

**PRESIDENT'S REPORT  
UFU EXECUTIVE COMMITTEE  
WEDNESDAY 25 SEPTEMBER 2013**

COM-02155



With the return of both the EU Commission and NI Government officials after the summer break, the Union's activity level has increased significantly since our last meeting.

## PRODUCER RETURNS

- **General**

### Tesco local produce initiative

- We recently attended Tesco's launch at Stormont of its 'Switch to Local' campaign.
- While this is a welcome development it remains to be seen if it will translate into **primary producer profitability**.

- **Beef Prices**

- The increase in prices over the past few weeks and the introduction of an **amended bonus payment system** is clearly reflective of the improving market situation and the availability of cattle supplies.
- While this is welcome, we would still **encourage producers to market strongly**.

- **Milk Prices**

### Supply Contracts

- The Union has welcomed United Dairy Farmers' proposals to discuss the **possibility of introducing supply contracts** with its members.
- While the devil will be in the detail, we have in the past called for consideration to be given to contract introduction and we are also **encouraging all processors to consider taking similar action** to UDF.
- While contracts will not be for everyone with each producer needing to **assess their own situation**, this is a positive and forward thinking development.

### EU Post Quota Dairy Conference

- The Union's Dairy Policy Committee Chairman and Policy Officer attended this **important EU Conference** at the beginning of this week.
- The outcome of this Conference will serve as a basis to assess whether additional actions are necessary in the context of the **EU Commission's report regarding the development of the market situation in the EU's dairy sector**.

## FARM SAFETY

- The work of the Farm Safety Partnership continues with the operation this week of **Northern Ireland's first 'PTO Safety Week'**.
- Significant press coverage has been obtained and we are grateful to the substantial number of **agricultural machinery dealers who are offering a 15% discount on all new PTO shafts and guards** purchased during this week.
- A programme of **HSENI advisory visits**, specifically targeting the issues around PTOs, is also taking place throughout the week.

**ANIMAL HEALTH**

- **Bovine TB**
  - Welcome the DARD Minister's announcement last week of her plans to **establish a Government/Industry Strategic Partnership** before the end of this year to over the next 12 months develop a long-term strategy to eradicate bovine TB from Northern Ireland.
  - However, back in 2008 her predecessor also outlined her plans for a similar new strategic approach but **little progress was made due to a lack of clear targets and guaranteed delivery resource**.
  - Hope that lessons have been learned from this with the **onus firmly on the Minister to take action and deliver on this strategic plan** once it has been developed.
  - One overriding issue is that the industry **cannot accept any changes to be made to compensation rates until all factors are addressed** and in particular the issue of TB in wildlife.
  - We are also again **encouraging farmers in the two Badger Sett Survey areas in Co Down to participate in this AFBI survey if they have not already done so** as the surveying is scheduled to commence again this winter and it is important that we keep the momentum going in preparation for the TVR project.
  
- **BVD**
  - The UFU has now **submitted our response to the DARD consultation supporting their proposal to make testing for BVD compulsory**.
  - DARD have also now completed a **series of producer meetings** which, although poorly attended, have also endorsed the introduction of a compulsory NI scheme.
  - While we **do expect that our Agriculture Minister will agree to making the scheme compulsory**, we are concerned that its introduction could be delayed.

**WINTER FODDER PREPARATION**

- As outlined previously, the **work of the DARD/industry Fodder Taskforce continues** and a further meeting was held recently.
  
- While we genuinely believe that **good progress is being made on the introduction before this winter of measures to assist TB restricted herds**, we were extremely **disappointed that, unlike the RoI, DARD would not extend the chemical fertiliser application period**, which closed on 15 September, until the end of the month which would have given farmers that extra option.
  
- We have however been extremely fortunate that the **grass growing and utilisation conditions have been good over the past few months**.
  
- The UFU has also been encouraging farmers to make use of the good ground conditions and start thinking about **maximising organic manure utilisation** as the start of the closed periods for slurry spreading (15 October) and farmyard manure (31 October) approach.
  
- We are also looking in the **medium term to secure funding for a land improvement scheme** to increase the industry's productive capacity, which ties in with the 'Growing for Growth' report recently published by the NI Agri-food Strategy Board.

EX 09/13

- The UFU, along with other livestock industry representatives, also participated in a meeting with the DARD Minister last week to discuss industry preparations for the coming winter.

