

Committee for Agriculture and Rural Development

# Legacy Report Mandate 2011 - 2016

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Report: NIA 323/11-16 Committee for Agriculture and Rural Development

### KEY ACTIVITIES, OUTPUTS AND ACHIEVEMENTS

# REFORM OF THE COMMON AGRICULTURAL POLICY (CAP) - PILLAR 1 DIRECT PAYMENTS

CAP is the single most important source of income for many farmers in Northern Ireland and it is important for the viability of the agricultural industry. Its reform, at EU level, and the implementation of those reforms within Northern Ireland was the focus of considerable Committee scrutiny over the five years of the Mandate.

While negotiations with the EU were conducted by the UK Government, the initial focus of the Committee was on hearing the positions and concerns of a wide range of stakeholders in connection with the impact of these reforms. Committee work on this included a seminar on greening and the production of two position papers.

Once the reforms had been agreed, the Committee closely monitored their implementation in Northern Ireland, particularly around contentious policy areas such as the replacement of the Less Favoured Area Compensation Allowance with Areas of Natural Constraint (ANC); whether ANC payments would come from Pillar 1 or 2; regionalisation of payments; the definition of "active" farmer; and the criteria for Young Farmer schemes.

During the initial implementation phase, the Committee expressed concern about the length of time that the Department took in coming to its final major decisions on the policy options and implementation of Pillar 1. It was particularly concerned that lack of clarity on major issues made decision-making difficult for farming businesses.

#### RURAL DEVELOPMENT PROGRAMME (RDP)

The Northern Ireland Rural Development Programme (RDP) implements the EU's rural development policy, which essentially makes up the second pillar of CAP. In the lifetime of this Committee, Members have both considered the administration and operation of RDP 2007-2013 and have monitored and contributed to the development of its successor, RDP 2014-2020.

the Committee held an event in February 2012 to hear the views of stakeholders on the successes and failures of RDP 2007-2013, with a view to helping shape and improve the successor RDP. It noted key concerns such as the slow start for Axis 3 / 4, the overly complex application form for small amounts of grant aid and the impact that the economic downturn had on match funding.

The Committee carefully monitored the development of RDP 2014-2020 including questioning the timescales of the programme and urging the Department to ensure that the key concerns identified in the 2007-2013 programme were addressed. Detailed consideration was also given to how the budget would be allocated in terms of prioritisation within and to specific measures.

The Committee expressed concern at the apparent slow start of the new RDP, the challenges of securing match funding and the tie in with Going for Growth. It was particularly concerned at the delays in rolling-out of the capital aspects of Farm Business Improvement Scheme (FBIS) and Business Investment Scheme (BIS).

#### **EU DIRECT PAYMENTS - SFP AND BPS**

The Department is responsible for administering the payment to farmers from Pillar 1 of CAP. This was initially known as the Single Farm Payment (SFP) and was

replaced, under CAP Reform, with the Basic Payment Scheme (BPS). The Committee agreed that these payments should be the number one priority for the Department.

Throughout the Mandate, the Committee has regularly examined the processes and procedures used by the Department in the assessment and payment of Pillar 1money. The Committee has consistently monitored targets and held the Department's performance in administering these schemes to account including undertaking a review. The findings of this review were debated by the Assembly in January 2013 and the Committee called on the Minister to expedite the inspection process. During the debate, the Minister made a commitment to speed up the inspection process, and thus the payment process, by making increased use of remote sensing.

Throughout the subsequent sessions, the Committee continued to pursue its scrutiny of SFP with a specific emphasis on paying farmers who had been subject to an inspection. It examined the performance of the Department, called for more challenging targets and questioned the various changes or enhancements made to the Scheme. For example, during the 2013-2014 session, the Committee focused on the Department's performance in rolling out the new mapping system - the land parcel identification system (LPIS) maps - which was introduced in 2013. More recently, the Committee has examined the Department's preparations to ensure a smooth transition from SFP to BPS. The Committee has raised several issues around the new Scheme, namely, the definition of an "active" farmer, details of the "greening" requirements and the proposed timescales for the issue of Single Application Form (SAF) and inspections.

