on how to achieve change.

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

This will include working with a range of stakeholders with skills, knowledge and expertise in land 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.

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

We regret that this question has been asked independently of questions 10, 11 and 12 as though the environment is a completely different issue from general farming or land management when the two should be inextricably linked. Given the principle in the above question about behavioural change in farmers and land managers it is even more disappointing that the work to increase resource efficiency has been separated from “the environment”.

In all our conversations with farming contacts the need to put land management on a more professional footing was a recurring theme. Comments include:

**“Farmers need to be able to demonstrate they know what they are doing and are professionals.”**

**“There should be continuing professional development within land management.”**

There is a new realisation that the success of UK agriculture will depend as much on having a resilient and vibrant natural environment and a stable climate as on high tech equipment and techniques. More so than at any time in the past century, public attitudes are changing and the



evidence suggests that unsustainable intensification of agricultural management has come at a huge price.<sup>4</sup>

A focus on technological solutions can cause Government and industry to overlook tried and tested low-tech methods of maintaining and building fertility and crop quality, including low-input practices such as green manures, agroforestry, minimum tillage, cover crops, companion planting and maximising the effectiveness of natural predators among others. With the right support, such techniques may be able to deliver environmental outcomes faster, and on more farms, than some of the high tech solutions currently in development such as robotics. In its new settlement for farming and land management, the Government should seek to find the most effective solution. This might mean there will be a need to balance support for new technologies with lower tech, often farmer-led approaches.

Research and development should be promoted that looks at all options equally – both high tech and less technological options. As with environmental support (discussed later) there is a clear role for outcome based research to raise efficiency, productivity and environmental performance that includes agro-ecological approaches.

A growing number of farmers recognise that what they have been advised to do to maximise production is implicated in the declining state of our soils and water and the transformation of our farmed and rural landscapes into hostile settings for nature. There is an increasing interest in the uptake of environmental options.

However, there is also recognition that the need for change must be supported:

**“advice is key”**

**“value of a locally based adviser”**

As such, our recommendations from our own experience of improving the take-up of knowledge and advice by farmers are as follows:

- **Farmer-to-farmer learning.** Much formal and informal sharing of insights and experiences already takes place between farmers and land managers, and the Government can encourage those which best support knowledge-transfer. We strongly endorse grassroots farmer to farmer research and innovation approaches, such as the ‘Field Labs’ pioneered by the Innovative Farmers Network.
- **Advice.** We believe there is a need for a properly funded, well-coordinated and streamlined advice service that adheres to a set of clearly defined objectives set at a local level. This is critical to help farmers manage the change ahead and for the successful implementation of basic rules and environmental incentives. Advice provision should be separated from enforcement activities, and multiple advice initiatives should be rationalised to provide greater coherence and ensure high standards. Advice should be coordinated at a local level, pooling skills and resources.

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<sup>4</sup> <https://www.rspb.org.uk/globalassets/downloads/documents/conservation-projects/state-of-nature/state-of-nature-uk-report-2016.pdf>



- **Agriculture education and training.** The agriculture education and training sector is not equipping the next generation of farmers with adequate knowledge on basic issues such as pollination and soil fertility, and training in techniques such as Integrated Pest Management. These issues are often afforded minimal focus, if any, on the agricultural college curriculum, which instead focuses on the kinds of areas covered by the options presented in this consultation for ranking. For example, there is often an emphasis on Agri-Tech which has a place but includes some technologies that work against nature and exclude other proven methods.
- **Agroforestry and forestry education and training.** We have identified the separation of education and training (in addition to the separation in policy) between the forestry and agricultural sectors as the biggest barriers preventing uptake of agroforestry, woodland creation and woodland management on farmed land. The majority of farmers and land managers are not currently aware of or equipped with the technical knowledge and skills to implement agroforestry schemes, such as silvoarable, nor manage existing trees and woods to access the productivity, resilience and environmental gains that can be realised.

**Q29. What are your views on a possible shift towards 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. We would support a 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.

An outcome based approach, which uses the skills of the land manager to achieve agreed aims, is more complex to administer and will require greater involvement of on the ground advisers, but has the potential to deliver significantly improved environmental benefits. Advice can best be delivered through a properly funded, well-coordinated and streamlined advice service that adheres to a set of clearly defined objectives and acts to support transition and the delivery of public goods. There is a need to rationalise the multiple and over-lapping advice initiatives that can occur to provide greater coherence and ensure high standards and to pool skills and resources.

