

**PRESIDENT'S REPORT
UFU EXECUTIVE COMMITTEE
WEDNESDAY 27 MAY 2015**

COM-02116



It has been nine weeks since our last Executive meeting and during that time there have been many ongoing and new issues which the Union has had to deal with.

SECTORAL ISSUES

- **General**

- Exchange rate/ weather

The past few months have proven to be challenging for virtually all production sectors of our industry due to the continuing exchange rate weakness of the euro against sterling and also the relatively poor weather conditions.

- Fertiliser Costs

- The high cost of fertiliser despite the recent softening of prices, continues to have a damaging impact on farm incomes.
- More concerning however is the lack of legitimate reasons for the high prices particularly against a background of global energy price reductions which is the main cost in fertiliser production.
- The Union recently participated in a major International Fertiliser conference hosted by the IFA and we welcome that the EU's Agriculture Commissioner has already raised the lack of competition in the fertiliser market with his completion colleague.
- This situation will continue to be closely monitored.

- **Lamb**

- Serious price difficulties have been experienced locally over the past couple of months with both hogget and spring lamb prices falling sharply.
- While there were several mitigating factors, the Union considered that Processors were using recently introduced wider EU 'country of origin' labelling laws as an excuse to add further uncertainty and negativity to the market.
- The Union raised this directly with the DARD Minister, the Irish Farmers' Association and some of our local MEPs and we also held meetings with NIMEA, local retailers, and the Food Standards Agency to address this labelling issue, the adverse trade impact which it was having, and the growing producer price differentials between here and both ROI and GB.
- We welcomed the constructive discussions on 'voluntary' labelling between the DARD minister and ROI Minister for Agriculture but now understand that he has ruled out the introduction of an all-island sheep meat label on the basis that it will take time for the true market picture to become clearer.
- The Union will continue to closely monitor both trade and the wider labelling rules implementation over the next few weeks.

- **Dairy**

- The Union were represented earlier this month at meetings of the EU's COPA Working Group and Commissions Civil Dialogue Group on Dairying at which it was clear that many of the EU Commissions key decision makers are failing to grasp the extent of the difficulties with farm gate prices still stuck below production costs in many EU Member States which could remain for some time yet.
- One of the critical issues going forward, particularly give the recent abolition of EU milk quotas, is the need to provide options to help address producer price 'volatility' including the introduction of a much more realistic intervention safety net baseline at an EU level which the Union will continue to pursue.

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- Meetings were also held during Balmoral Show with four local dairy processors to discuss concerns relating to the current state of the local milk industry and a meeting is also planned with the IFA's Dairy Officeholders for the end of next week.
- **Pigs**
 - The Union remains concerned at the continuation of poor prices for pigs locally and held a follow-up meeting, along with the Ulster Pork and Bacon Forum, with BPEX to further progress the production of an NI Pig Pricing Report service similar to the All Pig Price (APP) produced weekly for GB by BPEX.
 - Disease prevention and control is also a major issue within the NI pig industry at present with the UFU participating in meetings both locally and with IFA to take a more proactive approach to pig diseases, particularly Porcine Epidemic Diarrhoea (PED) which has not yet arrived here.
 - Progress is also being made, although much slower than liked, on the introduction of an NI Boar DNA database which will allow the integrity of locally labelled pork and bacon products to be validated.
- **Cattle**
 - A satisfactory outcome on the issue of cattle identification cross compliance has not yet been secured and a UFU delegation recently provided oral evidence to the NI Assembly's Agriculture Committee to reiterate our ongoing concerns on DARD's unreasonable approach to this issue with a view to obtaining their further support to have a much more pragmatic approach taken.
 - The cattle 'genomics' initiative being taken forward by the Agri-Food Strategy Board has been further progressed with some industry organisations, including the UFU, providing significant direct funding to develop a business case to leverage substantial financial resources from Government locally to introduce and deliver a meaningful scheme in Northern Ireland for both the beef and dairy sectors.
 - The current situation in the beef market was also discussed during our recent meeting with four of the main local retailers and NIMEA.
- **Arable**
 - Potato industry representatives, supported by the UFU, DARD and more recently the DARD Minister continue to work together to develop and implement a high profile generic potato promotion campaign locally later this year with significant funding expected to be secured soon to facilitate this.
 - A delegation of leaders from the Agriculture and Horticulture Development Board (AHDB) and the Home Grown Cereals Authority (HGCA) visited NI recently and held meetings with UFU, Ulster Arable Society and DARD representatives to discuss various current and possible future initiatives.
 - The UFU has also just officially launched our 2015 Cereals Competition covering four categories which follow on from the very successful competition held in 2014.