#### **LEGISLATION**

During the course of the Mandate the Committee scrutinised the following primary legislation:-

- Reservoirs Bill (NIA Bill 31/11-15)
- Rural Needs Bill (NIA Bill 67/11-16)
- Fisheries Bill (NIA Bill 74/11-16)

#### Reservoirs Bill

The Reservoirs Bill was Introduced to the Assembly on 20 January 2014 and referred to the Committee on 05 February 2014. In addition to taking oral and written evidence, the Committee also organised an event in Parliament Buildings in March 2014 to provide a forum for private reservoir owners to discuss the proposed legislation and their concerns.

After considering the evidence, a number of key themes were identified. The major concern was the lack of an audit of the condition of all reservoirs to provide evidence for the need for the Bill and the likely cost to bring them up to an acceptable standard where necessary. The Committee discussed these concerns with officials and the Department agreed to address them via a number of amendments or through alternative means. When the Committee reported on the Bill in June 2014 one matter remained unresolved. However, a resolution was eventually agreed which allowed the Bill to progress to Consideration Stage with 208 amendments. The Bill completed its passage through the Assembly in June 2015 and received Royal Assent.

#### Rural Needs Bill

The Bill was Introduced by the Minister on 09 November 2015 and referred to the Committee on completion of the Second Stage on 17 November 2015. After hearing from key organisations, the Committee identified the following key issues as central to the success of the legislation:-

- The need to strengthen the statutory duty imposed by the Bill;
- Including named non-departmental public bodies on the face of the Bill; and
- Improving transparency and accountability of reporting and monitoring arrangements.

The Committee requested amendments from the Department to deal with these concerns and nine such amendments were provided. The Minister made the Committee aware that several of these amendments would require NI Executive approval. In due course it noted that the Minister had not obtained the required approval from the Executive. As a result, the Committee agreed to table certain amendments.

The amendments tabled by the Committee and two of the three by the Minister were agreed at Consideration Stage on 15 February 2016, as were some additional amendments tabled by individual MLAs. The Bill moved forward and completed its Final Stage on 08 March 2016.

#### Fisheries Bill

The Fisheries Bill was introduced on 07 December 2015, relatively late in the parliamentary cycle. As such, the timescale required to ensure that the Bill could secure legislative passage through the Assembly was extremely tight. At the outset, the Committee had serious concerns in connection with having sufficient time to conduct proper legislative scrutiny.

Having questioned the urgency with which the Minister was seeking to introduce this Bill, particularly given the risk that it could fall due to lack of time, the Minister indicated that the Bill contained one particularly important clause to address concerns expressed by the European Commission which had resulted in a potential threat of infraction proceedings. After further discussions, the Minister and the Committee agreed that only clause 6 and clause 19 (the Short Title) would move forward. As agreed, Notices of Intent that all other clauses not stand part of the Bill were tabled by the Committee and the Minister.

At Consideration Stage, the Assembly voted not content with all other clauses leaving only clause 6 and 19 to go forward. The Bill passed its Final Stage on 15 March 2016.

#### Subordinate Legislation

The Committee also considered and scrutinised the policy associated with 129 items of subordinate legislation, of which 124 were approved as Statutory Rules. The Committee contributed to a further 74 consultations in respect of policy documents deriving from the Department.

A number of substantive pieces of subordinate legislation were brought forward under the Welfare of Animals Act (Northern Ireland) 2011 which the Committee had considered during the previous Mandate. These included *The Welfare of Animals* (Dog Breeding Establishments and Miscellaneous Amendments) Regulations 2013

which introduced standards for commercial dog breeding establishments and a new licensing regime.

The proposed legislation caused considerable debate amongst stakeholders and there was a diverse range of opinions on the standards that should be included in the legislation. The Committee also worked closely with Department officials to clarify its position on a number of the contentious issues.

As a result the Minister made changes to the proposed legislation, including changes to the definition of breeding establishment, the requirement to have an older bitch or dog spayed or neutered after its breeding life was finished and before rehoming and changes to the levels of paperwork required by a breeding establishment. The Regulations were debated by the Assembly on 18 February 2013 and came into effect on 01 April 2013.

#### **REVIEWS AND INQUIRIES**

Throughout the mandate, the Committee aimed to focus its policy scrutiny by undertaking thematic reviews of certain key areas. The most significant of these reviews are outlined below.

## Better Regulation Inquiry (2015/16)

The purpose of the Inquiry into Better Regulation was to examine the current regulatory framework within the agricultural industry and to identify ways of reducing the administrative and regulatory burden on farmers.

