

# Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement

## Stakeholder Responses

# H-L

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## ALISTAIR HENRY



Northern Ireland future agricultural policy framework

13 DAERA NI Future Agri Policy

Hi, here is my response to the questions in the Northern Ireland future agricultural policy questionnaire. It is just my views and I have no bones to pick with anyone mentioned in it.

Q1 keep entitlement policy for now, its badly flawed but there are more important things to work at first.

Q2 some greening requirements should be immediately scrapped like the two and three crop rule, its making farmers having to build more houses to store different crops that they would never have grown before, there are also farmers that never grew different crops but they put it on the single farm payment application that they did and have not been caught yet. Yes I would keep some of the greening for wildlife but scrap the requirement of greening for BPS payments, I mean we are know as the Emerald Isle, we don't need to be any greener.

Q3 let farmers plough land that they want.

Q4 no view, doesn't apply to me.

Q5 no view

Q6 a lot less unworkable rules from DAERA and NIEA would encourage a lot more people into agriculture.

Q7 who is actively farming the land and if the land is eligible should be scrapped, let the farmer who owns the land decide who he sets it to and what he does with it.

Q8 no the system is complicated enough for me even to make a suggestion as how to make it simpler.

Q9 no view

Q10 agriculture knowledge needs to be kept at the fore front of farming.

Q11 qualifications and linking them to grant schemes should be scrapped, the farmer with no qualifications but a wealth of experience is far smarter than a person with a load of diplomas and not one ounce of common sense, it is also discriminating against the farmer who doesn't have any qualifications on paper. I would employ a person with experience ten times over the person with a load of qualifications.

Q12no view

Q13 no view

Q14 no view

Q15 no view

Q16 no view

Q17 no view

Q18 not everybody is in the same boat so everyone's case should be looked at differently.

Q19 no view

Q20 no view

Q21 no view

Q22 no view

Q23 don't even understand the question

Q24 don't even understand the question

Q25 don't even understand the question

Q26 you need something in place that if a crisis arises that it can be dealt with the same year, not 2, 3 or 4 years down the line

Q27 environmental issues should be definitely be incorporated into agriculture in Northern Ireland

Q28 yes research and education are needed with conversion issues

Q29 agriculture needs more environmental schemes and measures, this idea of more cows, cattle, pigs etc etc is not on, its destroying agriculture

Q30 you need to make environmental schemes more financially attractive for more farmers to take them up

Q31 other actors in the supply chain need to keep their nose out of how farmers produce goods

Q32 no view

Q33 no comment on that one

Q34 farmers know themselves how to farm without someone telling them how it 'should' be done

Q35 government need to crack down on rules imposed by meat processors for example, they cut the non quality assured farmer to the bone but still take his meat and sell it all as quality assured, where does the non quality assured meat end up???

Q36 as for equality comments I think we don't need Irish printed on agricultural documents, that is a waste of paper space, ink and time, there isn't one farmer in Northern Ireland that cant read or write English, we are an English speaking country

Q37 no view

Q38 some regulations have huge impact on farmers, mostly unworkable and designed by someone in an office who has never been to the country

Q39 The EU wants more green grass field which leads to more animals, more methane and ammonia, NIEA wants less ammonia and wont give go ahead to grants for farmers to expand, the slurry spreading ban needs scrapped, farmers know when to spread when soil conditions are suitable, not calendar dates, the hedge cutting ban dates needs looked at and adjusted, the ban on spreading phosphate for cereal farmers over index 3 needs scrapped, cereal crops need bagged phosphate badly, the whole situation is about to collapse on itself. Northern Ireland was doing far better in agriculture when the EU and NIEA had no hand in it, I for one will be glad when we leave the EU and DAERA implement they own home grown agricultural policy without listening to uninformed suggestions from NIEA.

Q40 department of agricultural needs a central main office in the middle of Northern Ireland for the good of everyone. They also need more sensible people working for them that can use common sense instead of a wee Hitler type person who thinks they are God and rules with an iron fist. A lot of farmers are literally terrified of DAERA officials and what they will do to them if they find the simplest mistake on their paper work or record keeping. I personally know a lot of DAERA officials all from farming backgrounds I might add who do an excellent job but are still firm and fair.

Thanks and regards.

## HISTORIC MONUMENTS COUNCIL

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10- 10- 2018

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

The Historic Monuments Council is pleased to have the opportunity to provide its views on the possible future agricultural support arrangements in Northern Ireland as the UK prepares to leave the EU, as set out in the *Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement*. The Historic Monuments Council notes that the future of agricultural policy has been the subject of a public consultation in each country of the UK.

By way of background the Historic Monuments Council (HMC) is a statutory council appointed to advise the Department for Communities on the exercise of its powers under the Historic Monuments and Archaeological Objects (NI) Order 1995. It is consulted by the Department in relation to policy, the Scheduling of Monuments, Monuments in State Care and the identification of Areas of Significant Archaeological Interest (ASAI's). Membership of the Council is diverse, representing a wide range of public interests complemented by a number of senior archaeologists (including the Chair) with professional and heritage management expertise. In line with its statutory and policy roles the comments of HMC are specifically on Section 6: Environmental Sustainability.

HMC notes that as per the *Protocol on the Care of the Government Estate* (2015) the Department of Agriculture, Environment and Rural Affairs (DAERA) is itself, after the Department for Communities, the government Department with the largest holding of historic assets; buildings and monuments (State Care Monuments,

Scheduled Monuments and undesignated monuments on the Northern Ireland Monuments and Buildings Record). As noted in the consultation paper around 70% of the land of Northern Ireland is devoted to agriculture. Hence the majority of the rural historic environment and associated historic monuments and cultural heritage of Northern Ireland fall within the remit of the consultation paper. Furthermore, the large majority of the historic environment and associated assets are not designated and therefore management and protection through policy instruments is required.

The importance of sustaining the rural historic environment is clearly signalled in UK policy statements and guidance. For example ***The future for food, farming and the environment: policy statement*** (DEFRA 2018), (following on from DEFRA consultation essentially limited to England) states that:

Environmental land management

*The government will work with farmers and land managers who wish to improve the environment by entering into environmental land management contracts...these contracts will make sure that the environmental benefits farmers help deliver are paid for by the public purse...these will include*

**•protecting our rural historic environment and our distinctive landscape features.**

Preserving rural resilience

*Agricultural land has value that stretches beyond the economic and environmental – it contributes to our society and culture too. **The conservation and enhancement of our cultural heritage contributes directly to a healthier environment, benefiting people, offering support to thriving rural economies and national prosperity.***

The Government's 25 Year Environment Plan, ***A Green Future: Our 25 Year Plan to Improve the Environment*** (HM Government 2018) includes the following points:

***Initiatives to protect and improve our natural world and cultural heritage are acts of stewardship by which we discharge our debt to it, and so are moral imperatives in themselves, but they are also economically sensible*** (p. 16).

