

## **Summary of Responses to the Consultation on Future Support to Areas of Natural Constraint**

In total 16 responses were received. Of these 14 were received from organisations and two from individuals. A list of those who responded to the consultation is attached at Appendix 1.

The majority of responses were in favour of additional funds being sourced from the NI Executive to continue an ANC Scheme rather than source funding from Pillar I. This was in recognition of the difficulties all farmers face at present and to protect the level of support they currently receive in Pillar I through the Basic Payment Scheme. In the event of no additional money being found from the Executive, the majority of responses were in favour of a Pillar I ANC Scheme funded using 5% of the Pillar I budget annually from 2017. However, a number of farmer representative organisations were opposed to the ANC Scheme being funded by reducing other income support payments to farmers.

UFU, NIAPA, YFCU and UUP did not respond to the questions directly. UFU stated that it had no desire to seek funding from Pillar I to continue an ANC Scheme, especially at a time when the entire industry is experiencing a considerable downturn in farm income. The only option that the UFU was in favour of was Option 5a (an ANC Scheme in Pillar II funded by an additional £20m per annum from the NI Executive). This view was supported by YFCU. NIAPA agreed that recycling of funding from all NI farmers was not an option (particularly in the present economic conditions) and stated that the ANC Scheme support should not be reduced or withdrawn from the SDA. UUP stated that it was imperative that all other available avenues and options available to support the agricultural industry in its entirety and those sectors and farms most affected by the transition to the flat rate in particular were explored and utilised by the new Department, DAERA. In particular, the 2014-2020 RDP should have more of a focus on supporting the long term sustainability and profitability of farms than the previous RDP.

## Question 1

**Please rank in order of preference (where 1=most preferred) at least your top three options. Please explain the reason for your preferences.**

There were 16 responses to this question, 14 from organisations and two individual responses.

Twelve organisations and one individual ranked their order of preference for the options presented in the consultation document. The most popular option selected by farming organisations was Option 5a (an ANC Scheme in Pillar II funded by an additional £20 million from the Executive). Eight organisations selected it as their first choice (Belfast Hills Farmers Group, Board of the Belfast Hills Partnership, NSA, NBA, SDA Group, UFU, YFCU and GAA) and one organisation (Newry, Mourne and Down District Council) selected it as their second choice. Option 2a (Pillar I ANC Scheme from 2017 using 5% of the budget) was the second most popular option with three environmental organisations (RSPB, National Trust and CNCC) and one individual making it their first choice.

Option 5b (Transitional ANC Scheme in Pillar II for 2017 and 2018) was the third most popular choice. It was selected as first choice by one organisation (Newry, Mourne and Down District Council) and second by four organisations (Belfast Hills Farmers Group, Board of the Belfast Hills Partnership, NSA and GAA). This was closely followed by Option 2b (a transitional ANC in Pillar I for two years using 5% and then 3% of the budget) with three organisations and one individual naming it their second choice.

Fifth choice was Option 1 (do nothing), then Option 4 (a transitional ANC Pillar I Scheme in 2017 and 2018 followed by a Pillar II Scheme funded by a Pillar to Pillar II transfer).

The least popular choice was Option 3 (Pillar II ANC Scheme for 2019 and 2020 funded by a Pillar I to Pillar II transfer).

UFU stated that it had no desire to seek funding from Pillar I to continue an ANC Scheme, especially at a time when the entire industry is experiencing a considerable downturn in farm income. The only option that the UFU was in favour of was Option 5a (an ANC Scheme in Pillar II funded by an additional £20m per annum from the NI Executive). This view was supported by YFCU.

NIAPA did not rank their preferences, however, it stated that there was sufficient evidence to support a fully funded ANC Scheme and that recycling of funding from all farmers was not an option. It asked MLAs to co operate to find a means to fund an ANC Scheme.

Although the UUP did not rank its preferences, it stated that it would not support Options 2a, 2b, 3 and 4 as it believed these options involved untargeted redistribution of funds from Pillar I and away from farmers' basic payments. UUP added that if Executive funds do become available, and depending on the level of

funding, Options 5a and 5b plus other phase out pathways should be considered and weighed up at that time.