CAP IMPLEMENTATION

- **2015 SAF Applications**
 - By the deadline of 15th May there were approximately 27,000 applications for the 2015 Basic Payment and integral Greening Schemes this compares to around 38,000 in 2013 and 32,000 in 2014. There were just over 2,200 Young Farmers Top-Up applicants and around 1,900 applications for the Regional Reserve.
 - Overall, the decision not to extend the application deadline in Northern Ireland provided to be the right one although there were particular practical difficulties associated with the online system which the Union raised with DARD as soon as they occurred.

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- The Union did however press DARD in several meetings over the past few months for both a simplified declaration process for the SAF4 and associated map requirements for 'greening' and also an extension to the application deadline for the submission of this relevant information (up to 1st June 2015) both of which were ultimately delivered despite initial views from DARD to the contrary.
- The under declaration of eligible land also proved to be an area of concern and the Union was given assurances from DARD during a meeting that a sympathetic approach would be taken by them provided a realistic attempt was made when declaring eligible land. We also asked that DARD consider adopting a more flexible pro-rata approach in future to field eligibility declarations similar to that which ROI recently secured from the EU Commission.
- We would particularly like to pay tribute to the UFU's Technical Team who provided advice and assistance to so many of the Union's members during the application period.

- **2015 SFP Payments**

- Now that the application period has closed, the Union's focus has already turned to the necessary processing of all of the applications for the associated schemes to ensure that this is all completed in time to allow for the commencement of payment at the opening of the EU payment window at the beginning of December.
- While it is essential that there is an efficient processing system for these applications, it is also critical that it is sufficiently robust to prevent against artificially created conditions and ensure that only genuine cases are supported.
- Although early payment in full is our major objective, the four main UK Farming Unions have already made calls on the UK's Agriculture Departments to plan for making part payments to all claimants if necessary.
- A memo from the NI Finance Minister leaked at the end of last week suggesting that EU Farm Payments could technically not be made as part of the fallout if a local deal was not reached on Welfare Reform, as well as the already concerning issue on the operation of the 'Universal Credit' system to be introduced, was clarified by the DARD Minister who publically assured farmers that these payments can and will be made. The Union has been in contact with representatives from both sides of this debate and while there is technical, legal justification in support of both positions, we are satisfied that a way will be found which ensures that these payment will be made.

- **Simplification**

- This was one of the major issues which we raised directly with Commissioner Hogan during his visit to Northern Ireland at the end of March.
- We are pleased that at this early stage and despite the fact that the Commissioner 'inherited' the present CAP system, he has already outlined his first set of amendments to the CAP rules as part of his simplification agenda.
- In particular, we welcome his emphasis on: making EU legislation easier to understand and implement on the ground; reducing the administrative burden and associated costs for farmers; and crucially both revising the control penalty system for cross – compliance to make it more proportionate and also to explore the possibility to allow payments, including advance payments, after the completion of administrative checks.
- These are all major issues which we have been lobbying to secure for some considerable time and would be particularly important for farmers.
- The Union is also presently considering the possibility of taking a Judicial Review to differentiate more clearly on the definitions of 'intent' and 'negligence' in relation to the application of cross-compliance penalties.

- **NI Rural Development Programme**

- Yesterday a further 24 RDP's were approved by the EU Commission.
- 67, including the Northern Ireland programme, have yet to be approved.
- Dard is still actively negotiating on the EU's initial queries and are also working in parallel with our Department of Finance to finalise the proposed measures.
- We have not yet received a 'letter of comfort' from the Commission but expect to do so within the next few weeks and likely to have our RDP formally adopted before the EU summer break in late July.