***In the past our failure to understand the full benefits offered by the environment and cultural heritage has seen us make poor choices*** (p. 19).

It is against this policy background, and the specific related references to historic environment and cultural heritage in the public consultation documents for England (*The future for food, farming and the environment*) and Wales (*Brexit and our Land: Securing the future of Welsh farming*), noting that the consultation document for Scotland (*Stability and Simplicity: proposals for rural funding transition period*) is operationally based and focused on the short term, that HMC wishes to comment on Section 6 of the paper.

The Historic Monuments Council wishes to express its surprise and deep disappointment about the lack of any mention of the historic environment in Section 6. It is clear when the 'environment' is mentioned that this is being thought of as 'natural environment'. Of course protecting and sustaining the environment is critically important, but the paper fails to recognise that it is the activities of farmers, foresters and other stewards of the landscape today and those who have

gone before them over millennia which have shaped the features of the rural landscape that is such an important and distinctive element of what Northern Ireland is today.

As noted above and with specific reference to Northern Ireland in policy documents such as *Treasure the Past: Enrich the Future* (DfC/Heritage Delivers 2018) and the *Heritage Tourism Framework* (Tourism NI 2018) cultural heritage contributes directly to a healthier environment, benefiting people, offering support to thriving rural economies and prosperity. Unfortunately there is no reference to these benefits in Section 6 of the paper.

The Historic Monuments Council **strongly recommends** that, in line with wider UK policy, the following addition (with appropriate background discussion) should be made to the desired long-term environmental outcomes under the Target Outcomes listed in Section 6.5.

- Protection of the rural historic environment and distinctive landscape features.

The Historic Monuments Council recognises that to realise this and other outcomes and benefits appropriate support is required. Farm businesses and other rural enterprises must be economically resilient to deliver those outcomes. Hence natural and cultural resources must and can be enhanced while recognising the importance of farms as businesses and complementing the fact that farmers play a key wider role in sustaining rural life and landscapes.

To achieve this appropriate advice and financial support needs to be provided that enables farmers and other land managers to manage their land effectively and sustainably and to achieve the outcomes sought in the consultation paper.

The Historic Monuments Council understands that protection for the historic environment is currently largely provided through the DAERA Land Parcel Identification Scheme, as the basis for the recognition of monuments as an element of the Basic Payment Scheme (BPS) to farmers.

The Historic Monuments Council **strongly recommends** that in consultation with the Historic Environment Division, Department for Communities DAERA review the effectiveness of current policy measures in place through the Basic Payment Scheme (BPS), and the Environmental Farming Scheme (2017), for the protection and enhancement of the historic environment and put in place measures to ensure the future protection and enhancement of the historic environment. Sustaining heritage assets and the rural historic environment must be an identified and recognised feature of any new agricultural policy framework that is environmentally sustainable.

Yours sincerely



Professor Gabriel Cooney, chair

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

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

Due only to the short time frame, we believe that entitlements should be retained until a new agricultural policy framework is agreed. However it is our opinion that Direct Farm Payments should be targeted towards the primary producer. Food producers currently rely on this support and the movement of payments to land based criteria distorts the efficiency of the food production chain.

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

We would be in favour of abolition. In Northern Ireland they do little to improve the environment.

- 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?**

It is important to maintain natural habitat and species therefore a retention of the ploughing ban could remain provided financial recompense is provided as part of an environmental management plan.

- 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?**

Those who have been accepted into the programme should continue to receive payment as long as they are eligible. This is not an endorsement of the scheme but rather when an agreement has been entered in to, it should be honoured.

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

Whilst such efforts to encourage Young Farmers into the industry may be considered noble we believe the following should be considered:

- Young farmers receive support for a relatively short time period in relation to a lifetime in the industry. They will need to invest in the farm and end up “locked” into a lifetime within the sector.
- We would prefer farms to be profitable in their own right and then young people would enter the industry freely.

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

- Farm Profitability
- Retention of Agricultural Property Relief
- Tax Incentives to encourage long term leases
- Capital Grant Schemes like the Scottish and Welsh

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

We have concern that the term “active farmer” does not in any way link to farm output. In fact a “hobby farmer” under the current term active is entitled to support payments at the expense of a full time farmer whose sole source of income is from what his farm produces. We would encourage a transition to direct support towards full time farmers whose sole income is from the farm. We also need to see Direct Farm Payments (DFP) move from an area payment to a production linked payment. DFP subsidise food production and area payments do not recognise production output.

**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 would prefer if food could be produced without subsidies with farmers receiving a fairer proportion of the end price using environmental protection as a means of production control.

**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?**

**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 important to ensure the policy is correct. As we can see from the Republic of Ireland there is a policy to encourage low cost production which will in turn have a higher carbon footprint when striving to increase National output.

**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?**

Formal qualifications and continuous professional development are desirable however we would urge caution on exclusion from business funding where relevant agricultural qualifications are lacking. Successful farm businesses are aided by relevant qualifications but such, do not guarantee the success thereof.

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

Generally in favour.

**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?**

Generally in favour.

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

Investment incentives other than a capital grant scheme are less attractive to farmers and with these other incentives the decision to invest on farms will be based more on business profitability and stability. On the plus side the limited funding available will be spread further and benefit more farms.

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

We should be using the less productive areas of NI to offset the carbon footprint of the more productive areas. Aligned contracts issued from processors to producers based on accurate average costs of production. These costs of

production should be determined from fully audited accounts where bank borrowings, HP commitments are fully disclosed.

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

Farm Resilience payments should be available as and when required. We would suggest that these payments should be made to those farmers for whom farming is their sole income source. They should not be used to support inefficient production and therein lies the important calculation re cost of production figures.

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

Link directly to farm output, Full time farmer only, Prior investment on the farm essentially needs to be taken into account as in times of depressed producer prices those who have invested in the future with significant bank borrowings are hardest hit.

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

Support payments could be made when the Natural Disadvantage is short term ie weather related.