## SUSTAINABLE FARMING IN LFAs

- The Union has been actively involved in the organising of these two events being run by CAFRE this week.
- The first took place yesterday at the Greenmount Hill Farm at Glenwherry and the second is being held tomorrow at Russell Scott's farm in Gortin.
- We have been encouraging farmers to attend these events which cover topics such as the management of cattle, sheep, grassland, rushes and heather as well as agri-environment scheme options.

## NI FINANCE MINISTER MEETING

- This meeting was held at the beginning of this week and it provided the opportunity to give our views on issues such as: the implementation of the NI Agri-food Strategy Report; the roll-out of CAP Reform in NI; bank lending; land vesting compensation; and renewable energy potential on farms.
- Overall this was both a constructive and encouraging meeting with a clear recognition of both the importance of and growth potential for our agri-food industry.

## SUCCESSION AND INHERITANCE TAX

- The UFU recently met with the NFU Mutual and CAFRE to discuss these issues.
- We are also jointly planning to run a series of open farm business seminars later in the year to look at these issues, their implications for farm businesses and the importance of succession planning.

## RENEWABLE ENERGY

- The Union has approached the DARD Minister to ask that she makes a request to the EU to have the export only requirement removed from funding under the current NI Rural Development Programme for the construction of renewable generation installations under the Farm Diversification measure.
- This requirement has caused real difficulties for many applicants and we understand that it will not be a requirement under the next RDP.
- The UFU has also raised the issue of rateable charges for renewable installations on farms with the NI Finance Minister when we met him at the beginning of this week.

## COPA VICE-PRESIDENT ELECTION

- I am pleased to be able to inform the Executive that I was elected as one of the six Vice-Presidents of COPA at the end of last week.

EX 09/13

- I see this as a reflection of the **high regard in which the Ulster Farmers Union is held** by our fellow EU farm organisations as well as providing more opportunities to raise **local issues at an EU level.**

## CAP

- **Reform**
  - Last week we, along with DARD, participated in a positive and constructive **meeting with the EU Agriculture Commissioner** which was organised by MEP Jim Nicholson on the **implementation in Northern Ireland of the CAP Reform framework** agreed in June.
  - In particular, we need **clarity around what it means to actively farm the land** with the EU clearly wanting direct support targeted at those actively farming and hefty penalties being applied if this fails to happen.
  - There is **still further work to be done** but we are encouraged by the Commissioner's recognition of the issue, and his willingness and commitment to help find a practical solution for Northern Ireland over the next couple of weeks.
  - We were also **involved in a YFCU meeting last night of their Agriculture/Rural Affairs Committee** at which the local implementation of a reformed CAP was the major issue covered.
  - It is expected that **DARD will be releasing a public consultation** on the reform implementation options at the beginning of next month.
- **2013 Single Farm Payment**
  - Despite recent unanimous agreement by the EU Member States to allow the **payment of up to 50% of the 2013 SFP from 16 October** in recognition of the very difficult twelve months endured by the farming industry, we are **extremely disappointed that NI's farmers will not benefit from this decision.**
  - We believe that DARD could have done more but at the **very minimum we expect that a significant improvement will be made in the number of SFP payments issued this December.**
  - Although not yet completely finalised, it is highly likely that the EU Commission will **reduce the individual SFP threshold for the application of the 'financial discipline' mechanism,** which will have to be applied this year to remain within the EU's CAP Budget Ceiling, **from €5,000 down to €2,000.**
  - This amendment, which the UFU supported, will result in a lower percentage reduction from those to which this mechanism will be applied (estimated at **4% instead of 4.98% depending on the final budget figures**).
  - On a more positive note, **NI Voluntary Modulation will not be applied to this year's SFP payments** resulting in a **9% saving up to €5,000** and a further **4% saving between €5,000 and €300,000** as per the DARD Minister's decision announced last October when the UFU precipitated a debate in the NI Assembly on the severe difficulties being experienced by our farming industry at that time. (**leaving 0% and 10% compulsory modulation deductions for these bands**)
  - The exchange rate for the conversion of the 2013 SFP from Euro into Sterling is **to be set at the end of this month** and despite negative moves in recent weeks, this rate at around **84p/Euro is still 6% higher than the 79p/Euro rate last year.**

EX 09/13

- **NI RURAL DEVELOPMENT PROGRAMME (NIRDP) 2014-2020**
  - **The UFU's internal consideration process, lead by our Rural Development Policy Committee, of DARD's proposals for our next NIRDP has almost reached a conclusion.**
  - **The Union also encouraged farmers to participate in the associated DARD consultation meetings held over the past few weeks.**
  - **We will now be given a presentation on this issue as we intend to finalise our position tonight so that we can then submit our formal response before the consultation deadline.**