

PRESIDENT'S REPORT
 UFU EXECUTIVE COMMITTEE
 27 FEBRUARY 2013



In the four weeks since our last meeting the UFU's main focus has been on dealing with existing rather than new issues.

HORSEMEAT SCANDAL

- **UFU heavily involved with this issue** since our last Executive meeting.
- Our key objectives have been to **minimise any possible damage to primary producers but also to maximise the opportunities** which this presents in terms of food integrity and labelling.
- UFU has been involved in **four separate UK- wide FSA/Stakeholder meetings**.
- Two rounds of UK testing now completed comprising approximately 3,600 samples to date with only 35 (**less than 1%**) found to contain a horsemeat content greater than the **1% threshold** and **none of these particular samples have been positive for the horse anti-inflammatory 'bute'**.
- **Similar testing surveillance at an EU level** is also underway and has to be completed by the end of March - **positive samples have also now been detected** across the European Union.
- EU Commission's Agriculture and Food Safety Directorates both involved and **changes to EU horse traceability and processed product labelling could result** from this scandal.
- Locally, the UFU, NI Retail Consortium, NI Independent Retailers Association, Livestock and Meat Commission, NI Food and Drink Association and the NI Consumer Council held round table talks 10 days ago and **collectively called on the Office of the First and Deputy First Ministers to convene an NI Food Supply Chain Summit** to deliver a co-ordinated response to this horsemeat scandal - particularly to ensure that consumers can have full confidence in the produce they are buying, and also that the integrity of our own agri-food sector in Northern Ireland is upheld and promoted.
- The UFU has also teamed up with the LMC and last week launched a **social media campaign on Twitter and Facebook to show support for Northern Ireland's Farm Quality Assured beef**.
- Development today with **Tesco committing to sourcing local and shorter supply chains** however must prove this and must also include producer profitability.

CAP REFORM

- At the beginning of February, the UFU Presidential Team attended an **extraordinary COPA meeting in Brussels** which was organised to coincide with the EU Heads of State Budget Summit and was attended by around 400 farmer and agri-co-op representatives to call for the current CAP Budget to be maintained post-2013.
- On 7/8 February, the **EU Heads of State reached agreement on the overall EU Budget** at their summit.
- The Budget agreement was a real **'mixed bag'**:
 - pleased that EU Heads of State have reached an agreement - **very important for the farming industry that there is stability going forward** (alternative of annual EU Budget negotiations during the next seven year period would not have provided this);
 - very disappointed that the decision taken is a **real terms cut in the CAP Budget until 2020**;
 - welcome that the agreed distribution method for the **allocation of CAP Direct Support funds between EU Member States will have no negative effect on the UK's share of this Direct Support**;
 - disappointed that the UK had once again prioritised the **retention of the UK rebate over securing additional funding for rural development**;
 - option agreed for up to **15% fund transfer between Direct Support and Rural Development** and also the introduction of a requirement to **use 30% of available Direct Support funding for a 'greening' payment** but **significant flexibility still remains** in terms of how these are to be implemented.
- The UFU had attended a **COPA meeting in Dublin** at the end of last week where a **declaration by 18 EU Farm Organisations** was agreed which called for a flexible SFP system which supports production and is introduced gradually over a period of time.
- The **EU Parliament's Agriculture Committee and the EU Agriculture Council have also met** over the past week with the **Agriculture Council in particular broadly agreeing in principle to more flexibility for 'internal convergence' of Direct Support** although a wide range of views existed.
- Both of these EU institutions will hold further meetings over the next few weeks with the aim of **finalising their respective positions by the end of March** – the next **EU Agriculture Council meeting is scheduled to discuss 'Greening'** on 18 March.
- As this debate intensifies, the **UFU is planning on holding a series of meetings both internally and with DARD and our NI MEPs** in the coming weeks.
- On a related but separate issue, the UFU is disappointed and concerned that the **EU Agriculture Council has agreed on the publication of information on CAP beneficiaries** on the basis of public accountability and transparency. While the detail is still to be finalised, we remain concerned, as on the previous occasion when this was done, that it **offers little other than 'curiosity value'**.

NEW FARM MAPS

- **Considerable confusion has arisen from the issuing of new 2013 maps by DARD - particularly in relation to previously made farmer changes.**
- **UFU is pleased that a pragmatic approach has been taken by farmers to resolve issues as this will simplify the processing of their SFP applications this year and ultimately avoid delays in their SFP payments.**
- **A particular problem arose with a significant number of the last batch of maps from which a considerable number of fields were missing.**
- **UFU pleased with DARD Minister's decision to accept our proposal to delay the issuing of SFP application packs by two weeks for farmers whose maps have missing fields. This will enable affected farmers to make amendments to their maps, which are now available on-line or from DARD Direct offices, until 8 March which can then still be incorporated into pre-printed Field Data Sheets on their SFP applications before they are issued.**
- **UFU also proposed similar approach for farmers with maps issued in the earlier batches but were unable to obtain an appointment with DARD before 22 February, however, no action has been taken by DARD on this to date.**

FARM INCOME FIGURES/CASH FLOW DIFFICULTIES

- **Confirmation from DARD's farm income figures published on 31 January that 2012 was one of the worst years for NI farmers with a 52% real terms reduction from the previous year and EU farm support (£292 million) was more than double the farm income figure.**
- **The Union continues to pursue a response from DARD on our proposals to ease the current cash flow difficulties which we made to the DARD Minister at a meeting last month.**
- **The earlier release of the 2013 LFACA payments, which had been secured at the end of January, should now be starting.**
- **2012 NICMS payments have also been brought forward and will begin in May – four months earlier than last year.**
- **We have also had responses on our 'deferred taxation' request and also on the availability of a small business loan scheme.**