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

No Issue

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

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

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

Not in favour of capping payment. The eligibility threshold should as we have stated previously be set at a point where farmers whose sole income is derived from farming are supported.

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

Limited impact and not always cost effective.

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

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

Deposit scheme is worthy of consideration.

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

We believe that an agreed crisis response should be put in place both regionally and nationally.

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

Higher output per animal and per ha will help reduce negative environmental impact and will meet the requirement of sustainable intensification.

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

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

**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?**

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

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

- 33. What are your views on the role of government in ensuring market transparency?**
- 34. What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?**
- 35. What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?**
- 36. Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**
- 37. Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**
- 38. Are there any regulatory impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**
- 39. Are there any environmental impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.**
- 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.**
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**HORTICULTURE FORUM NI**

**A Response to the Northern Ireland Future  
Agriculture Policy Framework :  
Stakeholder Engagement  
Submitted on behalf  
Horticulture Forum NI  
September 2018**

**HORTICULTURE  
FORUM NI** 

## Introduction

This response has been submitted on behalf of the Horticulture Forum for Northern Ireland. The Forum represents a wide range of growers and land managers, some of whom are food producers, whilst others make significant contributions to enhancing the environment, protecting our 'natural capital' or contributing to the health and wellbeing of wider society.

**Horticulture is the science, technology, art and business of cultivating and using plants to improve human life. Horticulturalists and Horticultural Scientists create global solutions for sustainable, nutritious food and healthy/restorative and beautiful environments. (Chartered Institute of Horticulture)**

The Horticulture Forum's objectives include promotion of the horticulture industry and its contribution to the Northern Ireland economy, representing the industry with public representatives, DAERA and other Executive departments and ensuring the industry's needs are known and reflected in programmes delivered by other agencies and organisations. We therefore welcome the opportunity to respond to the DAERA stakeholder engagement document.

### Section 1 - An overview of the document.

It is our view that the DAERA's Agriculture Policy Framework document is too limited in scope and lacks ambition. It seems to be trying to replace former EU schemes with more of the same instead of suggesting and exploring new and challenging approaches to support the agrifood industry and the environment.

The Welsh document in our view is much more innovative and challenging and makes it clear that a big 'Change is coming'. It sets out principles for change and spells out in detail what is meant by 'public goods' and 'future support'.

The DAERA stakeholder engagement document with the exception of four words – '*horticulture business*' (p. 23 ) and '*crop diseases*' (p. 29) makes no reference to horticulture. This may only be explained by the absence of a representative of horticulture on the DAERA Brexit Stakeholders' Group. It is the view of the Forum that there are significant omissions in the DAERA document. For example there are no references to the potential for growth for production horticulture, to the massive implications in relation to plant health, to tourism potential eg golf, to country parks and countryside recreation, to

green and pleasant rural villages or the health benefits of horticultural activities (healthy diet, exercise, participation in sport and social interaction / social cohesion).

There is a lack of recognition by DAERA of the considerable contribution which is made by horticulture food production to the Northern Ireland economy. This contribution can be stated both as output values (£) and numbers of jobs. This is further enhanced by food processing and the spinoffs from horticultural activities including improved biodiversity, improved health and well being of the population, increased farm income and supporting rural tourism.

<b>FOOD PRODUCTION</b>	<b>2017</b>
Farmgate	£108m
Fruit & veg processing	£314m
<b>AMENITY HORTICULTURE</b>	
Ornamental/Hardy nursery stock	£25m
Tourism	£22m
Food tourism	350m
Golf tourism	£33m
<b>TOTAL</b>	<b>£430m</b>
<b>EMPLOYEES</b>	
Production	2700
Fruit & veg processing	2500
Amenity services	4000
Garden centres	1100
<b>TOTAL</b>	<b>10300</b>

The importance of horticulture and horticultural products on the health and wellbeing of our society cannot be over emphasised. Dietary advice suggests that the majority of our food should be from fruit and vegetables. The security of a local supply of safe and wholesome fruit and vegetables is highly desirable.

Ornamental and amenity horticulture is critical to the wellbeing of society, creating calming green spaces to live and work and recreational spaces, whether sporting or passive activities. Plants also have roles in pollution reduction, noise reduction, flood alleviation etc. The amenity sector has a significant impact on the success of our tourist trade and should be recognised as part of 'agriculture'.

There are many opportunities to grow horticulture in Northern Ireland and given the right support most subsectors could significantly expand. Some examples within the broad range of possibilities:

- **Developing a dessert apple sector for export in NI**
- **Increasing production of soft fruit such as strawberries, raspberries and blueberries like Scotland**
- **Import substitution of locally grown flowers and foliage, replacing the Dutch , Israeli and Columbian imports.**
- **Local production of native trees and hedging thus reducing the risks of various diseases – Xylella, ash die-back etc.**
- **Increasing greening in our cities, towns and villages to create better places to live and work which in turn can increase property values and attract inward investment**
- **Ensuring horticultural input in the form of bioengineering into all major infrastructural projects ( screening, shelter, erosion prevention, flood mitigation, wildlife protection and enhancement etc)**
- **Using horticulture as a means of reducing rural isolation and poverty eg encouraging Villages in Bloom, creation of community spaces etc.**
- **Increasing the number of fruit and vegetable growers attending local farmers markets which will usefully supplement farm income.**

Regrettably in the recent past, DAERA's key deliverables have largely ignored the potential and actual contribution of horticulture which has therefore become 'invisible'. This consultation document provides an opportunity for DAERA to reconsider its key deliverables in the future and to support and promote all aspects of horticulture for the benefits to our economy, our health and our wellbeing.

It should be a salutary lesson that the NI Affairs Select Committee has conducted an investigation into Horticulture, independently of Agriculture. Although the focus was on cereals, potatoes and mushrooms, the Forum was invited to submit additional material on the wider importance and benefits of Horticulture.

Although the DAERA Agriculture Policy Framework document acknowledges the importance of science and research as a means of improving productivity and environmental sustainability, basic scientific concepts have been ignored eg food chains and population growth. All terrestrial life depends on primary

producers – PLANTS. Livestock is reliant on plant materials as they are primary consumers of e.g. silage, hay and grain-based foods. It is relevant that CJD and BSE were related to the improper use of animal waste remains in food supplies.

Only 10% of the energy in plant material consumed by cattle and sheep is converted to body mass. Eating a diet high in meat is therefore inefficient and unsustainable in terms of finite food resources. Encouraging production of a wide variety of plant-based foods is increasingly important not only for sustainability but also for human health – hence the ‘five a day campaign.’

