

**PRESIDENT'S REPORT
UFU EXECUTIVE COMMITTEE
WEDNESDAY 25 FEBRUARY 2015**

COM-02129



It has only been four weeks since our last Executive meeting but during that time the Union has been involved in many areas related to our industry.

SECTORAL ISSUES

• General

- Unsurprisingly the figures released at the end of last month showed that NI's farm income figures were down by 16% in 2014 with challenging conditions experienced by virtually all sectors which was compounded by a weak Euro which reduced our 2014 Single Farm Payment total by £20 million although SFP still made up 87% of our total farm income figure.
- On a more positive note, we were pleased that the UK Parliament has at long last tabled legislation to grant powers to the UK's Groceries Code Adjudicator to fine supermarkets that breach the Groceries Code up to 1% of turnover which will come into force on 6 April this year if approved. Despite this, the UFU will continue to press for both the extension of the GCA's investigative powers to cover primary producers as well as direct retail suppliers and also that it should have the ability to launch investigations as well as responding to complaints. We were also encouraged that the GCA has recently decided to investigate Tesco with particular focus on payment delays and payments for the better positioning of goods.
- The Union was also involved recently in UK Government/industry discussions on the implementation of EU required origin labelling changes for poultry, pig and sheep meat, similar to that which is already in place for beef, which is due to come into force from 1 April this year. We have asked that FSANI hold similar discussions locally to both clarify and progress this here.
- UFU representatives also met recently with Peter Kennedy M&S Agriculture Manager - Poultry, Pork and Eggs to discuss a range of issues including, their sourcing policies, future prospects, retailer relationships and supply chain issues.

• Potatoes/Vegetables

- Although the Union has been fully aware since the reformed CAP agreement was reached by the EU in June 2013 that the requirements around active farmer and the establishment of new entitlements were likely to have a detrimental impact on land availability for many farm businesses, serious difficulties have recently emerged for potato and vegetable growers in particular given their reliance for 'clean parcels of land' to grow their crops.
- The Union's main solution from the very outset was to rebase entitlements but use an historic reference year like 2013 for the definition of an 'active farmer', which would have prevented the creation of artificial conditions, but disappointingly, despite a joint UFU/DARD constructive meeting with the EU Agriculture Commissioner and his senior officials in the autumn of 2013, DARD subsequently ignored our advice and opted for a future date.
- When this opportunity was missed we subsequently engaged with other relevant local industry organisations and jointly approached DARD to ask that something be put in place which would allow potato and vegetable growers to access land while enabling the active landowner to establish entitlements on that land but again, despite several meetings with DARD and having also raised this directly with the DARD Minister, there have been neither assurances nor an ideal solution from them in relation to this complex problem.
- A few weeks ago the Union met with both Margaret Ritchie MP, a member of the EFRA Committee in Westminster, and some of our local MLAs and last week held a meeting for affected potato and vegetable growers with the two NI members of the European Parliament's Agriculture Committee, Diane Dodds and Jim Nicholson, to ensure that they have a full understanding of the extent of these difficulties and also to seek their assistance at a European level in an attempt to obtain a meaningful solution.

- At this stage the Union is continuing to develop a case and is in contact with the wider potato/vegetable industry to assist in doing this with a view to a potential meeting facilitated by these MEPs with relevant EU Commission officials over the next few weeks.

- **Pigs**

- With the ongoing serious difficulties being experienced by local pig producers, this has been a particularly busy area of activity for the Union over the past few weeks.
- Important meetings with: the British Pigs Executive (BPEX); the NI Assembly's Agriculture Committee; and the Cookstown based pigmeat processor Karro have already taken place and a further meeting with the other major NI pigmeat processor – Dunbia - is also being organised.
- All of these meetings have been constructive and many relevant current issues including: the growing NI/GB pig price differential; improved price transparency; the communication of market needs; recommendations from the Agrifood Strategy Board; possible export opportunities; product labelling and DNA testing; and pig diseases and biosecurity have all been discussed.
- The Union has also welcomed the EU Commission's decision taken at the beginning of this week to introduce Private Storage Aid for pigmeat in order to ease pressure on the EU pigmeat market and will formally be opened next week.

