



Northern Ireland Future Agricultural Policy Framework

General comments

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

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

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

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

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

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

Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement - Questions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

N/A

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

N/A

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

N/A

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

N/A

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

N/A

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