



UFU DISCUSSION DOCUMENT

BREXIT

OPTIONS FOR A NEW DOMESTIC AGRICULTURAL POLICY





Barclay Bell
President



Ivor Ferguson
Deputy President



Victor Chestnutt
Deputy President

UFU's Ten Key Goals

On 23 June 2016 the UK voted to withdraw from the European Union. Soon after this referendum the UFU held a meeting of its Policy Committee Officeholders and identified ten key goals, under four priority areas as the UK leaves the EU:

Trade

- Best possible access to European markets and to continue/secure additional trade agreements outside the EU
- Action to ensure UK production and food security is not undermined by lower standard imports
- Minimising disruption to existing trade relationships between Northern Ireland and the Republic of Ireland.
- Establishing NI as an international centre of excellence for plant and animal health/breeding

Agricultural Support

- Maintaining support to farmers at least equivalent to that presently provided by the EU and match funded by the UK Government and Devolved Administrations
- Maintaining Northern Ireland's current share of farm support provided by the EU to the UK and match funded by the UK Government and Devolved Administrations
- Targeting future local farm support at those who take the financial risks in primary food production
- Securing policies to improve the efficiency, competitiveness and sustainability of farming, linked to a better operating and fairer food supply chain

Regulation

- A reduced and simplified regulatory burden based on science and applying an 'advocacy first, regulation second' approach

Labour

- Maintaining access to seasonal and full time labour



Process

Working in conjunction with the other three main Farming Unions in Great Britain, the initial focus of activity was on both trade and labour. However, now that Article 50 has officially been triggered by the Prime Minister, the negotiations on the terms of that withdrawal and on the UK's future relationship with both the EU and the wider World will now begin in earnest.

In terms of the direct support system provided by the EU's Common Agricultural Policy, this will continue in both 2017 and 2018 while the UK remains in the EU during the two year withdrawal period. The UK Government has already committed to providing equivalent funding to the UK's farming industry for 2019 in what would have otherwise been the final year of operation for the existing CAP. However, the delivery system for this funding will not necessarily be the same as it is now and the opportunity exists to develop a different, refreshed system which creates the conditions for a much more productive, sustainable and resilient agriculture sector. Against this background, since the UK officially notified the European Council on 29 March of its intention to leave the European Union, all of the UFU's fifteen internal Policy Committees have in particular considered options for a new Domestic Agricultural Policy under three cornerstones: productivity; sustainability; and resilience.

The views of these fifteen UFU Policy Committees on a new Domestic Agricultural Policy were consolidated into a single draft options paper presented to the UFU's Council at our Annual General Meeting held on 26 April where it was agreed that the Union would publish a discussion document on the options for the future support for agriculture to stimulate both thinking and more detailed debate by the wider UFU membership. One of the critical overarching principles held by the Union during this process was that in future, support should be targeted at those who actively take the risks in primary food production.



Funding level / Transition / Devolution

Whatever options are finalised to form the basis of the Union's proposals for a new Domestic Agricultural Policy, these will have to be costed but the UFU believes that, while the importance of direct support will be related to the openness of any trade agreement reached, it is essential for the UK Government to: maintain at least the existing level of support for and investment in farming; to provide for a sufficient delivery implementation transition to give individual farm businesses the necessary time to adapt to a new overarching Domestic Policy for Agriculture; and for flexibility through devolution to best adapt a common policy framework to the differing regional needs of farming.

Possible future NI/UK support system for agriculture

The diagram below outlines the potential structure of future support with all farmers having access to the baseline measures and can then apply to any of the modular measures.