**Horticulture can very efficiently produce sustainable healthy food by growing a wide range of food plants and should be encouraged by government.**

Unlike cereals which are wind pollinated, a wide variety of plant foods are reliant on pollinators, such as apples and strawberries. This has been recognised by the (draft) All Ireland Pollinators Plan and the draft *Pollinator friendly guidelines for horticulture*. The reduction in habitats for pollinating insects and reduced areas of biodiversity has resulted in the significant loss of pollinating insects- particularly bumble bees and solitary bees.

**Horticulture has a vital role to play in providing homes to pollinators in country parks, gardens, parks, golf courses, motorway plantations, roundabouts, as well as the benefits from horticultural cropping areas such as orchards and cut flower plantations.**

The document refers to animal health, welfare and support, but only a single reference is made to crop diseases. Biosecurity is a huge issue for Northern Ireland, which must be given serious consideration from an all-island perspective as well as an East-West one. The Island of Ireland has a very high plant health status, which must be maintained and enhanced if we are to conserve and develop horticultural products and protect our natural environment. Our diligence should reflect the current safeguards carried out by Australia and New Zealand.

**Producing trees, shrubs and other plants locally will significantly reduce the risk of introducing new pathogens to Northern Ireland to the detriment of the natural environment and also the horticultural industry.**

Many horticultural activities do not require large acreage, for example mushrooms and cut flowers, but these horticultural growers must not be dismissed as 'hobby farmers' – however that is defined.

There seems to be little recognition of the need for, or benefits from, farm diversification which helps to supplement farm incomes and provide additional family employment. In addition, all support to date has relied on size of the land owned. Very successful and intensive production can occur in relatively small spaces.

**Horticulture offers a very credible farm diversification opportunity with possibilities of farmers supplying local restaurants, hotels, selling at farmers markets or working collaboratively to sell in larger markets**

Horticulture is an intensive and technological activity. However to be efficient and profitable modern facilities, equipment and machinery and even accommodation for labour is often needed. There is a need for investment in production technology. Financial support is needed to grow the sector especially as low cost labour is becoming increasingly scarce and in some cases unavailable. Low returns for produce at present has meant that little profit is available for reinvestment in the business.

Some of the big challenges facing Horticulture in NI is development of local supply chains, more effective marketing and increasing grower co-operation rather than competition as exemplified by Northway Mushrooms.

**There are genuine opportunities to grow horticulture, but the production sector needs Government support for infrastructural investment.** Horticulture also requires help with marketing and supply chain development and an organisation equivalent to Bord Bia in ROI.

**Like farming, horticulture growers also need ready access to the best of new technology and and top class education / skills training. The sector also needs a ready supply of suitable trained and qualified new entrants from level 2 to level 6.**

DAERA should encourage and incentivise new entrants to horticulture by providing financial scholarships.

## Section 2 - 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?**

For many in the horticulture sector these entitlements are not applicable. For vegetable, potato and apple growers however, it is essential that entitlements are retained in the short term.

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

Greening requirements should be retained and not incorporated into BPS payments.

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

The ploughing ban should be retained.

- 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?**

Those accepted into the YFP should continue until 2019

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

There is a pressing need to encourage young people to enter the horticulture profession and this should be retained. We would ask for DAERA to consider scholarships to encourage more participation especially at higher levels.

Horticulture need leaders for tomorrow

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

Generational renewal should be encouraged by a retirement scheme, capital grant scheme and fiscal measures.

**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?**

Generational renewal should be encouraged by a retirement scheme, capital grant scheme and fiscal measures.

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

No suggestions

**Section 4 - Questions**

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

We can support a Productivity Grand Challenge approach provided Government is genuine in its intent and realistically supportive in helping industry reach the targets.

**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?**

As the research shows better educated farmers run more productive and innovative farming enterprises. There should be an enhanced focus on education and training. However it should not prevent individuals inheriting/taking over a horticulture business. There should be an emphasis on CPD with flexible delivery

**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?**

If productivity and profitability are to be increased, horticulturalists need to keep up with scientific and technological advances. Knowledge transfer is therefore vital if NI horticulturalists are to improve productivity. However we do not believe that linking qualifications with a broader range of policy interventions will work on the short term for horticulture, as those already in horticulture at all levels have such a wide variety of educational backgrounds.

**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 in its various forms is essential for all horticulturists / growers and should be encouraged. Linking on-going skill development to funding is indeed one way of encouraging uptake.

**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?**

With issues such as nitrates, ammonia and pollution of concern, provision of investment should be targeted to innovation and new technology. It should also be targeted at addressing environmental issues but not to the exclusion of productivity and profitability. A business must firstly be legal and profitable. Environmental improvements beyond legal compliance must be affordable. For horticulture which needs growing structures, long term planting (before profit), storage and packing facilities, investment must be targeted to infrastructure as well as environmental improvements. .

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

Horticulture in the past has largely been unable to benefit from loans, loan guarantees and interest rate subsidies. All horticulture activities should in the future be able to benefit from financial support in a variety of forms for start-up, innovation, marketing and expansion.

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

The conacre system often means that land/soil is not well managed because it is only held for a short-term. Why would an individual invest for the benefit of the next generation? This can impact growers. Other land availability systems should be encouraged so that better land management can occur. A liming subsidy would be greatly beneficial.

**Section 5 Questions**

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

Resilience is a major issue for Horticultural Businesses. Increasing severe weather is impacting sectors.

Sometimes resilience can be improved through capital investment eg. Investment in borehole and irrigation systems to overcome drought. It would be beneficial if this could be encouraged through a grant. On other occasions such as storm damage it is difficult to see how growers can be protected unless an industry-wide government-backed insurance scheme was made available. This should be explored

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

Extreme conditions should trigger support payments without growers having to apply, with the level of support being determined as a percentage of loss of both infrastructure and sales.

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

Horticulture businesses will rarely be found in areas of natural disadvantage.

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

These should be linked. Soil health is important and a liming subsidy would make a huge difference to productivity and soil health.

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

These should be linked. Soil health is important and a liming subsidy would make a huge difference to productivity and soil health.

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

It would be important to ensure survival of businesses of a range of size and exposure. A cap may indeed be useful to ensure a spread of relief

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

Growers should be able to justify eligibility.

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

The Horticulture Sector would be broadly supportive of the concept but final support would depend on the detail. Insurance-type measures: the product is current not available in NI and further research is needed.