Ongoing development work for the National Ecosystem Approach follow on phase<sup>5</sup> has shown that there is the potential for significant increases in net benefits to society arising from the design and implementation of spatially targeted land management policies that actively and deliberately take advantage of the environmental, economic and landscape variability observed across Great Britain. Specifically that no single uniformly applied land use policy is likely to maximise the total economic (natural capital) value of land and any future policies need to be multi-functional i.e. a sustainable land use policy rather than separate policies for farming, wildlife, forestry etc.

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<sup>5</sup> <http://uknea.unep-wcmc.org/LinkClick.aspx?fileticket=1n4oolhksY%3d&tabid=82>



Analysis of the impacts of previous agri-environment schemes (AES) has shown mixed results<sup>6</sup>, with better delivery achieved through more targeted, rather than entry level schemes<sup>7,8</sup> and targeted advice and support<sup>9</sup> to deliver effective outcomes. There is definitely a role for future AES but consideration will need to be given to the design and targeting of any new schemes to ensure that best use of previous experience is achieved, that impacts are significant, integrated and cost effective, and genuine public benefits are delivered.

**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 practice to enhance environmental sustainability?**

The current interpretation of income foregone is extremely limited and for many asset rich but cash poor farmers the payments will not cover the cost of implementation. There are methods of dealing with this including a more flexible attitude to calculation of income foregone. However, there is a need to investigate other options including modelling public goods costs achieved and how those could be allocated.

Securing this range of environmental outcomes will also require a significant increase in funding relative to existing agri-environment schemes. An economic assessment of the current financial commitment needed to meet existing environmental commitments through land management is approximately £2.3 billion per year across the UK, based on management and opportunity costs.<sup>10</sup> Although this represents a significant increase in costs compared to the existing agri-environment budget in Northern Ireland, the available evidence suggests that the cost:benefit ratio of this investment would be significant .

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

We believe that there is much scope for the uplands in particular to benefit from new market approaches; a payment for ecosystem services (PES) model provides opportunities for rapid inception with a growing evidence base from Defra PES pilots and existing industry models. There is a need to be more explicit about what will be supported and how, and for this to be done fairly soon to ease concern and lack of certainty for land managers in the areas most affected.

The 'how' is particularly important: hopes for a vibrant domestic carbon market have failed to materialise; biodiversity offsetting pilots have revealed multiple barriers to success; and PES markets in areas such as utilities have extremely limited empirical support that they can work at sufficient scale to be effective. Analysis provided in the Natural Capital Committee's 3<sup>rd</sup> report<sup>11</sup> points to

<sup>6</sup> Kleijn, D. and Sutherland, W.J. (2003) How effective are European agri-environment schemes in conserving and promoting biodiversity? *Journal of Applied Ecology* 40 (6), pp 947 - 969

<sup>7</sup> Carvell, C., Meek, W.R., Pywell, R.F., Goulson, D. and Novakowski, M. (2007) Comparing the efficacy of agri-environment schemes to enhance bumble bee abundance and diversity on arable field margins. *Journal of Applied Ecology* 44 (1), pp 29 - 40

<sup>8</sup> Donald, P.F. and Evans, A. D. (2006) Habitat connectivity and matrix restoration: the wider implications of agri-environment schemes. *Journal of Applied Ecology* 43(2), pp 209 - 218

<sup>9</sup> Wading upstream (2001) RSPB

<sup>10</sup> Rayment, M. (2017) Assessing the costs of Environmental Land Management in the UK. Final Report. A report for the RSPB, the National Trust and The Wildlife Trusts

<sup>11</sup>





health and wellbeing as a potentially major plank for the development of PES markets, yet the detail has not followed. Critically, any progress would hinge on governmental cross-departmental charging and there is little evidence to suggest any appetite for that.

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

To reflect the value of trees and woods in the UK, the Woodland Trust believes the following key principles should underpin any future sustainable land use policy and the regulations and incentives that support it:

- 1) Fully integrate woods and trees into land management systems
- 2) Be consistent in paying public money only for public goods
- 3) Introduce action and outcome based payments
- 4) Establish overarching principles supported by local design and local delivery
- 5) Deliver opportunities for landscape scale action.

