

**PRESIDENT'S REPORT
UFU EXECUTIVE COMMITTEE
WEDNESDAY 30 OCTOBER 2013**

COM-02149



Since our last meeting the Union has been involved in a very wide range of issues.

PRODUCER RETURNS

- **General**

Groceries Code Adjudicator

- At the beginning of this month, we participated in a couple of meetings at our Headquarters – one on our own and the second with other industry representatives – with the newly appointed Groceries Code Adjudicator, Christine Tacon, and her team.
- We are now clearer on both her role and on the approach which she proposes to take going forward as she carries out her investigations and enforcement functions.
- The Union is encouraged by her genuine commitment to ensuring that the Groceries Supply Code of Practice is enforced properly and that suppliers are treated fairly.
- We will keep in close contact with Ms Tacon and will highlight any issues of unfairness in the supply chain that come to our attention.

EU – Canada Trade Deal

- This trade deal which was agreed last week causes us concern not only because it could have negative consequences for both our beef and pig industries but also because this could now set a precedent for the much larger EU – US trade talks which are about to commence.
- The Union will be closely monitoring these issues both in terms of ensuring that the imported product satisfies our EU standards and also that the EU's agriculture industry is something that should be protected rather than carved up in trade negotiations.
- We are fortunate that local MEP, Jim Nicholson, has been appointed as the rapporteur on behalf of the European Parliament in these trade talks with the USA.
- World Trade negotiations was also the key issue when both the Chief Executive and I recently attended a meeting of the North American and EU farming organisations held in Mexico particularly against the background of the challenges to increasing global food production on a sustainable basis given the issues around climate change and water scarcity.

EU Country of Origin Labelling Rules (COOL)

- The EU is presently considering proposals to implement the already agreed extension of the mandatory Country of Origin Labelling requirements which are already in place for beef to the sheep, goat, pig and poultry sectors.
- While there are a wide range of views throughout the EU on how this should be implemented, the UFU's position has been to support a consistent approach with beef and include the 'country of birth' in this requirement.
- A decision on this issue has now been postponed until the end of November and we will continue to monitor developments closely.

Genetically Modified (GM) Crops

- The UFU were joint signatories to a recent letter written by many of the EU farming organisations, including all of those from the UK, which called for changes to be made to make it easier for GM crops to be developed and grown in Europe.
- This open letter calls on the EU Member States and Institutions to take a broader, more holistic, and longer term view on the production of food, feed and biomass and also stresses the need to ensure that sound scientific evidence is used when making decisions which need to be done in a timely manner and adhered to by all EU Member States.

- **Sectoral**

Lamb

- The UFU was both shocked and dismayed by the results of our recent Hill Farming Committee survey on NI lamb on local supermarket shelves which revealed a very disappointingly low proportion of local lamb being stocked by some retailers.
- The Union has since written to retailers to both highlight our concerns that despite their much publicised promises to both consumers and producers to stock local products following the 'horsemeat scandal' earlier this year and the ready availability of local lamb this has not been delivered in many cases, but also to commend those who have made a genuine and positive effort.
- UFU representatives were also involved in both the International Sheepmeat Forum and the COPA and Commission Advisory meetings which focussed on the need for better communication, particularly with our New Zealand counterparts, to balance global supply and demand and the opportunity for new markets, as well as covering promotion, future CAP support and sheep EID.

Beef

- The Union met with NIMEA yesterday to discuss several issues including the impending increase in penalties for young bulls which they confirmed will be operative from 1 January.
- The UFU has always sought to have an adequate lead-in time for any pricing structure changes to give producers sufficient time to adapt to changing market requirements.

Poultry

- Following the NI Executive's recent announcement of it's Poultry Loan Scheme as an initial part of it's response to the Agrifood Strategy Board Report, the Union has encouraged anyone considering poultry production or expansion to 'do their homework' before reaching a final decision.
- Producer profitability remains central to the UFU's thinking on future production growth and was made clear to senior management from Moy Park in a meeting which we held with them last week.

Potatoes

- The Union were heavily involved in the three day festival held on the North Antrim Coast at the beginning of October to celebrate 'all things potato'.
- This festival was a success and generated significant local media coverage which brought attention of the wider public to this 'humble vegetable'.

Mushrooms

- The UFU recently participated in the All-Ireland Mushroom Conference as well as the official opening of the new Head Office for Annaghmore Mushrooms.

CAP

- **Reform**

- DARD launched its consultation at the beginning of October on the implementation of the reform agreement framework decided by the EU back in June.
- We are encouraged to see that many of DARD's proposals are broadly in line with the UFU's position although there are still some very significant issues which have yet to be clarified or decided.
- Overall, the UFU wants to see a straightforward, sensible approach taken to implementation with bureaucracy kept to an absolute minimum.
- We have already met with senior DARD officials last week on this critical issue and will be participating in two separate DARD stakeholder events on both future LFA and Direct support which will be held over the next few days.
- The Union has commenced its internal consideration of these very important issues within our Central Policy Committees and immediately before this Executive we also held a specific meeting for our Policy Chairmen and Officers.
- Responses have to be submitted by 17 January and we would like to finalise our position at specially arranged December Executive meeting.
- On the issue of the internal UK distribution of the CAP budget, we understand that a decision is to be taken within the next few weeks and we have joined with the Farming Unions from England and Wales in writing to the members of our Government's Cabinet requesting that the UK's direct support payment distribution envelopes should remain as they are, broadly reflective of the agricultural capability of the area to which it is allocated.