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

It should be sector-specific support – so that finance is directed where it is needed and not a scatter-gun approach to all farmers e.g. warm dry weather is difficult for vegetable and the arable sectors; watering is an issue for nursery stock and cut flower growers where heat in protected structures can reach dangerous levels.

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

Fiscal measures should be seriously considered.

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

This would be hugely difficult for such a diverse industry as Horticulture.

**Section 6 Questions**

No landscapes exist in Northern Ireland that have not largely been created by man. Over the centuries our farmers have been the custodians of those landscapes for the wider Northern Ireland population. Farming practice has produced the Northern Ireland we know today. However, farming is not the only user of the landscapes. The fast-growing tourist industry depends upon our landscapes. Recreational use of the countryside leads to a healthier population. The environment itself, which we all inhabit, has intrinsic value to all our lives.

In N. Ireland, farm and field sizes are small. Farmers and growers need to be both productive and economically viable. They are keen to adopt environmental practices but the benefits of current schemes, for example the Environmental Farming Scheme, are not considered to be an adequate incentive because of the costs of seed and standards of fencing etc. The former Countryside Management scheme is considered to have been more effective and should be given serious consideration.

Some excellent examples exist of co-operation between NGOs and land owners. The Woodland Trust, Heritage Lottery and Landowners in the Faughan Valley aim to restore, bolster and connect valuable fragments of ancient woodland. The Causeway Coast and Glens Heritage Trust are currently working with a consortium of local farmers and are planting native trees to 'green up the Glens'. This will give a boost to tourism and profitability of farms.

Farming must be allowed to become more productive while reducing its impact on the environment. Knowledge of how to do this exists but a clear strategy must be adopted by Government. By working in partnership with

environmental NGOs and with other sections of Government it can be achieved. An environmental ethos must be part of all education programmes and environmental knowledge integrated to courses.

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

It is VITAL that natural capital and its associated ecosystem services are protected and enhanced. It the basis of all use of our countryside! This will include the recovery of bogland, planting of trees and a reduction of intensive livestock production. Use of some pesticides and wide spectrum antibiotics will need to be reduced or very carefully managed. Sound environmental principles must be incorporated as the basis of ANY agricultural policy framework.

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

This is essential but does not mean that the wheel has to be re-invented. Much research and education already exist and these are often transferable. Research does not have to be done again from an entirely agricultural/horticultural perspective.

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

Whereas the concept is good there are major problems with such an approach. There will be a need to establish a base line for every land parcel from where improvements can be driven. One farm is not an island but linked to all other land parcels that surround it. The heroic efforts of one could be destroyed by the actions of a neighbour.

**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?**

Great care must be taken – basic legal requirements should not require incentivisation. Further extension from a prescriptive starting point could reasonably be incentivised but incentives need to be realistic and easy to administer.

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

Closer partnerships with all other stakeholders is the only way forward

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

There should be basic standards set to receive recognition. Further development should then be incentivised. Positive examples can be seen in the recently launched voluntary Environmental Farming Scheme. All types of horticulture and farming should be encouraged to work towards these standards.

**Section 7 Questions**

The influence of supermarkets on the supply chain is very significant. Supermarkets drive down the price of goods and exacerbate the situation with below cost selling – loss leaders - and ‘two for one’ deals. In N. Ireland price is the most significant factor in influencing consumer buying, whereas in France, Italy and the USA, freshness is the most important factor.

Northern Ireland lacks a government-funded body to:

- Provide industry statistics
- Provide market information: prices, volumes etc
- Identify import opportunities
- Provide ring-fenced funding for horticulture to encourage new entrants, improved technology and show-case local horticultural products and
- Support branding and promotion of locally-grown products.

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

The example from the ROI should be explored where great support and branding from Bord Bia is provided. Government should have a role to support growers and sustain food prices whilst ensuring that growers receive a fair price for goods. The role of supermarkets in depressing prices from growers is very significant and, with a Brexit that allows cheap imports, may totally destroy the local horticulture industry.

*Prof Jane Stout (Chair of the Irish Forum on Natural Capital): "In relative terms, food has never been cheaper than it is today. Yet ecology tells us that the real cost of food production isn't properly reflected in the price. Investing in nature and increasing its value so that we can continue to reap the dividend over generations is magnitudes more cost-effective than destroying it in the short term for convenient profit. The current approach to food production might be cheaper for you and me, but is it a price worth paying?"*

**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 Dutch, Israeli and Irish governments have given significant support to their horticulture industries. Similar support should be provided in NI in a post-Brexit scenario.

**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?**

For horticulture to grow, local producers need to co-operate and work together. Government should incentivise and encourage such co-operation. The support offered through Producer Groups should continue post Brexit. Smaller / more embryonic schemes should also be made available to get small wins that let growers see the benefits of co-operation e.g. Local marketing / promotion schemes linked to for example common branding. Could we, for example, have a Bramley Apple festival with bus loads of tourists being encouraged to go see the flowering orchards of Armagh and linked to TV / Radio Campaign promoting the health benefits of apples?

**Section 8 Questions**

**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.**

Horticulture growers should be treated equally to agricultural producers in respect of government support.

**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.**

Horticulture is an ideal vehicle that could be used to address many rural needs whether its income support through diversification , tackling isolation in community ( eg community allotments / gardening) , enhancing tourism by creating pleasant green villages etc.

**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 comments

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

Northern Ireland should continue to develop a system for managing plant health biosecurity which will be recognised as world class. The system will be evidence based to protect our environment and those industries dependant on plant growth and development.

The system needs to be established with a cooperative and supportive approach towards plant-based industries through authorities and scientists outside Northern Ireland. In particular, there should be close cooperation on an all-Ireland basis. It is important for all industries to be kept up to date with best practice, with a key role from DAERA to educate/demonstrate/ implement this best practice. Persons involved in plant health biosecurity should be trained and with continuous professional development as per emerging Royal Society of Biologists proposals.

Such information is vital, particularly for replacement of woodlands and hedges under the Environmental Farming Schemes. All materials should be UK, if not locally grown, to prevent import of plant diseases such as the recent ash dieback and acute oak decline and the potentially devastating *Xylella fastidiosa*, which infects a very wide range of plant species.

The agency should continue to develop the at-risk register and then share/explain regularly with industry best practice on how to prevent

importation of any threat. There should also be an extensive ongoing campaign to private consumers about the risks, in particular, on social media and at ports etc. so that infected plant materials are not brought into the UK by keen gardeners.