- **Dairy**

- Cautious optimism is returning to the dairy industry following a steady firming of world market conditions particularly over the last two to three weeks although locally producer prices still remain significantly below production costs.
- The Union is continuing with our ongoing meetings with political representatives and recently met with our two local EU Parliament Agriculture Committee members, NI's EFRA Committee member Margaret Ritchie, and local MLAs to press for a review of the EU's pricing mechanism for intervention.
- Further meetings with both EU Commission officials and the DEFRA Agriculture Minister – George Eustace on EU intervention support and measures to offset price volatility are also to be held and in a few weeks time the Union will also be participating in the official launch of the recently concluded UK dairy industry report produced by the All-Party Group in Westminster EFRA Committee.
- The Union has also been involved in a recent discussion with the Dairy Council for NI on dairy promotional programmes in Northern Ireland.
- There have also been mixed announcements at an EU level this week with the Commission allowing producers in Member States which will be over quota this year to pay their super-levy fines over a three-year period interest free although the Member State must pay the total fine as normal and also the release of the EP Draft Report on Prospects for the EU Dairy Sector produced by local MEP Jim Nicholson which is broadly positive and in particular calls on the EU Commission to implement more responsive and realistic safety net provisions and for the intervention price to be more reflective of production costs and adapted as the market changes.

- **Beef/Sheep**

- The Union continues to press for the development of export markets and met last week with Invest NI following previous meetings with DARD, LMC and NIMEA. Similar to the recent success of the RoI in reaching agreement to recommence exports to both the USA and China, NI is also working to access these and other markets with US Inspectors possibly visiting Northern Ireland in the next few months and an NI Trade Mission planned for the Phillipine's in March. Invest NI has also opened two new offices in China in the past year which remains a key longer-term objective.
- The spotlight has also turned on the FQAS Beef & Lamb Scheme with the Union presently involved in discussions with other local and UK industry organisations on both the expected future funding shortfall of this Scheme in Northern Ireland and the proposal by Red Tractor for the introduction of 'lifetime assurance';

EX 02/15

- UFU Beef & Lamb and Hill Farming representatives also participated at the beginning of this month in a meeting with the other UK and Irish Farm Unions at which a wide range of relevant beef and sheep industry issues were covered.
- The Union attended a UK Government/industry meeting a few weeks ago with the objective of reforming the existing EU rules for TSE's and carcase splitting which are estimated to currently be costing the UK's sheep industry around £23 million per year. It was pleasing that both Government and industry agreed to seek changes to these EU requirements whereby sheep will only be 'mouthed' for age and the carcase split after the 30th June in the year after birth which if agreed would result in very substantial cost savings.
- Application forms have been issued by DARD to approximately 7,500 possible claimants for the £2.1 million 2015 Transitional Payment for Disadvantaged Areas (TPDA) Scheme. The Union were centrally involved in ensuring that what could have been a complicated application process was made as simple as possible and has also been encouraging eligible farmers to submit their applications well in advance of the 13 March deadline.

• Poultry

- At the beginning of this month an Avian Flu outbreak was again confirmed in England. Fortunately this was a low Pathogenic strain but the Union still encouraged all poultry producers to remain vigilant and adhere to the additional consequential measures introduced by DARD. While we are pleased that there were no further cases and the restrictions on the original holding have since been removed, the possible threat from this serious notifiable poultry disease remains.