The Committee gathered evidence from key stakeholders and commissioned research and an on-line survey from RalSe. As a result of this work, the Committee identified several emerging themes which it felt the Department could potentially improve on in the short term. These included the desirability of benchmarking and auditing; taking account of earned recognition or third party accreditation; and a relaxation of the Department's position on cattle electronic ID and recording the colour of animals.

The Committee recognised that over the lifetime of the Review it had achieved a number of significant improvements for farmers. For example, the Department agreed to major amendments to the regulations on cattle tags and to *The Common Agricultural Policy Direct Payments and Support Schemes (Cross Compliance)*Regulations (Northern Ireland) 2014 (SR 2014/291) as they related to the Department's interpretation of issues including irrigation, minimum soil cover, hedge cutting and hedgerow tree removal. Subsequent discussions with the Department led to a number of significant changes to these rules.

Towards the end of the session, the Committee agreed to write to the Minister highlighting its findings to date and requesting that these be brought to the attention of the incoming DAERA Minister.

#### Anti-Poverty and Social Inclusion (2014/15)

The Committee undertook this review with the aim of exploring the success, or otherwise, of the projects that comprised the Anti-Poverty and Social Inclusion Programme and advising the Minister on the development of a successor programme.

The Committee gathered evidence from multiple sources and organised an event in order to engage directly with rural stakeholders.

The Committee outlined its key issues and recommendations in a position paper to the Minister which was debated in the Assembly in March 2015. A formal written response to the paper was provided by the Department in May 2015. However, the Committee agreed that it was not satisfied with this response and wrote to the Minister to express concern at the perceived lack of urgency and co-ordination in addressing the recommendations of its Review.

The Committee has received a number of subsequent briefings from the Department outlining how the Committee's recommendations were accepted and implemented, for example, by establishing an Interdepartmental Committee on Rural Policy (IDCRP) which now plays an important role in the monitoring and delivery of the Rural White Paper Action Plan and in the development and implementation of rural proofing policy.

#### Farm Safety (2013/14)

The Committee Review into Farm Safety initiatives aimed to identify outstanding gaps to be addressed by the Department to enhance farm, and farmer, safety in Northern Ireland. The Committee had no concerns with the approach taken by the Health and Safety Executive NI to farm safety and worked in partnership with it to organise a large scale Farm Safety event, hosted by the Committee, in Parliament Buildings in January 2014. The aim of the event was to raise awareness amongst the farming community of the importance of farm safety.

#### Bovine Tuberculosis (TB) (2012/13)

The eradication of bovine TB has long been a priority for the Department. The prevalence of the disease has resulted in significant costs to the Department of circa £30m per year.

In light of this, the Committee agreed to undertake a review into the reduction and eradication of bovine TB in Northern Ireland. In addition to taking written and oral evidence, the Committee also organised a study visit to Gloucestershire, England in June 2012 to examine practices not employed in Northern Ireland, namely badger vaccination and badger culling.

The issue of a badger cull in Northern Ireland was considered by the Committee. In response the Minister announced a pilot for an innovative project in a high incidence area of catching badgers, testing them for TB, releasing those who tested negative and removing those who tested positive.

The Committee's report on reducing or eradicating bovine TB in Northern Ireland was debated and agreed by the Assembly in November 2012. The Department responded formally to the report in January 2013, accepting and agreeing to implement 13 of the 16 recommendations made by the Committee. The Department also established an industry led stakeholder group to bring forward a new strategy for eradication of bovine TB. However, this group had not reported by the end of the 2011-2016 Mandate.

#### OTHER WORK

- (i) In addition to the strategic work undertaken by the Committee, Members also responded swiftly to those issues that had a direct and often detrimental impact on the lives of farmers and those living in rural communities.
- (ii) The most prominent examples of this work included scrutinising the Department's response to severe weather incidents (flooding in 2015/16 and heavy snowfall in 2013), the dairy crisis in 2014 to 2016, the horsemeat scandal and the outbreak of tree disease in 2013.
- (iii) Other policy areas that the Committee focused on included AFBI (strategic development and estate issues), the replacement of APHIS with NIFAIS, the Department's relocation programme (including HQ relocation to Ballykelly) and the impact of the reform of the Common Fisheries Policy (CFP) on local fishing communities.
- (iv) The Committee also took a keen interest in the development of and outputs from Going for Growth and held a number of concurrent meetings with the Committee for Enterprise Trade and Investment on joint scrutiny. Further information on these issues can be found in the End of Session Reports produced by the Committee over the 2011-16 Mandate.