For critical plants and their pests or diseases there must be transparent traceability within the supply chain to control and eliminate any breakdowns promptly. Any breakdowns should have some financial support to the industry, conditional on the 'grower' using "best practice".

The cost of compliance to industry must be the lowest possible, whether the industry is purely local, involved in imports or exports. Plant health should not be used as a barrier to trade, except if the evidence suggests a high environmental risk.

The use of living organisms in crop protection should only be allowed for approved manufacturers who have provided evidence that the environmental impact is low risk.

#### **Section 9 Question and Conclusion**

**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.**

No Further comments

To conclude, the entire Horticulture industry makes a significant contribution to Northern Ireland's economy, environment and to the health and welfare of the general public. As an industry we wish to continue to provide quality local produce, to enhance the environment and help enhance the well-being of the population. Brexit will provide many opportunities for expansion of the industry. Government support will play a vital role in the development of the horticulture industry post Brexit. We look forward to a positive response to our submission.

Dr Barbara E Erwin  
Chair, Horticulture Forum NI

## INVEST NI

### Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement 1<sup>st</sup> August 2018

Reference: Section 4 – “Increased Productivity” (Page 21).

Invest NI comments are in the context of the Food Processing sector.

#### 1.0 Investment and Restructuring

- 1.1 The following comments are made in the context of the Agri Food strategy “Going for Growth” (April 2013 – 2020) which established a strategic vision for the agri food industry of **“Growing a sustainable, profitable and integrated Agri-Food supply chain, focused on delivering the needs of the market.”** All the Board’s recommendations flowing from this central premise is that: **“There is only one supply chain.”** Thus “Investment and Restructuring” in the primary sector will impact on the processing sector and vice versa. Strategically any major (future) support programme (financial or advisory) from UKG must consider any impact on the entire supply chain. In respect of the current proposals it is vitally important that the principle of a single supply chain in Northern Ireland is recognised in any future Agricultural Policy.
- 1.2 A review of the latest DAERA “Size & Performance of the Northern Ireland Food and Drink Processing Sector 2016” report shows an encouraging trend of growth across a range of key performance indicators in food processing companies and also the sector’s importance to the local economy. The report also illustrates the lack of scale in the processing sector with only 20 of the 298 businesses detailed in the report having turnover in excess of £50m. Market forces tend to shape growth and restructuring of food processing businesses and government intervention in this area is difficult to deliver without distorting the market.
- 1.3 Food processing depends on labour intensive manufacturing operations and businesses are accustomed to narrow profit margins. Businesses also face the challenges of improving skills, competing on price and quality, reducing costs and responding to increasing input costs of raw material, energy and wages. Whilst the impact of Brexit is uncertain, there will undoubtedly be change to which business will have to quickly adapt to remain viable. The single supply chain principle reinforces the interdependency of the processing industry and primary producers and the need to ensure that primary production is as efficient and effective as can be. This is the only way we can ensure we are truly competitive. Increasing value into one part of the supply chain should raise the value across its entirety.
- 1.4 Food businesses find improving productivity and efficiency in food processing challenging because of the significant capital outlay required for new process technology and this is beyond the reach of many SMEs. Investment in capital; people and capability is essential if this is to be achieved. Any instrument that provides capital grant funding to agri food processing businesses of all sizes should be explored.

- 1.5 The quality, specification and required volume of raw material input into a food processing system are also major factors in delivering outputs efficiently and improving productivity.
- 1.6 Consumer tastes change and the major retailer's pressure food and drink manufacturers for faster, more frequent delivery of smaller stock units, coupled with the need for special packaging to fulfil promotional requirements. Aggressive central buying also erodes many manufacturers' margins. Government support post Brexit is essential to assist the NI industry survive, compete and grow. It also gives the business the incentive to invest in a timely manner and shares the risks in financing projects. Recent EU rule changes, since 2013, have made this more challenging in the processing sector with eligible SME's currently benefiting of a maximum support rate of up to 30% of the capital investment and large companies ineligible for capital support. Post Brexit and 2022 and beyond is the time for NI Government to develop new and better ways to support agri food businesses as an essential part of the supply chain overhaul the grant scheme and drastically reduce bureaucracy. Capital investment for automation that will make the industry more efficient and productive is essential. Northern Ireland needs to position itself to ensure these investments are made here. As ownership has changed in the last 5 years, many of our large processors are now owned outside of Northern Ireland and they have options to invest in other locations. Capital grant for all size of business is one way to ensure increased value for our primary producing farmers, as greater efficiency and productivity leads to increased profitability. It also helps ensure a positive economic development outcome that is consistent with the themes of the draft Programme for Government for Northern Ireland.
- 1.7 **Q13. What are your views on the provision of investment that is specifically targeted on innovation and that is aligned to other strategic objectives, notably environmental performance?**
- 1.8 Innovation in the agri food industry is vitally important and should not be just focused on environmental performance however important this is. Other major changes in the external environment include food security and climate change farm diversification and new farming techniques. Risk is an important feature of the innovation process and a higher risk threshold should be considered. Farms are functioning businesses and outputs and performance should be aligned to other NI business strategies i.e. Invest NI Business strategy.

**Comparison with other UK Regions consultation documents:**

- 1.9 Stakeholders in other UK regions have urged all four nations to work together to agree UK frameworks. It is noted that Northern Ireland can apply "*Regional discretion but without creating distortions*" and it would be important that, given that Northern Ireland currently has no sitting Government that policy decisions would reflect the general direction of the other regions.
- 1.10 Scotland uses its Food Processing, Marketing and Co-operation Scheme (FPMC) to support its food processors companies. This is currently funded from

the SRDP (Scottish Rural Development Programme). The scheme provides start-up grants for new businesses and development grants for existing food processing businesses. This includes capital grant for buildings and Plant Machinery and equipment and non-capital grant funding for market development and supply chain efficiency improvements. Since the launch of the scheme in 2015, a total of 99 applications have been awarded over £45m in funding. This is expected to lever almost £150m of private investment and create over 1000 FTE jobs with a further 5,500 safeguarded. Scotland's post Brexit consultation questions on this intervention (questions 33 & 34 page 25 of the consultation document [www.gov.scot/Publications/2018/06/2012](http://www.gov.scot/Publications/2018/06/2012) ) focus on how the scheme could be improved and simplified going forward. The Scottish Government is also keen to explore the potential of increasing the availability of capital support going forward, subject to budget availability.

