

**PRESIDENT'S REPORT  
UFU EXECUTIVE COMMITTEE  
WEDNESDAY 26 FEBRUARY 2014**



Most of the Union's activity since our last Executive meeting has been on CAP Reform however we have also been involved with a number of other very important issues over the past four weeks.

## **PRODUCER PRICES**

- **Beef**
  - The UFU met a few weeks ago with the Northern Ireland Meat Exporters Association (NIMEA) to discuss the recent significant drop in beef prices but we were disappointed with NIMEA's indifferent attitude towards beef producers.
  - The excuses given by NIMEA for the drop in prices were that the market place is correcting itself following the effects of the horsemeat scandal last year, which is ironic given that it was the pressure for cheap meat which led to the horsemeat disaster in the first place.
  - What's even more concerning is that it looks likely there could be further downward pressure on beef prices in the coming months towards a possible realignment with European prices.
  - In addition, the shift from a 'bonus' to a 'penalty' system which the meat plants propose to implement from 1 April further compounds producers difficulties.
  - The market and penalty issues were discussed at a subsequent meeting of the UK and Irish Farm Unions at which there were widespread concerns over these developments with a joint call being made for the meat trade to recognise how the current very negative price signals should seriously impact on longer-term producer confidence.
  - Work is ongoing collectively to highlight the gravity of the situation and the need for more commitment from supposed supply chain partners to address it – particularly if the sectoral growth targets of our AFSB are to be delivered.
  - Other issues discussed with the other Unions included: CAP Reform; possible future rural development measures; and future ANC support.
  
- **Lamb**
  - UFU representatives met with Tesco at the beginning of February in relation to producer prices, sourcing and promotion of local lamb.
  - Following the UFU Lamb survey last autumn, which showed a startlingly low proportion of NI lamb on supermarket shelves (specifically Asda and Tesco), the UFU wrote to all retailers to discuss the current lamb situation and has now met with both ASDA and Tesco on this issue.

## **FARM INCOMES**

- The increase in the recently released farm incomes figures for 2013 illustrates the agriculture industry's potential to contribute significantly to the NI economy with the total income from farming in NI having increased by 33.7% from £223million in 2012 to £298million in 2013.
- However, according to the figures the estimated value of the 2013 Single Farm Payment equated to £259million which accounted for 87% of this total income.
- This really emphasises the importance of the SFP to farmers and exemplifies that the marketplace alone would not deliver the proper returns to producers and highlights that it is vital that under the next CAP reform, Direct Support is targeted at productive agriculture which is something the UFU has been pushing for under the new CAP arrangements.

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- In addition, if we are to grow the industry by 60% to £7billion by 2020 and meet the ambitious targets set out within the AFSB's 'Going for Growth' report, additional support from the NI Executive will also be crucial going forward.

**CAP REFORM**

- Over the past few weeks, the Union has met with both the Agri-food Strategy Board and the NI Assembly's Agriculture Committee.
- In both of these meetings we provided a detailed explanation of our agreed position on all of the CAP Direct Support issues and, more specifically on the issues of 'regionalisation' and 'transition', emphasised our concerns if we were to move to a single region and to a flatter payment rate too quickly.
- In particular, we highlighted that with the marketplace not delivering proper returns to producers it is all the more important that CAP support is targeted at productive agriculture otherwise NI's currently productive capacity would be undermined let alone any future growth and development of our agri-food industry.
- We also stressed that the biggest threat posed by a single region model is the 'Scotland factor' with our Minister rightly arguing and securing that the historical UK CAP budget allocations should be upheld in the interest of supporting productive agriculture which if we were to now opt for a single region would completely remove our main argument and following the UK allocation review in 2017 we would possibly stand to lose €100 million, almost a third of our total SFP, every year.
- A meeting with our DARD Minister is scheduled for next week and we are also in the middle of holding several meetings for our members in both the North Antrim and Fermanagh areas to fully explain our agreed position on CAP Reform.
- The Union also met recently with the President and Chief Executive of the Young Farmers' Clubs of Ulster to discuss the support to be given to young farmers under the reformed CAP.
- While the decisions on CAP Reform implementation locally remain outstanding, we have been pressing DARD for several months to clarify the definition of an 'active farmer' under the new CAP and we welcome their activity over the past few weeks to do this.
- While some questions on the interpretation of the 'active farmer' definition remain unanswered, the Union continues to encourage all farmers and landowners to waste no time in discussing their conacre arrangements.
- We welcome the announcement yesterday that the 2014 SFP entitlement trading deadline has been extended until 2 May as this is one of the major options to ensure that the money currently available on a particular parcel of land is secured going forward in the interest of both farmer and landowner.

