

The Future of Agricultural Support in Northern Ireland

A briefing from Sustainable Agriculture Policy Sub-Group Nature Matters NI, December 2017

'Nature Matters NI' (NMNI) is a coalition of environmental non-governmental organisations in Northern Ireland working together for a nature friendly brexit.

Environmental organisations in Northern Ireland (NI) have a long history of calling for the reform of the Common Agriculture Policy (CAP) to ensure that it incentivises wide spread positive action for the environment. The United Kingdoms (UK) vote to leave the European Union (EU) in June 2016 provides society with a once in a lifetime opportunity to financially support the agriculture industry in the delivery of environmental public goods such as healthy soils, clean water, thriving wildlife and climate change mitigation.

In recent decades the CAP has pushed farming in an unsustainable direction. Evidence for this includes poor water quality¹ and the loss of carbon from damaged and degraded habitats, such as blanket bogs. Although much blanket bog in NI remains, only 8% of lowland bog and 15% of upland bog is considered intact, due to drainage, overgrazing and peat cutting. Agricultural intensification is recognised as one of the key reasons for the decline in farmland nature². However, agriculture can be part of the solution, which is evidenced through the role farmers and land managers play in the maintenance of landscapes and delivery of current agri-environment schemes.

The CAP hasn't been effective at meeting one of its key outcomes of helping to build a resilient agricultural industry. In NI 87% of farm income is derived from EU subsidies- compared with 53% for the UK. Without financial support most farming in NI is uneconomically viable. This has been brought into stark relief by the risks posed to future agriculture support and the implications for farming as a result of our decision to leave the EU.

We need to rethink the way we manage land in Northern Ireland and why. Whilst the future outside of the EU is uncertain, the requirement to develop new policies presents a unique opportunity to develop a robust and sustainable policy which strategically places agriculture and land-use on a sustainable footing. We now have a once in a generation opportunity to develop new sustainable agriculture policies in NI that are good for nature, fair to farmers and benefit society through the delivery of public goods.

Our position aligns with UK Environment Links in [England](#), [Scotland](#) and [Wales](#), and the principles set out by the Greener UK³ paper '[Agriculture at a crossroads: the need for sustainable farming and land use policies](#)'. We will continue to collaborate with UK colleagues on a range of issues relevant to our goal of realising a nature friendly brexit for NI.

¹ https://www.daera-ni.gov.uk/sites/default/files/publications/daera/ni-environmental-statistics-report-2017_2.PDF (page 41)

² https://www2.rspb.org.uk/globalassets/downloads/documents/conservation-projects/state-of-nature/210-2470-15-16_stateofnature2016_northernireland.pdf

³ <http://greeneruk.org/>

Key asks

A Common Framework for Agriculture in the UK

Our aim of wanting farming to be good for people and nature applies everywhere across the UK. It is imperative that Northern Ireland, Wales, Scotland and England work together on an ambitious common framework for Agriculture that prevents a deregulatory race to the bottom. This must include an appropriate degree of flexibility so as to allow implementation to be tailored to the specific environmental and legislative context in each nation. This must also include robust shared governance arrangements (e.g. clear monitoring and reporting obligations and associated enforcement mechanisms) as a means of holding all four nations to account and resolving disputes following the loss of the functions currently carried out by the EU institutions in this respect. There is a clear need for a common framework, in order to achieve sustainable management of shared natural resources and address trans-boundary objectives, such as climate change and biodiversity conservation, and ensure that the UK Government can meet international environmental obligations to which it is committed.

Currently, the CAP provides a policy 'framework' that enables a degree of flexibility, whilst ensuring a level of consistency within the UK. As we leave the EU, replacing this function – or some degree of it – will be necessary. But as agriculture is a devolved competence, the development of any future common UK framework must be achieved through an open and collaborative process between the UK Government and devolved administrations. This should include shared environmental ambition to meet the UK's national and international commitments and obligations associated with biodiversity, climate change and sustainable development. At the same time, it must also allow for a significant degree of flexibility to tailor policy to different situations across the UK, and reflect the differing environmental, social and political contexts in each of the four countries

Effective Legislative Baseline

To secure value for money, it is essential that future payments build from a foundation of effective regulation. Payments should continue to be linked to regulatory compliance where relevant, in order to avoid undermining the effectiveness of public investment. This baseline should set ambitious common standards that are at least as high as those in existing EU law, at the same time as retaining an appropriate degree of flexibility to allow implementation to be tailored to each of the four countries. Such protections are essential in protecting the environment and interests of society. As we exit the EU, there is also an emerging consensus that regulation is not just vital to protect the environment. It also ensures the integrity of UK food, with the National Farmers Union recently concluding that not only are regulatory protections "...crucial in and of themselves, they also underpin the value of British produce and the high levels of public trust in British food and farming."⁴

Future Funding Needs

It is essential that the UK Government and devolved administrations continue to invest in farming and land management policies in order to meet a range of environmental objectives, including those associated with biodiversity, water quality and climate change. An environmental focus also presents an opportunity for farming to continue to receive significant public support, whilst delivering clear public benefits, and demonstrable added value. A recent report ['Assessing the Costs of Environmental Land Management in the UK'](#) provides a figure for how much funding

⁴ NFU (2017) A Regulatory Regime That's Fit For Purpose: Delivering for farmers and for the public

nature needs. The figure for Northern Ireland is for an eight fold increase based on current costs. These costs are focused on land management interventions, and **do not** reflect the total costs associated with either future farming or environmental objectives. For example, continued public investment needs for agriculture in order to promote innovative and sustainable production may be significant, and environmental targets will need more than land management if they are to be met. In an accompanying [briefing for policy makers](#), the report sets out why we need to maintain the funding associated with the CAP- in excess of £300m pa for NI- for at least a ten year period after our departure from the EU.