Reasons provided by respondents for their ranking included:

- (1) Not wishing to move monies away from farmers receiving Basic Payment Scheme funds under Pillar I (Belfast Hills Farmers Group, Board of Belfast Hills Partnership, NSA, SDA Group, UUP, UFU and YFCU); and
- (2) Given that the EU Commission views ANC support as an income support that it is best placed within a Pillar I structure (RSPB, National Trust and one individual).

Newry, Mourne and Down District Council qualified selecting Option 5a (seeking £20 million funding from the Executive) only if this funding came from the Executive, and was not recast from current agri environment funds in the Rural Development Programme. CNCC had concerns over whether payments in the single region model would be sufficient to maintain livestock farming in the SDA. GAA stated that if funding could not be sourced from within the Executive then it should be sourced from Pillar I to make ANC farming feasible.

## **Question 2**

### **Which option(s) would you strongly oppose and why?**

There were 14 responses to this question comprising 13 organisations and one individual.

Six organisations were strongly opposed to Option 1 (do nothing). They were Belfast Hills Farmers Group, Board of Belfast Hills Partnership, Newry, Mourne and Down District Council, Ulster GAA, NBA and SDA Group.

UUP, UFU and YFCU were all strongly opposed to funding an ANC Scheme from Pillar I or from a Pillar I to Pillar II transfer (Options 2a, 2b, 3 and 4). NSA was opposed to both Options 3 and 4 seeing no real benefit from these options.

Although NIAPA did not directly respond to the question, it did say that recycling of funding from all NI farmers was not an option that it could support as the only source of revenue for a future scheme.

Two organisations, National Trust and RSPB, were opposed to a Pillar I to Pillar II transfer believing the money would be better placed within agri-environment schemes. CNCC believed that transferring £20 million of Executive funds to an ANC Scheme might be hard to justify given all other demands on public money and that the Executive could look at other ways of paying this money to farmers to deliver public goods.

### Question 3

**If no additional national funds are available (i.e. Option 5a and 5b are not possible), please rank in order of preference (where 1=most preferred) at least your top three options.**

There were 10 responses to this question, nine from organisations and one individual. The most popular option selected was Option 2a (Pillar I ANC Scheme from 2017 using 5% of budget) selected as first preference by Belfast Hills Farmers Group, Board of the Belfast Hills Partnership, RSPB, GAA and the National Trust. The second most popular option was Option 2b (transitional ANC in Pillar I for two years using 5% and then 3% of the budget). This was the first preference of the NSA and second preference of Belfast Hills Farmers Group, Board of the Belfast Hills Partnership, RSPB, GAA and the National Trust.

Third ranked preference was Option 4 (a transitional ANC Pillar I Scheme in 2017 and 2018 followed by a Pillar II Scheme in 2019 and 2020 funded by a Pillar I to Pillar II transfer), although it still was the first preference of the NBA and SDA Group. Fourth preference was Option 1 (do nothing) followed by the least favourite Option 3 (Pillar II ANC Scheme in 2019 and 2020 funded by a Pillar I to Pillar II transfer).

### Question 4

**Are there any other options which you believe the Department should consider? If so, please give details.**

There were six responses to this question, from five organisations and one individual.

NSA stated that its preferred option would be to use unused monies allocated to other schemes but not used because of lack of support or delays in delivery. NBA stated that the Department should consider an upland payment for all native breeds of hill livestock using continental terminal sires to encourage extensive grazing to be managed properly and also at the same time creating a lower cost store beef or sheep by-product to be sold to lowland producers to finish. SDA Group stated that the Pillar II RDP Budget, which in essence is funding for sustaining farm families and promoting and developing wider rural economies, should be the source of the funding for the ANCs. The vast majority of the SDA land is in socio economic deprived areas and, therefore, any funding to these areas will easily fit the requirements of the RDP. SDA group also queried the case for a *de minimis* payment in the interim period whilst a viable long term solution is established given that NI will lose up to £30m through environmental payments and a possible further loss of £20m.

RSPB, National Trust and one individual respondent stated that the Department should consider a transfer of funds from Pillar I to Pillar II in support of agri-environment. RSPB suggested that enhanced scores could be given to farmers within the ANC boundary to ensure entry into the new Environmental Farming Scheme (EFS) to encourage High Nature Value Farming. National Trust wanted targeted agri-environment support which enabled farmers in Areas of Natural

Constraint to participate, enabling more conservation friendly farming with good outcomes for high nature conservation land.