**FUTURE ANC SUPPORT**

- Now that the provisional ANC re-designation maps have been released by DARD, the Union has again began its activity to seek a satisfactory outcome to this long drawn out process.

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- The ANC designation is a two stage process, requiring designation of land according to biophysical criteria as well as the removal of any areas which have overcome their natural constraint by investment or economic activity through what is called 'fine tuning.'
- Some time ago the UFU managed to secure the use of criteria which permitted the inclusion of our existing LFA areas and the maps are now in the process of fine tuning.
- While we have understood for some time that this fine tuning process would exclude virtually all of the existing Disadvantaged Area from a future ANC designation, these new draft maps have highlighted that there are a significant number of the existing Severely Disadvantaged Areas which could also be excluded and, indeed, that some presently non-LFA areas could now be included.
- As UFU, we had emphasised in our response to the DARD CAP consultation that the ANC scheme should remain in Pillar Two of the CAP going forward, which under the EU rules would give us more time to work on getting the maps right, as the new designation does not have to come into force until 2018 and furthermore, by keeping the ANC scheme in Pillar Two it would also provide for a period of transitional support for any existing LFA areas which would be excluded from a revised designated area.
- We also met with senior EU Commission representatives last week to highlight our concerns on this issue and we were pleased both with their assurance that there would be sufficient flexibility to adopt a method suitable for Northern Ireland which ultimately delivers on a 'credible' ANC area from this process and also that they would be prepared to accept our invitation to visit Northern Ireland so that they could see first hand the real difficulties from this ANC re-designation process which we have identified.
- We also welcome our Minister's initial comments that while she has not yet decided on which CAP Pillar would deliver future ANC support, she did see 'obvious benefits' of having an ANC scheme in Pillar 2.
- We understand from the EU Commission that they intend to provide more guidance around 19 March on how to 'fine tune' these areas which will most likely include other ways of measuring production capacity and we have already asked to meet with DARD when this additional information becomes available.

## ALTERNATIVE CONTROL HERDS (ACH)

- The UFU met with DARD earlier this month to get an update on the progress being made in relation to the establishment of Alternative Control Herds.
- There are plans to hold a further meeting in the near future with beef finishers in relation to this.

## MEETING WITH DARD PAYMENTS DIVISION

- The UFU met recently with DARD's payment division to talk about payment issues across current schemes and to also look at potential changes to payment application and delivery following CAP reform.

## RENEWABLES EVENT

- The UFU along with CAFRE and AFBI is holding a "Practical On-farm Renewable Energy" event at CAFRE's Enniskillen campus today.

- This event was organised with the aim of providing practical information for farmers and the rural sector about the various renewable energy options available for their businesses.

### **ENVIRONMENT MINISTER MEETING**

- The UFU met with the NI Environment Minister, recently to discuss a range of issues which included: land designation and the concerns regarding the designation and management restrictions around ASSIs and other designated sites; Cross-Compliance problems such as the inspection and enforcement process; bureaucracy hampering the 'Going for Growth' strategy with the possibility of environmental regulations preventing the expansion of some farms e.g. those regulated under IPPC; and waterway maintenance and flood prevention.
- We also invited the Minister to visit a farm to see the practical workings of environmental regulation.

### **RURAL CRIME**

- I recently hosted a visit by the PSNI Assistant Chief Constable to my farm to discuss in more detail the on-going issue of rural crime which continues to be a major issue for farmers and it was a great opportunity for us to reiterate our concerns while highlighting the measures put in place to prevent a theft from happening.

### **AGRICULTURAL WAGES BOARD (AWB)**

- The AWB met at the end of January and proposed a 1.85% increase across all grades from 6 April 2014.
- If no comments have been made during the current public consultation on their proposal, the AWB will meet again on 21 March to make an Order to introduce the new worker category rates.

### **UFU STUDENT MEMBERSHIP SCHEME**

- The UFU has officially launched free student membership for agri-students between the ages of 18-25 studying any agri-related subject in either further or higher education in Northern Ireland.
- Valid until graduation, the UFU free student membership allows students to access some of the privileges of full UFU membership such as the UFU policy bulletin, group meetings and affinity deals with P&O Ferries, Travel Solutions, Membership Plus, Barclay's Communications, and Todd's Leap.