In addition to costs associated with land management, there will also be a need to invest in support activities, such as advice, research and monitoring and evaluation. Such investment, should work alongside rural development funding and support to foster innovation, mentioned in the policy design section below.

‘Public Goods Payments’

The CAP is widely recognised as a dysfunctional and inefficient policy in need of reform. Although the UK look set to leave it behind, there is though still a strong case for continued investment in farming and land management, as mentioned above, in order to secure a range of public goods⁵. The concept of public goods is a way of describing the environmental and social goods and services provided by agriculture and other land uses such as forestry that are not rewarded through the market. These include biodiversity, soil function, resilience to flooding and a range of others⁶ which contribute to NI's Natural Capital. Natural Capital embodies stocks of our natural assets such as soil, air, water and biodiversity. Natural Capital assessments have been championed as an efficient, practical and readily understandable approach to supporting more effective policy and investment decisions⁷. It is vital that the post-Brexit agriculture policy thinks long term (25 years or more) to ensure the delivery of environmental public goods that enhance Northern Ireland's Natural Capital, protecting the productive capacity of the land.

A focus on public goods will demonstrate clear added value to the taxpayer in return for their investment whilst continuing to support the farming and other rural businesses that deliver benefits to society. We recognise however that there are also serious imbalances in the way the market operates. Steps need to be taken to improve the position of farmers in the supply chain and ensure they receive a fair price for their produce. The focus here though should be on making the market operate more effectively. A public goods approach to public investment in agriculture and land management is needed to achieve a range of public policy commitments and obligations, and meet the environmental challenges that we face. With significant political and public support, it also provides a robust basis for the long-term, stable policy settlement that farming and land management needs for the future.

Policy Design

As mentioned above, policy design is likely to vary within the common framework to suit local circumstances. However there are some key elements that we believe will be vital to secure

⁵ https://ieep.eu/uploads/articles/attachments/fed6141c-7490-4561-9ca2-838a22b96539/final_pg_report.pdf?v=63664509725

⁶ Cooper, T., Hart, K. and Baldock, D. (2009) The Provision of Public Goods Through Agriculture in the European Union, Report for DG Agriculture and Rural Development, Contract No 30-CE-0233091/00-28, Institute for European Environmental Policy: London.

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/650314/ncc-advice-on-25-year-environment-plan171009.pdf

environmental outcomes from agriculture. A detailed analysis of the proposed policy design is provided in the [Wildlife and Countryside Link discussion paper](#), however flexibility regarding delivery must be applicable to the needs of the NI industry. In summary the key principles are included below;

1. **Effective regulation:** A strong legislative baseline, providing an effective foundation for public investment
2. **Widely available land management payments:** Available to all land managers to address widespread environmental objectives such as declining farmland wildlife, degraded soils, water quality, climate change amongst others.
3. **Targeted Payments for more complex interventions:** Restoring and creating habitats, recovering priority species, improving the condition of designated sites, working collaboratively on a landscape scale
4. **High Nature Value (further development required):** Particular consideration should be given to farming that is economically marginal, but HNV. Ensuring that the right policies are in place to support and maintain this sector will be particularly important to secure the public goods associated.
5. **Measures to promote production that is resilient, sustainable, innovative and humane.** A range of measures to support advice and training, as well as targeted capital grants and loans to help transition farming and land management away from the CAP.

A clearly defined transition

Proposals above represent a significant departure from the status quo. The Secretary of State for DEFRA Michael Gove has stated⁸ many times that what farmers get paid for through public finance will change, and there will be a major refocusing of public support toward the provision of public goods. As such, we recognise that there is a need to transition from our current policies under the CAP, to a future policy. At a time of significant flux however, it is essential that governments across the UK provide clarity about the road ahead. Any transition period should therefore be:

- Pre-defined and time limited. For reasons of certainty and stability, farmers and land managers need clarity on the length of a transition, to plan for the future.
- Based on a clear direction of travel. Governments should provide a clear statement of intent to put the environment at the heart of future policy.

This will allow farmers and land managers to plan for future policy with clarity as to its purpose. With the UK Treasury committed to existing levels of expenditure until the end of this Parliament only, developing and embedding new policies by 2022 is in the interests of both farmers and the environment. Practically, there is also a need to build towards this new policy, given that the architecture and delivery arrangements will need to be developed, and in some cases piloted.

⁸ <https://www.gov.uk/government/speeches/the-unfrozen-moment-delivering-a-green-brexite>