NI FOOD SUPPLY CHAIN

• **United Milk Auction**

- Although the **end of this auction** has been likely for some time, the speed at and nature in which this occurred were **much more sudden than anticipated**.
- The UFU has consistently argued that there was **not sufficient transparency in the auction system but this will only create further volatility and uncertainty** unless a replacement system is urgently introduced.
- The UFU believes that the **NI Voluntary Code of Practice developed by the UFU and Dairy UK (NI) and a pricing mechanism which the UFU has constructed could be used to establish the value of milk on-farm** and could be an ideal vehicle for moving the local milk industry forward and increase transparency in milk pricing.
- The UFU has called for **meetings with all dairy processors as soon as possible** to discuss how the industry will go forward and urge that the Voluntary Code of Practice is implemented as soon as possible.

• **UK Farm Unions' Sheep Summit**

- UFU representatives **met with the other UK Farming Unions to discuss the on-going challenges** facing the sheep industry.
- This summit also heard from **French, Spanish and Irish farming representatives**.
- All four UK farm unions have committed to pull together to address the **challenge farmers in countries across the EU are facing from cheap New Zealand imports and pressure on farm margins**.
- Despite the present difficulties there are **grounds for optimism in the longer term with our lamb in demand both at home and abroad**.

• **Suckler Beef Production Cost**

- Recently published DARD **production cost for suckler beef of £3.82/kg and producer returns for 2011/12 accounting year of 70p/kg below this cost** clearly demonstrates stark reality for this sector.
- UFU call for **supply chain 'partners' to take longer term strategic approach** if demise of this sector is to be avoided.

• **Horticulture/Arable**

- UFU participation recently in **NFU's 'Growers Summit'** and we have also teamed up with DARD, Northway Mushrooms and the NI Horticulture Forum to hold an **Information Forum on 'Producer Organisations'** next week to demonstrate the opportunities and advantages which can be delivered by such organisations.

ANIMAL HEALTH

- **Bovine TB/Badgers**
 - The UFU held a meeting for any farmer or landowner involved in the proposed **100km² geographically targeted preliminary badger sett survey** in the **Banbridge/Rathfriland** area with senior DARD representatives present to explain what the sett survey would involve.
 - The survey is in preparation for the proposed **“test, vaccinate or remove (TVR)” wildlife intervention research** which includes the removal of diseased badgers and the vaccination of the remaining badgers in the target area.
 - **Over one third of producers/landowners have signed and returned their permission slips** but we would encourage all farmers and landowners who have received their letter from DARD to sign the permission slips as soon as possible so that the sett survey work can begin.
- **Livestock Movement Standstill Relaxation**
 - The UFU welcomed the Minister's recent announcement of the **relaxation of the six-day whole farm standstill rule** which governs the movement of livestock.
 - The announcement follows on from DARD's consultation in September 2012 on the changes to the current standstill regime to which the UFU responded in full support of the **removal of this whole farm standstill while there is no specific disease risk.**
 - **The revised individual animal standstill will apply from 4 March.**
- **UFU/IFA Animal Health Meeting**
 - Recent UFU meeting held with IFA with major issues covered including: **TB control; AHWN/AHI interaction; and Schmallenberg Disease.**

RURAL DEVELOPMENT – FUNDS TRANSFER

- The UFU has written to the DARD Minister and the NI Assembly's Agriculture Committee regarding attempts to move **Voluntary Modulated (VM) money between axes of the Rural Development Programme** - specifically, the possibility of moving as yet uncommitted funds from the Axis 3 farm diversification fund (Measure 3.1).
- Moving this money could mean **less funding for farm diversification and more funds diverted to wider Strategic Projects.**
- This is **totally unacceptable** and the UFU is urging the Minister to look at the situation to ensure funding for farm diversification is protected.

ENVIRONMENT

- **Rural Planning**
 - Recent UFU meeting with DOE Director of Planning Policy and Divisional Planning manager representatives.
 - Main issues discussed:
 - 89% of applications received under PPS21 have been approved.
 - Inconsistent interpretation of PPS21, particularly health and safety and the need to cluster new dwellings on farm - all planners were given further training in October 2012 on this issue but the UFU has no 'live cases' since then that represent inconsistent policy interpretation.
 - UFU support for the proposed changes to permitted agricultural development (increase from 300m² to 500m²) but reiterated concerns that the 300m² limit may remain for farms within sensitive areas.

- **Rose Energy/Poultry Litter Disposal**
 - UFU recently met with Rose Energy to discuss the difficulties now faced with the disposal of poultry litter following the NI Environment Minister's decision at the end of last year to refuse planning permission for the Rose Energy Project.
 - This remains an extremely important issue for which an urgent and satisfactory solution must be found.

- **On Farm Renewable Energy**
 - Significant UFU participation at a recent open event at CAFRE, Enniskillen attended by around 560 people and the UFU presented a series of seminars on the challenges facing small scale wind generators in Northern Ireland.
 - UFU meeting yesterday with NI Utilities Regulator on the potential for the generation of electricity from renewables.

- **Hedge Trimming**

Closed period for trimming hedges starts on 1 March – 31 August.

UFU continues to seek a reduction in this period – particularly for specific activities such as autumn crop sowing – but other stakeholders still not agreeable.

FARM SAFETY

- UFU participation in further **NI Farm Safety Partnership** meeting yesterday.
- **NI FarmSafe Awareness sessions have now started** across NI with the UFU promoting these events - we would strongly encourage everyone to make a special effort to attend.