DARD BUDGET

- A few weeks ago we held a meeting with senior DARD officials to discuss the likely impact of their budget cuts this year but at that time their detailed proposals had not been finalised.
- However, information is now emerging particularly within DARD's Service Delivery Group, on where these 10% staffing cuts are expected and a further meeting with DARD is to be held soon.
- Additional cuts are also anticipated for the next few years and DARD has indicated that it intends to discuss possible options later this autumn.
- The Union's position remains to protect funding targeted directly at farmers and front-line services although given the scale of the expected cuts, future spending by DARD will most likely have to be prioritised.

YOUNG FARMERS

- At the beginning of April the Union's Presidential Team and Policy Director held a very constructive meeting with the YFCU's Rural Affairs Group to discuss a wide range of issues.
- While CAP implementation, particularly the Young Farmers Top-up and Regional Reserve Support for Young Farmers and new entrants, were high on the agenda, other areas covered included farm safety, sectoral issues, and investment opportunities and future prospects for the younger generation.
- This was extremely useful and we intend to hold a further similar meeting before the summer break.

ANIMAL HEALTH

- **Brucellosis**

- The Union submitted its response to DARD at the end of last month on proposals for a revised Brucellosis testing regime should Northern Ireland obtain Officially Brucellosis Free (OBF) status this year.
- In our response, we supported a proportionate relaxation of the existing controls which offers the best balance between addressing the level of risk of an outbreak remaining undetected and achieving a proportionate saving to both farmers and taxpayers.
- We agreed that the removal of pre-movement testing should be considered as an early stage and that biennial testing should be extended to all beef herds in advance of NI obtaining OBF status.

- **BVD**

Although progress has been frustratingly slow on introducing compulsory testing in NI for BVD, we have been working on this issue and are optimistic that an announcement will be made by the DARD Minister introducing this later this year.

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- **Wildlife Test, Vaccinate or Remove (TVR) Project**

- UFU represented at meeting held last night in Banbridge at which DARD outlined progress plans to take this project forward.
- First year went smoothly and received huge support from farmers/landowners in the two pilot areas.
- This year's phase will begin in the third week of June and will run until the end of October.

- **AFBI Diagnostic Charging**

- The Union met with AFBI's Veterinary Division at the beginning of April following its introduction of price increases of up to 30% for some diagnostic work (post – mortems mainly) although little could be done about this as it arose from increased budgetary pressures.

ENVIRONMENT

- **UFU/NIEA Memorandum of Understanding**

- The Union met with the NI Environment Minister last week to progress this issue and despite frustrating delays over the past few months, there is a genuine willingness on behalf of the DOE Minister and NIEA to see this document signed off in the near future.
- In the meantime there are several actions which will be carried out by NIEA including a minimum inspection notice period of seven days to allow time for the farmer to seek assistance and also ensuring that their staff obtain permission before entering a farmyard provided it does not compromise the purpose of the visit.

- **Nitrates Derogation**

- The Union has recently issued several reminders to farmers that they have until the 31st May 2015 to apply for a higher nitrogen loading of up to 250kg/N/HA/YR under the derogation.
- Due to the complexities of the new Basic Payment Scheme, many farmers could have found changes to the land parcels which they are farming this year which may mean that they could find themselves over the 170kg/N/ha/yr for the first time and therefore may wish to consider applying for a derogation to ensure compliance with the Nitrate rules.

- **GM Feed**

- The Union, like other EU Farming Organisations, was extremely concerned at the recent EU Commission proposals which attempts to re-nationalise market authorisations of GM crops for food and feed use.
- If introduced, this would not only create substantial trade and control difficulties but would also push-up costs and damage competitiveness across the whole supply chain which would adversely impact on the pig and poultry sectors in particular.
- The UFU continues to monitor this situation closely and along with COPA; the EU farming umbrella organisation will be urging the EU Commission to reconsider its proposal.

FARM SAFETY

- **GAA**

- Following a previous meeting with the GAA, the Union is pleased that they have come on board with the campaign to promote safety on farms by sporting the 'farm safety' message on the jerseys of the Donegal team during their televised match against Tyrone a few weeks ago and by also proposing to include farm safety adverts in their match programmes with more opportunities to promote the farm safe message also under active consideration.