#### ISSUES FOR INCOMING COMMITTEE

#### Legislation

As many of the clauses of the Fisheries Bill, introduced on 07 December 2015, were not moved by the Minister at Consideration Stage, the matters covered by these provisions are likely to come before the incoming Committee as primary legislation. A Bill is still required to amend the Fisheries (Northern Ireland) Act 1966 and the Sea Fish (Conservation) Act 1967 in order to modernise enforcement powers; allow fisheries offences to be dealt with through fixed administrative penalties; and align sea fisheries enforcement powers with those already in place in England, Scotland and Wales.

It is also possible that this Bill will include provisions relating to aquaculture that the Minister had chosen to omit from the Fisheries Bill, as Introduced, in an effort to secure a more rapid and smoother passage through the Assembly.

#### Direct Payment - Basic Payment Scheme (BPS)

The Basic Payment Scheme remains one of the most important sources of income for Northern Ireland farmers. The incoming Committee may wish to continue monitoring how the Department deals with all aspects of the process from the application, through inspections, to the issuing of final payments. This Committee recommends that specific attention is paid to the following matters which have proved challenging for the Department:-

- Duplicate Fields;
- · Late payment to inspection cases;
- The Review of Decisions/Appeal System and, in particular, the timescales for Stage 2 Appeals;

The Committee is aware that the use of on-line applications has greatly assisted the Department in terms of checking details, reducing administration costs and speeding

up the processing of applications. The on-line application process also has the advantage of assisting farmers in identifying mistaken entries on applications. Although there have been some minor initial difficulties, the Committee endorses the move to electronic services. It recommends that the incoming Committee continues to monitor the take-up of digital services and make its own assessment of the Department's success in this area.

#### Young Farmers Scheme

The Young Farmers Scheme was well received by major stakeholders. However, it is only in its first year and this Committee has not had sufficient time to assess its success or otherwise. The Committee is aware that there have been some teething issues in connection with the Department rejecting Young Farmer claims on the basis of criteria relating to the nature of business contracts; the provision of audited accounts; and educational qualifications.

#### Northern Ireland Rural Development Programme (RDP)

The Committee received a final briefing on the outturn of RDP 2007-2013 from RalSe and Department officials on 23 February 2016. These updates identified several problems in implementing the previous RDP. Additional details of RDP 2007-2013 are likely to come before the Committee in the new Mandate as the Department is required to undertake an ex post evaluation which has to be submitted to the European Commission by 31 December 2016.

The Committee may wish to ensure that the lessons learned from these experiences are applied in the implementation of RDP 2014-2020. The roll out of RDP 2014-2020 has already been delayed by two years, so Members may have legitimate concerns that the current programme will be beset by issues and challenges similar to those faced by its predecessor.

The proposed Farm Business Improvement Scheme (FBIS) and the Business Investment Scheme, important elements of RDP 2014-2020, have been of particular interest to the outgoing Committee. However, to date, the Department has launched only a non-capital measure and the Committee has yet to be informed whether DFP approval has been received for the Business Investment Scheme, the capital element of FBIS.

#### Inquiry into Better Regulation

While the Committee made progress on several fronts, principally a relaxation of the rules and penalties around cattle ID tags and the admissibility of electronic herd registers, Members felt that a number of other issues identified in the course of the Inquiry had yet to be satisfactorily addressed by the Department. At the meeting of 23 February 2016, the Committee agreed to send a letter to the Minister highlighting the following issues:-

- The Department's overly cautious approach to benchmarking;
- The need for more robust internal and external scrutiny of regulation; and
- The Department's insistence on recording the colour of an animal, despite the fact that it is not a legislative requirement.

The Committee also expressed its belief that the continued pursuit of better regulation should be a priority for the new Department.

Despite having to narrow the scope of the Inquiry significantly, due to the introduction of two Bills, the Committee still achieved important practical results. In light of these achievements, the incoming Committee may wish to pursue these matters in an effort to further ease the regulatory burden facing farmers.

### Department of Agriculture, Environment and Rural Affairs (DAERA)

DAERA will have all of the Department's existing functions, with the exception of the Rivers Agency. It will also absorb environmental responsibilities from the Department of the Environment/Northern Ireland Environment Agency, Inland Fisheries from the Department of Culture, Arts and Leisure and sustainability strategy responsibility from the Office of the First Minister and deputy First Minister.

