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## FROM THE PRESIDENT

Policy and Economics Division  
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Room 361A  
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22<sup>nd</sup> April 2016

Dear Sir/Madam

### **DARD Consultations**

Thank you for the opportunity to comment on the DARD consultations; Options for Future Support to Areas of Natural Constraint and the Designation of Areas of Natural Constraint. The Ulster Farmers' Union (UFU) is the largest farming organisation in Northern Ireland representing over 11,500 farming families. We have taken the time to carefully consider the information presented in the consultations and we would ask that you carefully take into consideration the following views:

#### **Options for Future Support to Areas of Natural Constraint**

Support payments in Northern Ireland for severely disadvantaged land have been in place for a considerable period of time and have traditionally been recognised as an important mechanism to address natural disadvantages, whether that be in relation to the regional climate, soil or landscape. While the ANC scheme may now be considered by the Commission as purely an income support measure, the reality is this scheme represents more than just economic support and has more in common with its predecessor, the LFACA scheme, which objectives focused on the three pillars of sustainability. The economy, the environment and maintaining a healthy rural society.

In terms of income, this support has undoubtedly been invaluable in helping to address the natural constraints which have been demonstrated to have a significant economic impact on farms in severely disadvantaged areas. The statistics in the consultation document clearly highlight this with severely disadvantaged farms being on average £114/ha worse off in their farm business income compared with the lowland. And while the statistics DARD has presented demonstrate that in the period to 2021, direct support targeted towards severely disadvantaged areas will increase, for many farms who have historically been productive, the likelihood is they will face a considerable drop in their income when faced with losses to basic payments, ANC payments and agri-environment payments.

While supporting low income has always been a priority for schemes targeting severely disadvantaged land, it is also important that we acknowledge that most farms in these areas have little or no alternative as regards the enterprise they choose. This is reflected by the fact that primary beef and sheep production is heavily concentrated in these areas. Given that low income from beef and sheep production could at this stage be considered almost an occurrence, while alternative enterprise options are limited, this sets a solid base for arguing that additional support to areas of natural constraint must continue.

The environmental benefits of schemes targeted towards severely disadvantaged areas, whether that be LFACA or ANC, cannot be dismissed either. The Commission may at this stage argue that the ANC scheme is strictly to support income, but the reality is both the last two schemes in Northern Ireland are broadly similar and both have had a positive impact on the environment. The importance of grazing livestock and land management by farmers in these areas cannot be underestimated. Numerous studies have demonstrated that grazing livestock in hill areas has a positive influence on biodiversity and the landscape while also reducing the prevalence of invasive species. This is ably assisted by ensuring that monies from these schemes are targeted to those that are actively farming and managing livestock. Without these schemes and the minimum stocking rates, it would be our concern that land abandonment would increase, particularly in the more isolated areas of Northern Ireland. This certainly would not be advantageous to Northern Ireland's environmental objectives, nor to our growing tourist industry which is heavily dependent on the land management skills of local farmers.

Coupled with this is our concern that there has been a significant reduction in funding targeted towards agri-environment schemes. Where in previous years we would have seen in excess of £30m/per annum targeted towards agri-environment schemes, this will reduce to £10.7m in 2016/17 and £2.9m the following year, before funds will expire for the current schemes by 2020. DARD may argue that this funding is not income support, rather cost incurred and income foregone. However we would argue that this was annual income for many farms across all land types and the removal of this has been sorely missed. The extent of this is highlighted in our attached graph, which if taken back to the peak years of 2012/13 of agri-environment participation we suspect would show even greater losses to local farms. DARD must formally recognise this in any bid for future funds.

Taking all of this into account the Ulster Farmers' Union views the continuation of an ANC Scheme as an important element in maintaining primary production in severely disadvantaged areas. This support has proved invaluable in the past in helping to support sectors with low income while also demonstrating wider benefits for the environment and rural society. It has also been delivered at a low administration cost to DARD in comparison to agri-environment schemes which have become overly bureaucratic and in some cases unworkable for farmers. In the most basic terms, it represents good value for money for all involved.

We have extensively considered all of the options within the consultation. There is absolutely no desire to seek funding from Pillar 1 to continue an ANC scheme, especially at a time when the entire industry is experiencing a considerable downturn in farm income. **The only option within the consultation that we are in favour of is option 5a, 'an ANC scheme in Pillar II funded by an additional £20m per annum from the NI Executive.**

It should be noted that this consultation has not been straightforward, especially with limited detail on the proposed Environmental Farming Scheme. The reluctance of DARD to speak to stakeholders about this agri-environment scheme is something our members find deeply concerning, especially as it was perceived almost 2 years ago that there was good progress being made in drawing up a new scheme. It is important that DARD informs stakeholders of the latest proposals with the Environmental Farming Scheme as soon as possible.

## **Consultation on Designation of Areas of Natural Constraint**

Articles 31 and 32 of EU regulation 1305/2013 clearly explain that payments to farmers in mountainous areas and other areas with specific constraints shall be granted annually in order to compensate farmers for all or part of the additional costs and income forgone related to the constraints for agricultural production in the areas concerned. As we have outlined in our consultation response on options for future ANC support, we are of the view that the ANC scheme should continue post 2017 to ensure that farms that are naturally constrained continue to remain viable.

In order to be able to allocate funds to areas of natural constraint, Northern Ireland must designate the ANC by January 2018. However having carefully considered the ANC designation consultation we are concerned that the maps DARD has proposed will not be suitable for targeting funding to those farmers who are genuinely naturally constrained. This is because significant parcels of severely disadvantaged land have been left out of the draft areas of natural constraint maps, while some areas of DA/lowland have been included.

DARD has already indicated that it will be unlikely that specific sectors can be targeted in any new ANC scheme. In this sense it would be wrong that sizeable areas of DA/lowland would become eligible for support, while a significant number of producers farming genuine severely disadvantaged land would not, simply because they are not in the ANC. With these concerns established we do not believe it is feasible for any of the relevant stakeholders to this consultation to support any of the draft maps DARD has proposed when viewing this from an overall Northern Ireland perspective.

The UFU has long held the view that it is not appropriate for the Commission to set regulations which take a one size fits all approach for all EU Member States. This is particularly the case with the designation of areas of natural constraint where the severely disadvantaged land in the UK and RoI is a polar opposite to that in other parts of Europe, particularly those in southern Europe. As DARD has demonstrated in the consultation document by using their interpretation of regulation 1305/2013, these one size fits all criteria do not provide for a truly representative area of natural constraint.

As a membership organisation we cannot accept a designation which is going to disadvantage our members and we would insist that DARD does everything in its power to ensure that the new designation accurately reflects the current severely disadvantaged areas. The existing map has served Northern Ireland well over the past forty years and is widely acknowledged as being a true reflection of areas of natural constraint. Indeed our members believe the current severely disadvantaged areas map should at least hold equivalence with the local administrative units.

If the UK maintains its position within the EU, it is probable that these maps will be expected to stand the test of time and from this point of view DARD has a responsibility to ensure that these maps will be credible and stand up to scrutiny in the future.

I trust you will take our comments into consideration and I look forward to your response in due course.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Barclay Bell', written in a cursive style.

**BARCLAY BELL**