CAP

• Reform Implementation

- The Union continues to be involved with DARD in the roll-out of the reformed CAP. Very recent issues covered included: Guidance booklets and 'Questions and Answers' for the 2015 Single Application Form; Young Farmers Scheme; Regional Reserve; Private Contract Clause; and Land Eligibility. A significant amount of work, particularly around the Greening rules, does however still remain and the Union is pressing to have this progressed urgently.
- As discussed at our last Executive meeting, the Union are closely monitoring developments in the RoI on the issue of possible support from 'old' Young Farmers and have discussed this issue directly with both the IFA and our two EP Agriculture Committee MEPs.
- DARD will be holding a series of six associated information road-shows throughout Northern Ireland during March.

• Simplification

- The Union has submitted our comments as part of the EU-wide CAP simplification initiative being taken by the European Agriculture Commissioner. Crucial principles raised by the Union included: tolerance levels; an 'early warning' system; proportionate penalties; inspection levels; mapping; active farmer; greening; and insufficient information availability. Specific environmental and cattle ID examples were also given. It is understood that this crucial issue is to be discussed at the EU's Agriculture Council in March.

FARM BUSINESS INVESTMENT SCHEME- Whole Farm Needs Analysis (WFNA)

- This is being presented to the NI Assembly ARD Committee on Tue 3rd March and the WFNA will be launched soon after that. It will go on-line but will be voluntary to complete.
- The results from the WFNA will be used to design any future grant scheme so it is important that it reflects the situation in the industry as far as possible. The closing date for submission of the WFNA

will be Friday 3rd April 2015. When the WFNA is launched, there will also be a list of FAQ's on the website as well as some help text on the form.

RESEARCH & DEVELOPMENT

- **AgriSearch**
 - Since its establishment in 1997, AgriSearch has now consolidated its position and is widely recognised by the industry, Government and the science community not only within Northern Ireland but also further afield.
 - However, AgriSearch has now come to a crossroads in its existence, and faces both significant challenges and opportunities.
 - Against this background the AgriSearch Trustees are presently considering several options for the future direction of the organisation.
 - The Union intends to hold a meeting with AgriSearch for the Officeholders from our relevant Policy Committees to discuss these options more fully.
- **AFBI**
 - The recently announced DARD Budget cuts will have a very significant adverse impact on AFBI if implemented as proposed.
 - The Union met recently with the AFBI Board and against the background of a difficult economic climate, we clearly emphasised the importance of continued and even enhanced research levels to help deliver on the AFSB's Going for Growth Strategy but also stressed the need for better re-engagement by AFBI with the industry and improved internal efficiencies which focussed on delivery rather than facilities.
 - While we understand that no firm decisions have yet been taken by either AFBI or DARD, we are aware that information is beginning to emerge on likely options that are being considered – the main one at this stage is the possible closure of the Crossnacreevy Research Station.
 - The Union will continue to monitor any developments closely.

ENVIRONMENT

- **UFU/NIEA Memorandum Of Understanding (MOU)**
 - The UFU has met with NIEA on several occasions over the past few weeks to discuss this MOU that is being developed between the two organisations to improve how NIEA operate on the ground with farmers but also lead to environmental improvements.
 - Progress has been made and the Union's Environment Committee discussed this at their meeting earlier this week with the plan to finalise and launch it along with the NI Environment Minister in early March.
 - An outline will now be given of this draft agreement.
- **Nitrates Guidance**
 - UFU Environment representatives continue to attend meetings with NIEA/DARD/DOE and other stakeholders to discuss the Nitrates Guidance Booklet which is being updated to take account of recent changes to the Regulations.
 - A hard copy of the summary of the new Regulations, which is already available on DARD's website, will be posted out to all farmers soon with the full Guidance available around April.
 - Farmers are also reminded that the date for derogation applications and the submission of Fertilisation Accounts is 1 March 2015.
- **Hedge Cutting Derogation**
 - DARD have met separately with the UFU, RSPB and NI Environment Link to discuss a possible derogation to the hedge cutting closed period.

EX 02/15

- The UFU have been seeking this for some time and would be particularly keen to secure a derogation to allow hedges to be trimmed under specific conditions in August.
- We are reasonably optimistic that progress can be made and we are expecting a formal response from DARD soon.