The new Committee may wish to monitor how successfully the transferred functions have been integrated into the new Department and whether the opportunities for maximising efficiency (for example, by integrating inspection regimes) have been optimised.

### Supply Chain Issues and Farmgate Prices

The issue of low farmgate prices has severely impacted almost all sectors of the agriculture industry in Northern Ireland during recent years. In the 2015-2016 session, the Committee considered the plight of dairy, pigmeat and vegetable producers and made representations to the Department on their behalf. The Committee examined the relatively weak position of local producers in the food supply chain. The Committee received briefings from a number of major supermarkets and also discussed the need to improve the situation of producers with the Groceries Code Adjudicator. Much of this was covered in the Committee's submission to the House of Commons Inquiry into Farmgate Prices.

The Department has responded by establishing the Supply Chain Forum. However, to date, the Forum has met only once and there have been no tangible results as yet. The incoming Committee may wish to continue scrutinising the work of the Department and the Agri-Food Strategy Board in their efforts to improve the position of producers in the supply chain and the price paid for their produce.

The Committee was also pleased to note that the European Commission has appointed an Agri-Food Markets Taskforce to come up with proposals to improve the position of farmers in the supply chain. The new Committee may wish to consider the final report of this EU Taskforce which should be published in autumn 2016. It is strongly recommend that the incoming Committee continue to focus on supply chain issues and farmgate prices in the new Mandate.

#### **APPENDIX 1**

# **Membership and Powers**

#### **Powers**

The Committee for Agriculture and Rural Development is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of Strand One of the Belfast Agreement and under Assembly Standing Order No 48. The Committee has a scrutiny, policy development and consultation role with respect to the Department of Agriculture and Rural Development and has a role in the initiation of legislation. The Committee has 11 members, including a Chairperson and Deputy Chairperson, and a quorum of 5.

#### The Committee has power to:

- consider and advise on Departmental budgets and Annual Plans in the context of the overall budget allocation;
- approve relevant secondary legislation and take the Committee Stage of relevant primary legislation;
- call for persons and papers;
- · initiate enquiries and make reports; and
- consider and advise on matters brought to the Committee by the Minister for Agriculture and Rural Development.

#### Membership

The Committee has 11 members, including a Chairperson and Deputy Chairperson, and a quorum of five members. The membership of the Committee is as follows

- Mr William Irwin MLA (Chairperson) <sup>12</sup>
- Mr Joe Byrne MLA (Deputy Chairperson)<sup>3</sup>
- Mr Sydney Anderson MLA 8,15
- Mrs Jo-Anne Dobson MLA
- Mr Declan McAleer MLA <sup>1,4</sup>
- Mr Kieran McCarthy MLA <sup>9,10,13</sup>
- Mr Ian McCrea MLA <sup>17</sup>
- Mr Oliver McMullan MLA
- Mr Ian Milne MLA <sup>2,7</sup>
- Mr Edwin Poots MLA <sup>14</sup>
- Mr Robin Swann MLA <sup>6,11,16</sup>

<sup>&</sup>lt;sup>1</sup> With effect from 23 January 2012 Ms Michaela Boyle replaced Mr Conor Murphy

<sup>&</sup>lt;sup>2</sup> With effect from 08 May 2012 Mr Chris Hazzard replaced Mr Willie Clarke

<sup>&</sup>lt;sup>3</sup> With effect from 19 May 2012 Mr Joe Byrne replaced Mrs Dolores Kelly as Deputy Chairperson

<sup>&</sup>lt;sup>4</sup> With effect from 10 September 2012 Mr Declan McAleer replaced Ms Michaela Boyle

<sup>&</sup>lt;sup>5</sup> With effect from 03 December 2012 Mr Danny Kinahan replaced Mr Robin Swann

<sup>&</sup>lt;sup>6</sup> With effect from 21 January 2013 Mr Robin Swann replaced Mr Danny Kinahan

<sup>&</sup>lt;sup>7</sup> With effect from 15 April 2013 Mr Ian Milne replaced Mr Chris Hazzard

<sup>&</sup>lt;sup>8</sup> With effect from 16 September 2013 Miss Michelle McIlveen replaced Mr Trevor Clarke

<sup>&</sup>lt;sup>9</sup> With effect from 01 October 2013 Mr Trevor Lunn replaced Mr Kieran McCarthy