Modular measures (by application)	Agricultural Productivity Enhancement	Animal & Plant Health Measures	Restructuring Support	Selective Volatility/Risk Management	Selective Agri-environment Schemes	Wider Rural Measures
Baseline measures (accessible to all)	Broad environmental payments linked to improved production efficiency					
	'Safety Net' / Volatility Mitigation Support					
	Education / Training					
	Marketing / Promotional Activity					





Baseline support measures (accessible to all)

Broad Environmental Payments - linked to improved production efficiency

- Sustainable agricultural land management strategy (soil testing / liming / fertiliser and manure spreading methods / grassland reseeding / weed control)
- Wider low level environmental scheme

'Safety Net' / Volatility Mitigation Support

- Industry / sector-wide insurance products / margin protection programme
 - Mutual funds
 - Farm income stabilisation
- Taxation / fiscal methods
- Futures markets
- Deficiency payments / intervention / private storage
- Producer price reporting systems / market observatories / market intelligence / contracts (single supply chain concept)
- Baseline payment – 'land productivity potential'

Education / Training

- Enhanced secondary / third level education
- Training / Continuous Professional Development (CPD)
 - Business development groups / farm family key skills programme
- Enhanced advisory / extension service
- Better funded / co-ordinated industry / Government R&D

Marketing / Promotional Activity

- Establishment / funding of NI Food Marketing Body
- Clearer origin (?Dual) labelling
- Increased public procurement / food promotion schemes / public awareness



Modular support measures (by application)

Agricultural Productivity Enhancement

- Capital Grant Scheme
 - Equipment/Infrastructure/Buildings
 - New/Maintenance / Re-furbishment / On-farm Safety
 - 60% grant rate (? 10% top-up for young farmers)
 - Standard Costs
 - Low Minimum spend
 - Business Plan related
- Increased Capital Allowances
- Reduced Corporation Tax Rate



- Establishment / funding of producer organisations / buying groups
- Funding for new technology uptake (precision agriculture / ?biotech)
- Alternative funding delivery / more flexible commercial financial products / Government involvement / underwriting
- Increased on-farm energy efficiency / small scale renewable energy projects
- Measures to retain / continue availability of non-british labour force / re- introduction of seasonal agriculture workers' scheme

Animal, plant & health measures

- Implementation of strategy to eradicate Bovine TB
- Continuation of industry / government approach to animal / plant disease control and eradication programmes e.g. AHWNI
- Support for individual farm animal health / welfare and integrated pest management plans
- Support for introduction of cattle electronic identification (EID)
- Integration of livestock EID with the NI Food Animal Information System (NIFAIS)
- Creation of a cattle DNA database
- Implementation and funding of NI Livestock Genomics programme
- Enhanced livestock / plant disease surveillance / introduction of on-farm livestock slaughter system / improved fallen stock disposal
- Secure BSE 'Negligible Risk' status for NI
- Facilitation of live animal exports

Restructuring support

- Taxation support / specific retirement / new entrant scheme for succession planning / generational renewal
- Taxation support for longer land tenure arrangements
- Implementation / funding of NI land / enterprise mobility scheme

Selective Volatility / Risk Management

- Enhanced / individual mitigation measures
 - Farm management deposit scheme

Selective agri-environment schemes

- Higher level specific habitat / biodiversity management / creation measures / funding
- Specific air (e.g. ammonia, greenhouse gases) / water / soil quality improvement measures / funding
- Alternative land use measures / funding
 - Forestry / agro-forestry
 - Strategic flooding prevention
- Additional support for vulnerable farming systems e.g hill farming
- Support for organic farming

Wider rural measures

- Tourism / farm diversification support
- Improved broadband / 4G access





Next steps

We are now entering a time of unprecedented change which presents a once-in-a-generation opportunity to shape the future of Northern Ireland agriculture. The UFU has a vision of a productive, progressive, sustainable and most importantly profitable farming sector and we want to work with the Government and other industry partners to realise this.

In addition to considering this further within the UFU's internal structure, the Union intends to hold a number of wider engagement events over the next few months and also make this discussion document available electronically with the objective of finalising a UFU position as quickly as possible so that we can fully reflect the position of NI's farmers in the wider discussions with Government and other industry stakeholders both at local and UK levels which lie ahead. It is however imperative that sufficient time is taken to ensure any future Domestic Agricultural Policy is operationally and strategically right for NI's farming industry rather than hurried.

Now is your opportunity to input into this process for the future generations of Northern Ireland's farmers and we would strongly encourage you to get involved / have your say!

Notes



ULSTER
FARMERS'
UNION

f | Ulsterfarmersunion

t | @UFUHQ

www.ufuni.org