- 1.11 The Agri-Food Strategy Board recommended that funding and grants percentage rates for the Agri-Food Processing and Marketing Grant (PMG) Programme and the European Fisheries Fund (EFF) Programme should be maximised within the EU rules for the agri-food sector and that these rates should be on a par with other UK Regional Development Agencies and the Republic of Ireland to ensure that Northern Ireland is not disadvantaged.
- 1.12 Outside the constraints of the CAP, the Welsh Government states that it will be able to provide a greater amount of capital investment that is targeted at improving the productivity and resilience along the supply chain. Increasing productivity does not mean increasing overall production. Instead support will be offered to help realise opportunities to reduce the unit cost of production, increase the value added to primary produce, thereby improving competitiveness in existing and new markets.

# LMC

## Livestock & Meat Commission

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10<sup>th</sup> October 2018

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### **NORTHERN IRELAND FUTURE AGRICULTURAL POLICY FRAMEWORK: STAKEHOLDER ENGAGEMENT**

The Livestock and Meat Commission (LMC) is an Executive Non-Departmental Public Body (NDPB) founded by Statute in 1967 under the Livestock Marketing Commission Act. The Department of Agriculture, Environment and Rural Affairs (DAERA) acts as the sponsor body for LMC. LMC's Mission is to support, examine and inform the development of the Northern Ireland beef and sheep meat industry. LMC wishes to make the following comments:

#### **Introduction**

The Northern Ireland Future Agriculture Policy Framework Stakeholder Engagement paper (the paper) comes at a critical time for the Northern Ireland (NI) beef and sheep industry. Future support payments must now support the industry in its position outside of the European Union (EU) after Brexit. The uncertainty that this change has created for the agriculture industry in NI adds significance to this particular stakeholder engagement.

The reliance on pillar 1 support for 83% of the cumulative total income of the agriculture industry demonstrates the potential impact on the industry if this income stream was to change significantly. The opportunity should be taken to reflect on where the industry is currently and how this budget could be used to strengthen the agriculture industry's position as a key contributor to economic growth, environmental sustainability and social fabric of NI.

It should be noted that the vast majority of active farmers in NI have spent their working lives with support from CAP. It is therefore vital that any changes to this arrangement are introduced at a pace that will allow managed transition and avoid financial shocks. One of the recommendations from a report<sup>1</sup> commissioned by LMC on behalf of the red meat industry in 2017 gauging the impact on the Northern Irish beef and sheep meat industry of moving from EU to World Trade Organization (WTO) trading conditions was that we should agree interim Single Market (EEA) and Customs Union membership for at least 5 years post-Brexit to negotiate the finer details of the eventual deal and develop the required infrastructure, with a mid-way review to examine whether enough progress has been made (e.g. technology to facilitate frictionless cross-border trade) to affect timeframes. It is LMC's view that this recommendation still holds true.

<sup>1</sup>[https://www.lmcni.com/site/wp-content/uploads/2017/09/LMC-Final-Report\\_31\\_Aug\\_17.pdf](https://www.lmcni.com/site/wp-content/uploads/2017/09/LMC-Final-Report_31_Aug_17.pdf)

Rules similar to EU state aid rules should be implemented across the UK territory post Brexit to avoid the potential for market distortions arising between the regions through negative or nationalistic promotion of one region's produce at the expense of another.

LMC notes the risk associated with the loss of access to market related measures such as Public Intervention Buying and Private Storage Aid for example. These are important measures and discussion is required on what government proposes to introduce as crisis measures in greater detail. It is LMC's view that current market transparency measures; price reporting and the EUROP carcass classification standards should be retained however the latter does not necessarily have to restrict the opportunity to use other methods for helping to determine the price paid for beef and / or lamb in the future (for example use of meat yield information from Video Imaging Analysis).

### **Budget**

The Department's objective to ensure that the share of the UK agricultural budget made available to Northern Ireland will reflect the current combined pillar 1 and pillar 2 budgets is supported by LMC and is critical to the viability of the agriculture industry going forward. The final budget will of course rely on the UK government maintaining agriculture's share of the overall UK budget and DAERA should seek to influence this where possible. The current budget may need to be increased if UK policies on trade for example expose the NI agriculture industry to increased competition from lower value imports or indeed hinder exports in the future.

## **Section 2**

### **2020 & 2021 Scheme Years**

The approach to maintain the status quo during the 2020 and 2021 scheme years is welcomed by LMC. This will avoid confusion and reduce the administrative cost associated with change. This time period could be used to implement strategic initiatives and investments (funded from outside of the agriculture policy budget) that will aid delivery of the desired outcomes referred to in the paper. Initiatives such as cattle EID for example could be fast tracked during this period and therefore assist with delivery of initiatives linked to the desired outcomes discussed later in the paper that will be introduced from 2021 and beyond. It is critical that support is directed both now and in the future to active and efficient farmers.

### **Section 3 and 4- 2021 & Beyond**

The UK consumer demands affordable, safe and high quality food. Without a support payment in place this will not be delivered from NI. It is critical that a budget commensurate with the current EU & UK budget for agriculture is secured. This budget should then be used to deliver the desired outcomes from the NI agriculture industry as noted in Section 3.1 of the paper:

1. Increased productivity
2. Improved resilience
3. Environmental Sustainability
4. Efficient, sustainable, competitive and responsive supply chain.

LMC believes that there should be two additional outcomes that should be delivered as a result of investment into outcomes 1 to 4 above:

5. Economic sustainability for the farm business- productivity can only be taken so far given biological, environmental and geographical limitations. To produce affordable food a business must be given the correct support to be profitable. Economic sustainability will encourage new entrants, inward investment and will contribute to thriving rural communities.
6. Social Sustainability-A thriving rural economy must be an outcome of new support arrangements. The ancillary rural businesses and communities that depend on a profitable agricultural industry are numerous and broad in scope.

It must also be recognised that food security is a public good and it is incumbent on government to secure the production base. The cattle and sheep industry is what stands between land abandonment and food production. Geo-political instability means that import focused trade agreements and a reliance on imported goods and services are short term solutions to a long term problem. A growing population must be fed and the government must take care not to depend on imported food when other global powers are strategically securing access to food supplies by investing in overseas production and processing operations.

#### ***Increased Productivity***

LMC supports the 4 broad policy instruments outlined in Section 4 and broadly agrees that these should all feature in the future of agricultural policy. This Section also importantly notes that the instruments required to increase productivity differ from sector to sector and it will be vital that more in depth consultation is completed to determine the needs of each sector.