<sup>&</sup>lt;sup>10</sup> With effect from 27 January 2014 Mrs Judith Cochrane replaced Mr Trevor Lunn

<sup>&</sup>lt;sup>11</sup> With effect from 04 July 2014 Mr Tom Elliott replaced Mr Robin Swann

<sup>&</sup>lt;sup>12</sup> With effect from 23 September 2014 Mr William Irwin replaced Mr Paul Frew as Chairperson

<sup>&</sup>lt;sup>13</sup> With effect from 29 September 2014 Mr Kieran McCarthy replaced Mrs Judith Cochrane

<sup>&</sup>lt;sup>14</sup> With effect from 06 October 2014 Mr Edwin Poots was appointed to the Committee

With effect from 06 October 2014 Mr Sydney Anderson replaced Miss Michelle McIlveen

<sup>&</sup>lt;sup>16</sup> With effect from 30 June 2015 Mr Robin Swann replaced Mr Tom Elliott

<sup>&</sup>lt;sup>17</sup> With effect from 5 October 2015 Mr Ian McCrea replaced Mr Thomas Buchanan

#### APPENDIX 2

#### Committee for Agriculture and Rural Development

End of Session report 2015-2016

#### **KEY ACTIVITIES, OUTPUTS AND ACHIEVEMENTS**

1. This report covers the work of the Committee for Agriculture and Rural Development during the 2015-2016 session of 01 September 2015 to 29 March 2016.

#### PRIMARY LEGISLATION

#### Rural Needs Bill

- 2. The Committee reported on the Rural Needs Bill on 26 January 2016. The Committee received oral evidence from the Department and 7 other organisations and considered written submissions from 19 organisations over 7 Committee meetings. As a result of its scrutiny the Committee tabled 6 amendments to the Bill which imposed a higher duty on bodies that come under the remit of the Bill. It also added public bodies to the face of the Bill and strengthened the report and accountability arrangements
- The Report was used, and referred to, by both Members of the Committee and Assembly Members during the Consideration Stage of the Bill on 15 February 2016.

#### Fisheries Bill

- 4. The Committee reported on the Fisheries Bill on 9 February 2016. The Committee received oral evidence from the Department and one other organisation and considered written submissions from 3 organisations over 4 Committee meetings.
- **5.** Prior to the introduction of the Bill the Committee had discussions with the Minister and her Department regarding the time pressures facing the Bill. Given these concerns, it was agreed that only the provisions of the Bill that would address the threat of infraction would be moved at Committee Stage, namely clauses 6 and 19.
- **6.** The Report was used, and referred to, by both Members of the Committee and Assembly Members during the Consideration Sage of the Bill on 23 February 2016.

#### SUBORDINATE LEGISLATION

7. The Committee considered and scrutinised 11 Policy Proposals (SL1s) from the Department of which 17 were approved as Statutory Rules. The secondary legislation dealt with a wide range of topics including animal and plant health, organic farming, fishing and policies for payment of European funding schemes.

#### **REVIEWS AND INQUIRIES**

#### Inquiry into Better Regulation

- **8.** The Committee undertook an Inquiry into Better Regulation with the aim of championing the cause of decreasing the level of regulatory burden that is faced by farmers in Northern Ireland.
- 9. The Committee considered oral evidence gathered from a number of organisations including the Ulster Farmers' Union, Northern Ireland Agricultural Producers Association, the Agri-Food Strategy Board, RalSe and the Department. The Committee received and considered 12 written responses to the Inquiry to the call for evidence and also commissioned an online survey to seek information from farmers on their opinions of 'Better Regulation'.
- 10. In November and December the Committee was informed that it would be required to scrutinised two pieces of primary legislation, the Rural Needs Bill and the Fisheries Bill. The Committee's work programme had to be reprioritised accordingly.
- **11.** In the interim, the Committee requested that the Department consider two research papers produced by RalSe and the key issues and findings identified by the Committee during the early stages of the Inquiry.
- 12. The Committee received an oral briefing from the Department on their response to the research papers and key issues at the meeting of Tuesday 16 February 2016. The Committee noted that a number of these issues had been addressed by the Department, including a relaxation of its position on cattle ID tags and the acceptance of online herd registers.