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- **Schools Competition**

- The Union were delighted at the number and standard of entries for this year's Musgrave/UFU Schools Competition which this year had two themes of 'Farm Safety' and the 'Seasons of Farming'.
- We were also pleased to be able to display 'Sally – the Farm Safety Cow' created by the category winners from Woods Primary School from Magherafelt on our stand at Balmoral Show a few weeks ago.

- **Fire Brigade Service Reduction**

- Last week the UFU met with representatives of the Fire Brigades Union and John McAllister MLA to discuss the potential effects on rural committees as a result of budget cuts of 5.5% over the next 12 months following total additional cuts of 12% over the past 5 years.
- There is concern that the non-statutory services they provide of both water rescue and animal rescue will be significantly impacted and that the removal of the large animal rescue service in particular could well mean that farmers are more exposed to the dangers of slurry tanks when animals fall into them.
- While we all recognise the extent of the budgetary pressure, and the need for reform, we have called upon our new Health Minister to encourage creative and long-term efficiency measures rather than simple cost cutting.

- **Embrace Farm Accident Remembrance Service**

- UFU members are invited to attend this year's service which will be held in Abbeyleix, Co. Laois on Sunday 28th June at 2pm.
- This Service has been held previously and is intended to bring together the farming community to support those who have lost loved ones in farming accidents.

- **Rural Support**

- The UFU will join Rural Support in their 'Wellies to Work' campaign to be held on Friday 5th June which is intended to raise awareness of the charity and the service that they offer.
- We were also pleased to have raised £2000 for Rural Support at our Annual Dinner at the end of March.

RENEWABLES

- The Union met with Land and Property Services (LPS) in April to discuss the increased rates bills being issued to small scale (>50kw) renewable electricity generators as a consequence of the Rates Revaluation process (Reval 2015) which has seen sweeping changes to commercial rates throughout NI.
- We have already written to the NI Finance Minister outlining our serious concerns and seeking clarification on the 'Appeals' process and also encouraging the introduction of a Renewable Energy Generation Rates Relief Scheme (REGRR) similar to that which has been operative in Scotland since 2010.
- In the meantime, the Union has advised anyone affected to appeal through the statutory process but to also reach agreement with LPS on arranging monthly payments.

RURAL CRIME

- UFU representatives attended the Nation Rural Crime Seminar held in Birmingham last month which focused on highlighting areas of good practice in respect of education, prevention, detection and prosecution alongside the important role that modern technology can play.
- The Union is also presently collating information which we intend to use from a recent survey which we conducted into seeking the views of the farming community on how best to combat livestock theft both

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in terms of what measures they are currently using and how much they would be willing to spend to mitigate the risk of livestock theft.

RURAL SERVICES

- **GP Services**

The Union met with the NI Health Minister back in January to highlight our concerns on GP provision and the lack of out-of-hours services and we therefore welcomed the announcement which he made at the beginning of April that £15m was to be invested in GP Services, including £3.1m specifically for the out-of hours service to provide a realistic alternative to hospital A&E services, although we will continue to monitor developments in the NI Health Service closely.

- **Water Charges**

- The Union was very disappointed at NI Water's decision to increase its non-domestic water and sewage charges by an average of 2.4% in 2015/16.
- Our position remains that it is unfair that metered users, including farmer, should be forced to carry the burden of water charges for the whole of Northern Ireland and that universal metering should be introduced to encourage responsible water usage by all and help generate much needed funds for NI Water.

UFU COMMUNICATIONS

- The Union was pleased to announce a few weeks ago that Richard Wright has begun a consultee contract with the UFU and will be offering his help and guidance on the Union's public relations and communications.
- The Union is already working closely and constructively with the two new BBCNI agriculture and environment team members and we look forward to these relationships developing further.
- We also launched our newly re-designed website at the start of May which has been given a complete overhaul with the aim of making it easier to use and the information more accessible and we would encourage all members to take some time and have a look at the new site.

BALMORAL SHOW

- The Union was very pleased with the response from the farming community at this year's Balmoral Show which, as ever, provides a great opportunity for us to meet with our members and to discuss issues that might be concerning them.