To deliver an effective sustainable land management policy, we need:

- 1) Core regulatory requirements, including protection of the basic resources of soil, water, air quality and existing natural assets, such as trees and woods;
- 2) Comprehensive, simple incentives to deliver well defined public benefits with widespread environmental interventions, including the management and restoration of hedgerows, small scale tree planting and shelterbelts;
- 3) More targeted incentive mechanisms to address specific issues associated with priority species and habitats, for example new native woodland adjoining ancient woods to buffer and extend them, or restoration of planted ancient woodland; and
- 4) Support for advice and training to develop resource efficiency and innovation, such as agroforestry systems which might offer both economic and environmental gains compared to some existing activities.

Production of a sustainable land management plan should be a precursor to any decision on support for action.

The Woodland Trust believes that to achieve a fully resilient landscape that delivers for all our needs, we must include support for actions that will protect and enhance the role of trees, woods and forests in ecosystems, as part of habitat networks and as a component of productive land management for both agriculture and forestry. This will mean a mixture of well targeted, smaller scale planting schemes – such as shelter belts, riparian planting or hedges with hedgerow trees –and larger scale woodland creation projects, delivering a wide range of benefits that will capture the public imagination.

There will continue to be a need to protect, restore and enhance our existing high value woods and trees to maintain the basis for a resilient landscape. For example, the outbreak of chalarash dieback has brought to the fore the importance of Trees outside Woods for delivery connectivity at a landscape scale. The Woodland Trust has led development of a Trees outside Woods project, which has received a total of 105 specific projects and organisational expressions of interest. The range of



## WOODLAND TRUST

partners and the scope and scale of projects submitted provides strong evidence of the level of concern in both current and future threats to TOWs. The content of the project proposals also provides a wealth of evidence of the required methods, capacity to act and of the resources required to address the challenges facing Trees Outside Woods.

### Design of schemes

Unsurprisingly, many of our land management contacts have views on the future options for a new environmental land management scheme:

**“we need to be moving from models which are punitive to models which reward”**

**“enable public/private partnerships – does not all have to come from Government but policy must enable it”**

**“this should be driven by outcomes”**

**“locally managed and flexible”**

**“Water quality and flood risk are huge and growing issues for my farm. It is crazy that this only seems to be on the agenda when a flood happens or there’s a big pollution incident, rather than helping us to prevent it in the first place. Funding to plant trees could be part of the solution”**

We believe that all the public goods listed above can be delivered at both the individual holding level or as part of a larger, more co-ordinated package. The impacts will vary not only as a result of scale but also level of activity undertaken. The research undertaken at Pontbren, in the Welsh uplands, has shown the significant impacts on both water quality and quantity that can be achieved by increasing overall woodland cover from 1.5% to 5% on both individual holdings and across a landscape. However, a critical factor in achieving the potential environmental benefits of tree and hedgerow planting is the strategic and well-informed choice of locations, species and management. The Pontbren results have shown conclusively that strategically planted narrow, fenced shelterbelts of trees across slopes capture surface run-off from the pasture land above and allow it to soak more rapidly into the soil. The shelterbelts of mixed broadleaved trees were planted at unconventionally high densities together with a large proportion of shrubs, but, experience has shown that these mixtures do best if planted all at the same time. The other critical issue is using planting stock of the right provenance, Pontbren is very much an upland area and the stock needed to be suited to the more challenging growing conditions above 240m<sup>12</sup>.

The Glens Resilient Farms used the Pontbren model in the design of the project. There are currently 17 farmers who have implemented, or are implementing the proposals made through their farm plans, another 30 have just been surveyed and plans written, and there are plans to do another 30 over the next year. We are confident that within a fairly short time frame we should see considerable environmental and farm business benefits, including many of the benefits referenced to for Pontbren. The Woodland Trust would be interested in working with partners and Daera to develop mechanisms for integrating trees and woods into everyday farm management.

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<sup>12</sup> <https://www.woodlandtrust.org.uk/publications/2013/02/the-pontbren-project/>



At the individual farm level, widespread environmental issues such as declines of farmland biodiversity, air and diffuse water pollution and maintenance of landscape character and the historic environment point to the need for similarly widespread action. These issues generally need small scale, relatively simple interventions, such as hedgerow restoration, planting of shelterbelts, the introduction of an agroforestry scheme on parts of the farm, or the creation of networks of semi-natural habitats.