#### **BUDGET SCRUTINY**

13. The Committee examined departmental budgets on five occasions during the 2015-2016 session. The Committee noted and approved the Departmental bids in the November 2015 and January 2016 Monitoring Rounds. The Monitoring Round bids included increased compensation for Bovine TB, Flood Alleviation and ICT reform required by CAP. 14. The Committee also considered the Department's plan for operating on a reduced budget and explored how these reductions would impact ongoing projects, such as headquarters relocation, the implementation of Going for Growth and the Agri-Food and Biosciences Institute. Members received a briefing from both the Department and RalSe in relation to the proposed 2016/17 budget for the new Department of Agriculture, Environment and Rural Affairs

#### **POLICY SCRUTINY**

**15.** During the 2015-2016 session, the Committee undertook policy scrutiny of topics including the Northern Ireland Rural Development Programme (NIRDP), the Basic Payment Scheme and the crisis in the dairy industry.

#### Northern Ireland Rural Development Programme (NIRDP)

- **16.** Following a Ministerial announcement in August 2015 that the European Commission formally approved the NIRDP 2014-2020, the Committee invited the Department to brief it on the proposed timescales and schemes.
- 17. The Committee urged the Department to consider launching the Farm Business Improvement Scheme (FBIS) and the Business Investment Scheme (BIS) at the earliest possible opportunity. The Committee requested that the Department provide regular briefings on the practical and operational details of FBIS and BIS as a matter of priority.

#### New Basic Payment Scheme (BPS)

**18.** The Committee received two briefings from Department officials on the new BPS. At both sessions the Committee raised issues related to young farmer applications and duplicate fields and sought further clarification. The Committee closely monitored the number of applications, the timing of payments and details of inspection schedules, both remote and on field.

#### Cross Compliance

- **19.** Over the course of the session the Committee rigorously pursued the issue of cattle tag thresholds with Department officials. Following several evidence sessions, the Department proposed a possible easement to its current approach that, in some instances, would reduce the percentage penalty applied to keepers found to have animals with one tag missing.
- **20.** The Committee welcomed this approach but still did not consider the easement to be a satisfactory solution. The Department agreed to take this on board and further review its approach to cattle ID and cross compliance.
- **21.** Following discussions with the European Commission auditors, the Department announced that, with effect from 1 January 2015, the existing thresholds will be replaced and a cross-compliance penalty would only apply for animals with one

tag missing if the percentage number of animals with one ear tag missing is above 15%. The Committee agreed it was content with this approach.

#### Dairy Industry

- 22. Following the extraordinary meeting of the Committee on 30 July 2015, Members continued to express concern at the crisis facing the dairy industry. The Committee received regular updates from the Department and the Minister in relation to how the issue was being tackled and what progress was being made. The Chairperson also accommodated the Minister to a meeting in Brussels with the EU Commissioner in preparation for a Special Agriculture Council in Europe to discuss the crisis.
- **23.** In addition to meeting with the Groceries Code Adjudicator to discuss fairness in the supply chain, the Committee also called the four main supermarkets in Northern Ireland to brief Members on their general purchasing policies and how they deal with farmers.
- **24.** The Committee also made submissions on the dairy crisis and related matters to two Westminster Committee Inquiries:
  - House of Commons Committee for Environment Food and Rural Affairs Inquiry into Farm gate Prices; and
  - House of Lords EU Energy and Environment Sub-Committee Inquiry into Price Volatility and the Potential for Creating a More Resilient Agricultural Sector.

#### **ENGAGEMENT**

#### **Visits**

25. National Ploughing Championships,
Ratheniska, Co. Laois, 22 - 23 September
2015 - The Committee visited the National
Ploughing Championships in Ratheniska,
Republic of Ireland and met with many of the
businesses from Northern Ireland exhibiting
at the event.





26. Northern Ireland Ploughing Championships, Balmoral Park, 9 October 2015 - In support of the local Ploughing Championships, the Committee attended the annual competition at Balmoral Park.

**27. Visit to the Institute for Global Food Security, 17 November 2015** - The Committee visited the QUB Institute for Global Food Security for a meeting with the Management Committee of 'Farm to Folk' and a tour of the facilities.



28. Visit to London to meet with EFRA Committee and Groceries Code Adjudicator,
18 November 2016 - The Committee met with both the EFRA Committee, and the
Groceries Code Adjudicator to discuss the ongoing dairy crisis and the general
crisis in the agriculture industry.