- **2013 Single Farm Payment (SFP)**

- The UFU met with DARD at the beginning of last week on the expected payments process and timetable for this year's SFP payments.
- While it is likely that we will see improvements in both the percentage of payments made during December and January and on the payments process for 'inspection cases', the Union will continue to press for this to be maximised.
- As indicated at our last Executive meeting, the Euro/Sterling exchange rate for this year's SFP increased with the final rate representing a 4.76% increase on 2012. When coupled with the now finalised position on the EU's Financial Discipline system and our DARD Minister's decision not to apply voluntary modulation this year, this should represent a net gain of around 10% for most SFP claimants here (equating to approximately £20 million extra for the industry).

- **NI Rural Development Programme (NIRDP) 2014 - 2020**

- Following the agreement reached at our last Executive meeting on our finalised position to this DARD consultation, the Union submitted our official response a few weeks ago.
- Our response was also distributed widely to local politicians and other key stakeholders to share our views in advance of the consultation deadline.
- Against a significantly reduced budget for our future NIRDP, the recommendations which we have made prioritises the measures which will deliver the most economic benefit to not only the agrifood industry but wider society as a whole and rural areas in particular.

ANIMAL HEALTH

- **Bovine TB Alternative Control Herds (ACHs)**
 - The Union welcomed DARD's recent announcement that it continues to progress the introduction of high biosecure alternative control herds which would be able to accept cattle from TB restricted herds.
 - The Union's objective has been to strike a balance between disease control and helping to address the difficulties experienced by closed herds which could happen to any farmer.
 - We have continued to work with DARD and beef finishers on the detail of this proposal and are hopeful of having this in place for this winter.

Animal Health & Welfare NI (AHWNI)

- Union representatives last week attended Animal Health Ireland's (AHIs) conference at which the ROI Minister committed financial support to start a pilot voluntary Johnne's Disease control programme in the ROI.
- We hope that our Minister will recognise this and commit further funding to that which she has already given AHWNI for it's establishment and development of it's existing disease programmes.
- A decision by the Minister on the introduction of a compulsory phase for our BVD eradication programme is still awaited.

FARM MODERNISATION TRANCHE 3/MANURE EFFICIENCY TECHNOLOGY SCHEME (METS)

- The Based on a projected underspend in Tranche 3 of this Scheme (as claims have only been made for two thirds of the 2,400 Letters of Offer issued) and additional national funding that has become available from the NI Executive, the DARD Minister has announced the extension of Tranche 3 of this scheme.
- Around £2.2m is now available for this extension which will equate to around 1100 - 1200 additional applicants being accepted but only those who have already applied for funding in Tranche 3 but were not initially prioritised will receive a Letter of Offer (which are expected to issue in the next number of weeks).
- DARD has also confirmed that they expect a further Tranche of the Manure Efficiency Scheme (METS) to become available later in the year.

EDUCATION FUNDING

- The Union responded a few weeks ago to the Department of Education's consultation on its Common Funding Scheme for schools in which we highlighted the Education Department's commitment to the NI Executive's Rural White Paper and the need to protect the wellbeing of rural children.
- We see this as an opportunity to enhance the sustainability of rural schools and ensuring that rural children have access to quality education.
- The Union will continue to monitor the outcome of this consultation.

MEETINGS WITH NI POLITICAL PARTIES

- The UFU continues its series of meetings with representatives from local political parties on current issues when we met with the SDLP's Margaret Ritchie MP.
- The discussions focussed on: CAP Reform; current and future NI Rural Development Programme's; future LFA support; and the implementation of the Agrifood Strategy Board Report.

RENEWABLE ENERGY

- The UFU were represented yesterday at the 'Practical On-farm renewable Energy Event' held at Greenmount Campus.
- A high level of interest from farmers already exists and attention is now focussing on tackling the barriers to developing the opportunities.

FARM SAFETY

- On behalf of the Farm Safety Partnership (FSP), DARD are piloting a Farm Safety survey to 500 randomly selected farmers but the UFU are concerned about the validity of the results due to the inclusion of Farm Business ID number on the form and we have therefore decided to conduct our own anonymised survey as a comparison.
- The UFU are also helping the FSP to complete a PTO Safety Week survey to gain feedback to inform future initiatives.
- Work is also due to commence on developing the next FSP Action Programme and we are keen to feed in as many suggestions as possible.

RURAL CRIME

- The UFU are hosting a Rural Crime Event for the Guild of Agri Journalists on Monday 4th November at Barclay Bell's Farm with PSNI, Garda Siochana, NFU Mutual and victims of rural crime expected to attend. The event will also include a farm walk to look at ways to improve farm security.

SUCCESSION AND INHERITANCE TAX PLANNING

- The Union has been working with CAFRE to develop a series of 19 seminars - 'Protecting your Farm Asset - looking at succession planning which will be held throughout NI starting on 6th November with details to appear in this week's farming press.

UFU FARM CHAMPION

- BBC presenter and agricultural journalist, Richard Wright, won the Farm Champion award sponsored by the Union as part of the Farming Life and Danske Bank Awards held last week.
- This award is for outstanding achievement in championing the cause of the Northern Ireland farming industry