## **Question 5**

### **Any further comments that you would like to add?**

There were five responses to this question, all of which were from organisations. Four organisations and one individual also provided general comments in their responses to the consultation.

Belfast Hills Farmers Group commented on the graphs provided in the consultation document and asked that the Disadvantaged Area (DA) and lowland data be amalgamated as a single non-Severely Disadvantaged Area (SDA) region as having a separate DA income line and lowland income line on the graphs gave a misrepresentation which showed SDA incomes that were higher than DA and lowland. It asked for all of the option graphs to be redrawn and used to reflect this as soon as possible.

NIAPA did not directly respond to the question, however, highlighted the difficulties in the SDA. The organisation stated that there was no scope to have a variance in livestock production from cattle and sheep and in some areas the breeds had to be hardy and less productive to survive - in fact it was only such livestock which could maintain the environment and prevent land abandonment. It said that it believed that agriculture collectively required additional financial support at this time but it also believed that ANC support should not be reduced or withdrawn from the SDA. It said that the ANC was being discussed in isolation as part of the new RDP which has finite funding.

UFU did not directly answer the question but stated that the continuation of an ANC Scheme is an important element in maintaining primary production in severely disadvantaged areas. It continued that this support has proved invaluable in the past in helping to support sectors with low income while also demonstrating wider benefits for the environment and rural society. The ANC Scheme had also been delivered at a low administration cost to the Department when compared with agri-environment schemes which had become overly bureaucratic and in some cases unworkable for farmers. UFU concluded by stating that in the most basic terms, the ANC Scheme represented good value for money for all involved. The UFU response was supported by the YFCU.

NBA said that many of the upland areas are being designated ASSI, SAC & SPA and the owners find themselves in a serious position of EU land management regulations without a lot of support directed at them. Farmers in these areas had burdens placed upon these lands which were quite difficult to manage. Most of the permanent pasture in Northern Ireland is found in these marginal landscapes, and is the main reason why the EU granted an exemption to the rest of Northern Ireland on greening.

Newry, Mourne & Down District Council said that this funding was a vital support to farm income in its council area and then listed the following benefits:

(1) Recognised the natural handicap that farmers face;

- (2) Maintained farming in areas under threat;
- (3) Avoided land abandonment and helps sustain rural communities;
- (4) Ensured maintenance of the environment;
- (5) Offered vital income support leading to continued land use and production; and
- (6) Payments made to farmers had a spin-off effect in wider rural economy.

GAA said that rural GAA clubs were often one of few other resources within rural communities and highlighted issues such as depopulation, youth emigration and impact on local services and the impact this had on physical and mental health of people living in these areas. It said that the removal of the payment to support farm families in ANC would further remove the purpose and motivation of farm families to remain in the rural area. GAA felt strongly that rural farmers, particularly small rural farmers needed additional support in order to continue to protect the rural environment, develop rural communities, and to improve competitiveness of agriculture particularly in the rural area.

CNCC noted that the 2009 Review by DARD recognised a general consensus that support should continue with a more explicit set of environmental objectives. It suggested that, in seeking to influence the shape of the post-2020 CAP, DAERA should look for opportunities to support farming systems that make an important contribution to achieving EU targets for biodiversity and achieving the aims of the Nature Directives. It stated that the new departmental structures should create synergies that increased the capacity to engage with these issues. The alternative could be a situation where the costs of meeting statutory obligations under these Directives became a cost to the Department from the domestic budget.

## **Appendix 1**

### **List of Respondents to the Consultation on Future Support to Areas of Natural Constraint**

#### Organisations

- Belfast Hills Farmers Group
- Board of the Belfast Hills Partnership
- Council for Nature Conservation in the Countryside (CNCC)
- National Trust
- National Beef Association (NBA)
- Newry Mourne and Down District Council
- Northern Ireland Agricultural Producers Association (NIAPA)
- National Sheep Association (NSA)
- Royal Society for the Protection of Birds Northern Ireland (RSPB)
- Severely Disadvantaged Area Group (SDA Group)
- Ulster Farmers' Union (UFU)
- Ulster Gaelic Athletic Association (GAA)
- Ulster Unionist Party (UUP)
- Young Farmers' Clubs of Ulster (YFCU)

#### Individuals

- Vincent McAlinden
- Thomas Moorhead