**29. Visit to Toome Sluice Gate, 18 February 2016** – The Committee, accompanied by Members of the Regional Development Committee, visited the Sluice gates at Toome, which control the water outflow from Lough Neagh



## **Committee Expenditure**

30. Details of Committee expenditure for the session are detailed below;

# COMMITTEE FOR AGRICULTURE AND RURAL DEVELOPMENT Committee Expenditure for Parliamentary Session 2015 - 2016

Budget area	Details	Expenditure
Committee Travel - committee members and staff travel and subsistence in relation to visits and meetings outside Parliament Buildings	<ul> <li>EU Dairy Conference - Greenmount</li> <li>Visit to Brussels to meet with EU Commissioner on the Dairy Industry Crisis</li> <li>National Ploughing Championships, Ratheniska Co. Louth - To meet with local businesses represented at the Championships and DARDs event to publicise NI produce;</li> <li>Northern Ireland Ploughing Championships - Visiting the local ploughing Championships at Balmoral Park to support the industry;</li> <li>QUB Institute for Global Food Security - Meeting with the Institute for Global Food Security Management Committee and Tour of Facilities;</li> <li>Westminster, London - Meeting with the EFRA Committee and the Groceries Code Adjudicator on Dairy/Agriculture Crisis; &amp;</li> <li>Visit to the Toome Sluice Gates to discuss the levels of Lough Neagh and its effect on flooding</li> </ul>	£2,712.33
Advertising	Rural Needs Bill	
	Fisheries Bill	£1,275.74
General expenses	Cost of refreshments for committee meetings, working	
	lunches, seminars, room hire and witness expenses	0047.07
Tatal		£847.97
Total		£4,836.04

\*Correct as of 15 March 2016.

## **APPENDIX 3**

## Committee meetings & visits

Session	Number of meetings held	Percentage minutes public / closed	Number of meetings held outside Parliament Buildings	Number of committee visits
2011/2012	42	96 / 4	2	6
2012/2013	40	91 / 9	1	7
2013/2014	37	94 / 6	0	7
2014/2015	34	88 / 12	1	6
2015/2016	23	92 / 8	0	5

## Bills

Session	Name of Bill	Committee report
		(Ordered to print)
2013/2014	Reservoirs Bill	24 June 2014
2014/2015	Addendum to the Reservoirs	3 March 2015
	Bill	
2015/2016	Rural Needs Bill	26 January 2016
	Fisheries Bill	2 February 2016

## Committee Inquiries

Session	Name of report	Committee Report	Date debated in Plenary
		(ordered to print)	(if applicable)
2012/2013	Review into	13 November 2012	26 November 2012
	Bovine		
	Tuberculosis		

## **Statutory Rules**

Session	Number agreed	
	by Committee	
2011/2012	40	
2012/2013	30	
2013/2014	18	
2014/2015	19	
2015/2016	17	

## Committee Reports (excluding Bill and Inquiry reports)

Session	Name of report	Date	Date debated in
		(date approved by Committee)	Plenary (if appropriate)
2012/2013	Committee position Paper on Plant	25 June 2013	9 September 2013
	Health and Tree Disease		
	End of Session Report 2011/12	9 October 2012	N/A
2013/2014	Committee Report on the	3 June 2014	30 June 2014
	Public Bodies (Abolition for Food		
	From Britain) Order 2014		
	Legislative Consent Motion		
	End of Session 2012/13	10 September 2013	N/A
2014/2015	Committee Report on the Public	20 January 2015	17 February 2015
	Bodies (Abolition of the Advisory		
	Committee on Pesticides) Order		
	2014 Assembly Consent Motion		
	Committee position Paper on the	17 February 2015	2 March 2015
	DARD's Anti-Poverty and Social		
	Inclusion Programme		
	End of Session 2013/14	30 September 2014	N/A
2015/2016	End of Session 2014/15	29 September 2015	N/A
	Legacy Report	8 March 2016	N/A

## Witnesses

Session	Number of Organisations who give evidence	
	to the committee	
2011/2012	39	
2012/2013	32	
2013/2014	42	
2014/2015	30	
2015/2016	37	

#### Links to Committee Work

Minutes of Proceedings from Committee meetings can be viewed *here*.

Minutes of Evidence from Committee meetings can be viewed *here*.

Reports Published by the Committee can be viewed *here*.

Research Papers commissioned by the Committee can be viewed here.

Inquiries undertaken by the Committee can be viewed *here*.

Reviews undertaken by the Committee can be viewed *here*.

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