ANIMAL HEALTH

- **Welfare of Animals Presented for Slaughter**
 - The Union continues to progress this issue particularly in relation to an apparent increased number of prosecutions and also inconsistency in interpretation of the requirements.
 - We have written to and received a response from DARD's Chief Veterinary Officer and now intend to follow this up with a meeting with him which we hope will be held soon.
- **Bovine TB Independent Strategic Partnership Review**
 - Following the UFU's written submission to the Independent Strategic Partnership Group, a meeting with this Group is to be held on 10 March at which the Union will be able to provide more detail on our views.
- **Brucellosis**
 - On 28 February, it will have been three full years since the last officially confirmed case of Brucellosis in Northern Ireland.
 - DARD intend to apply to the EU Commission immediately after this date has passed for recognition of Official Brucellosis Free (OBF) Status for Northern Ireland and also intend to issue a consultation in the near future on possible further control relaxation options in addition to those which have already been implemented for pre-movement testing.

FARM SAFETY

- A further meeting of the Farm Safety Partnership (FSP) was held a few weeks ago with progress being made on: a new advertising campaign; research development; an International Safety Week and; a Farm Safe Affiliate Scheme.
- The Union is also encouraging the 8,000 randomly selected farm businesses to complete and return the recently issued voluntary FSP Survey which is confidential and will be used to better inform the FSP about what is happening on farms and the results will be used to support its work going forward.
- The SFP is also updating its Slurry Safety Guide and a separate short survey is also available to help with this process.

RADIO ULSTER FARM GATE PROGRAMME

- The Union was shocked and disappointed at the decision taken by BBC NI to end Farm Gate and we have held two meetings with senior BBC officials to save the programme but it was clear from the outset that they had made their minds up without any consultation with the farming community.
- The BBC told us that they would be recruiting an Agriculture/Environment correspondent who will contribute to the BBC's business news segments and assured us that agricultural issues will still remain a key focus of the BBC NI's news coverage.
- We have already been contacted by many individuals supporting the retention of Farm Gate and our Agriculture Minister and other politicians have also outlined their opposition to its cessation.

ROAD DEVELOPMENT SCHEMES

- The UFU including members directly affected by the A5 met a few weeks ago with the Regional Development Minister and Senior DRD Officials on the current situation surrounding this project and other likely road development schemes.
- Key issues covered included: agricultural impact assessments and the impact of CAP Reform; the alignment of NI compensation with that provided in GB; and Capital Gains taxation.
- We are aware that the compensation issue is currently being considered by the NI Assembly which if resolved satisfactorily will benefit not only those affected by the A5 but for all future road schemes.

PSNI RESTRUCTURING

- The Union welcomed the firm commitment recently from the PSNI that policing in rural areas remains a priority in the restructured police service.
- The new structure sees the number of Policing Districts increased from seven to eleven to mirror the 'super-councils' as well as the replacement of Response Teams by twenty-five Local Policing Teams, thirty Neighbourhood Policing Teams and local District Detectives.
- We believe that this will lead to increased accessibility and improved relationships on the ground but we will be following the roll-out of this new structure closely.

RENEWABLE ENERGY

- The 'Practical On-Farm Renewable Energy' event in Enniskillen last week was very well attended with representation from all leading players in the small scale renewables sector in Northern Ireland.
- The Union provided a presentation on the latest developments in relation to Micro Grids and Storage solutions and how these could apply to NI farmers and landowners.

DARD HEADQUARTERS

- The Union continues to have reservations over the DARD Headquarters move to Ballykelly following the recent confirmation by the Minister that the cost has already increased from £41 million to £45 million.
- Our position remains that we support the creation of jobs in rural areas but question the appropriateness of a single re-location project when there is already an existing network of DARD Direct offices throughout the Province.
- We are also concerned at the likely loss of existing expertise that will come with expected significant staff changes.