There should also be funding for landscape scale collaboration, spanning all aspects of the policy. We also encourage examination the use of mechanisms such as reverse auctions, used effectively by Wessex Water to reduce nitrogen pollution, or funds to be used as 'seed-funding' to help pump-prime the establishment of private Payment for Ecosystem Service schemes or for the maintenance and enhancement of benefits once such schemes are established, as well as match-funding to draw in contributions from others, such as water companies, private businesses and local communities. This is likely to need work from the Treasury and other government departments to enable policy changes for incentivisation etc

# YOUNG FARMERS' CLUBS OF ULSTER

## NI FUTURE AGRICULTURAL POLICY FRAMEWORK: YFCU RESPONSE

### **2.2 2020-2021 Scheme Years**

*YFCU are happy with the DAERA position on this issue.*

### **2.3 Entitlements**

*Happy to retain entitlements to 2021 until another proposed framework is agreed.*

### **2.4 Moving towards a flat rate payment per hectare**

*Preference for option 2.*

### **2.5 Greening**

*Retaining separate greening requirements and greening payments. Post 2021 more discussion required.*

### **2.6 Young Farmers' Payment/Regional Reserve**

*The Young Farmer's Payment should continue for the five year period. Review going forward if a different scheme becomes available.*

*We are supportive up to 2021 for any Young Farmer who is seeking to establish their business to receive a top up payment. Going forward, we support that entrants should have a level 3 qualification, commencing between 2021 and 2025.*

### **2.7 Other elements of the direct payment schemes**

*Active Farmer Provisions- Issues need reviewed post 2021. Explore other alternatives to target active farmers on a longer timeframe post 2021.*

*Land Eligibility- Issues still need to be reviewed. Needs reviewed to show eligible land is productive land.*

*Cross Compliance- Needs to be reviewed with a common sense approach. Adopt a yellow card/warning system before a penalty is enforced. Advisory before penalty.*

*Key Dates- 50% of the payment should be made as normal, followed by the last 50% after inspection results.*

Penalty Regime- *Adopt a yellow card/ warning system before a penalty is enforced. Advisory before penalty.*

Retrospective Recoveries- *No view.*

Inspection Regime- *The first stage should be advisory followed by enforcement if the advice is ignored.*

#### **4.1 Science and Innovation**

*Supportive, but moneys should not come out of existing agri-budget.*

#### **4.2 Agricultural Education and Knowledge Exchange**

*This is very important and YFCU are very supportive that from 2021 a level 3 qualification should be required to become the head of a business. We hope CAFRE would be able to deliver these courses to a high standard.*

4.2.1 Continuous Professional Development – *In favour, as long as department ensures the quality and relevance of the provision.*

#### **4.3 Investment and Restructuring**

*Generally in favour of investment and restructuring. We would like to introduce incentives for land mobility such as tax relief to encourage succession planning and modernisation as opposed to grants.*

#### **5.1 Basic Farm Resilience Support**

*Currently supportive but need more details.*

#### **5.2 Income Protection or Anti-Cyclical Measures**

*Broadly supportive, would consider the Canadian or Australian schemes but would need more consideration of sectoral issues.*

#### **5.3 Fiscal Measures**

*Supportive*



#### **5.4 Other Measures**

*Strongly in favour of crisis management framework but need better understanding of how other countries deliver it.*

#### **6. Environmental Sustainability**

*YFCU recognise that the environment will remain a key priority and will pursue to maintain and enhance the environment.*

##### **6.1 Principles**

*Agree in principle- measurement of standards to be achieved should be collaborative, involving both environmental and industry viewpoints.*

##### **6.2 Regulation**

*Supportive*

##### **6.3 Science/Education/Advice**

*Supportive*

##### **6.4 Incentivisation**

*Recognise need for enhanced incentivisation.*

##### **6.5 Target Outcomes**

*Supportive but needs to be simple and add to the profitability of the farm business.*

##### **7.1 Supply Chain Information**

*Legislative role for information provision and market transparency.*

##### **7.2 Education and Knowledge Transfer**

*Supportive of this and willing to help deliver this through our organisation.*

##### **7.3 Incentivisation**

*In favour of producer organisations and collaborative partnerships.*

##### **7.4 Regulation**

*Broadly supportive*

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

*At this stage the YFCU would support age proofing of any future recommendations.*