As regards the 4 policy instruments outlined:

1. Science and innovation
2. Agriculture and education
3. Knowledge exchange
4. Investment and restructuring

Future policy should be informed by science. Health and education is also critical to the development of any industry. Innovation, knowledge exchange, investment and restructuring are all tools that can be employed to help improve productivity. Science, innovation and knowledge exchange can only go so far in achieving these desired outcomes. It is through enhanced knowledge and the adoption of technologies on farms that change will happen and positive outcomes will be delivered. In order to drive the desired outcomes the new policy framework should be designed to set a resilience baseline or basic payment for all active farmers. Farmers should then be incentivised through the new support system to embrace change, adopt new technologies and innovative practices. Industry and government could agree on the 'menu' of technologies linked to productivity. The technologies could be sector specific and / or linked to specific land types or environmental designations. Technologies could range from soil sampling to EID, genetic progress to animal health measures for example. Training and CPD measures could help deliver this behavioural change and drive adoption. The level of support may vary depending on the sector or the baseline could be altered to reflect the needs of a sector. The

suckler beef and sheep sectors are particularly vulnerable to withdrawal of support given their typical low levels of profitability and widespread location in marginal land areas. Consideration must be given to providing these sectors with additional support to ensure that our high quality beef and sheep primary industries are sustained.

Central to achieving the outcome of increased productivity will be establishing a baseline. Financial and performance benchmarking should be incentivised to help establish individual and national baselines to measure and progress outcomes. This could be implemented during the period of transition along with measures that may aid the collection of data such as EID.

A system that supports long land tenure arrangements should be considered to aid generational renewal and attract new entrants in to the industry. Fiscal incentives such as those introduced in ROI to encourage longer land tenure arrangements should also be explored.

## **Section 5**

### ***Resilience***

As mentioned previously, a basic resilience payment should be introduced and used as the building block for the new support system. This support can be augmented by supporting additional measures linked to the desired outcomes listed in Section 3. LMC supports the provision of a basic farm resilience support measure and supports the proposal that it should take account of issues such as natural disadvantage. Each sector may require a different basic level of resilience support. As previously mentioned, the suckler beef and sheep industries are particularly vulnerable sectors and consideration must be given to support levels for these farm types.

Industry schemes such as the Northern Ireland Farm Quality Assurance Scheme (NIBL FQAS) encourage compliance with legislation and deliver important outcomes for industry, in this case the beef and sheep industry. If members of such a scheme could benefit from meaningful earned recognition for delivering outcomes this could also reduce the need for and / or frequency of cross compliance checks.

LMC believes that there should be no upper cap or lower threshold on the basic resilience payment. The payment should be set at a level that does not distort the market. The focus should be on delivering the desired outcomes and this should be done by large and small farms alike.

Volatility should be managed at farm level and intervention measures reserved for crisis events.

More detail is required on what the government would propose to replace the market related measures such as Public Intervention Buying and Private Storage Aid with for example. Currently page 32 refers to government bringing forward 'appropriate measures' in the event of a crisis. These are important tools and should be discussed in greater detail.

## **Section 6**

### ***Environmental Measures***

The role of beef and sheep production systems in protecting the environment especially in the less favoured hill and upland areas should not be underestimated. Research has shown the importance of being able to graze both cattle and sheep to generate positive environmental outcomes; however this is a challenging objective when margins from primary livestock production remain low. A combination of direct support, agri-environment type schemes and the provision of payments for areas with natural disadvantages is required to ensure that farmers can continue to produce quality food and deliver high levels of environmental stewardship. In the absence of support payments to these vulnerable sectors production would decline and land abandonment would occur.

LMC is broadly supportive of the environmental principles as detailed in Section 6.1. Science driven policy making is critical to environmental sustainability. A shift towards outcome based environmental measures for agriculture is supported and is a positive development as farmers have an in depth understanding of the land under their management. Different land areas will require different solutions and farmers are well placed to identify the optimum solution that works for both agriculture and the environment. A move from income forgone to incentivised change is again a positive development. A similar approach could be taken to that mentioned previously to increase productivity whereby a baseline payment is made and additional support incentivises the delivery of positive environmental outcomes.

It is important that environmental measures do not become a barrier to delivering other strategic outcomes. There should be a genuine partnership approach in agreeing the target outcomes that does not restrict the growth and efficiency of the agricultural industry and respects the need for sustainable environmental protection.

## Section 7

### *Supply Chain Functionality*

Quality information is key to create an efficiently functioning supply chain. Benchmarking between farm businesses and at a national and international level is critical to increase supply chain competitiveness. Price reporting should continue as this aids transparency and accurate benchmarking at all levels. Carcase classification using the EUROP system is well established and understood. This transparency measure should continue as it provides consistent standards for comparison purposes. As to whether the industry chooses to pay for beef and lamb based solely on this system in the future is outside of the scope of this paper.

Support for supplier collaborations, supply chain integration and strategic initiatives to improve supply chain efficiency would be welcomed. Passing of information up and down the supply chain should be encouraged to ensure that primary producers are delivering the most appropriate raw material for domestic and export markets. If the supply chain requires a significant change in the type of raw material required, primary producers could be supported to change their business model to meet these demands.

### **Conclusion**

Policies must ensure that food support measures account for the cost of delivering animal welfare, social and environmental policies, allowing the Northern Ireland agri-food sector to

remain competitive, increase productivity and ultimately deliver affordable food to UK consumers. LMC supports the industry view that food security should be considered a public good and should be supported. Red meat in particular demonstrates the greatest need for support, no more so than in Northern Ireland.

Farmers play a critical role in delivering environmental goods. As custodians of the land, their knowledge should be used in a genuine partnership approach to deliver agreed environmental outcomes. Incentivised change will assist sustainable delivery of these outcomes and ensure that the natural landscape remains a place that the whole population and visitors alike can benefit from.

Northern Ireland's farmers can guarantee safe, traceable and environmentally sustainable beef and lamb of unrivalled quality provided that the correct food support measures are implemented to maintain a technically efficient and skilled primary production base. Trade and environmental policies must then align to support the efficient production of raw material that is required to supply key markets.

I trust that these comments will be considered fully as part of this stakeholder engagement process.

Yours sincerely

GERARD McGIVERN  
Chairman  
Livestock and Meat Commission (NI)