

## **Northern Ireland Future Agricultural Policy Framework: Stakeholder Engagement - Questions**

October 2018

1. What are your views on the retention of entitlements as the basis of direct support until a new agricultural policy framework is agreed?

This seems pragmatic as it will give some planning 'headroom' for recipients and be easier to administer during a period of transition than changing the system now. We should continue the shift towards a flat rate but at the same time the total entitlement value should diminish and the weaning off process started. During any transition period, these entitlements should be extended to all land uses including forestry.

Annual reductions should be applied to phase out all Direct Payments equally. During the transition period, areas of new forestry should be eligible for Direct Payments, to enable land managers to diversify. Beginning with higher payment bands or largest payments would mean a shorter transition for those on lower payments, who are the least able to adapt quickly. Direct Payments should be reduced on the same basis on which they are paid - on the basis of equal hectare payments to all recipients. Any attempt to reduce some more than others will risk distorting the market in unintentional ways during the transition period, which will affect the implementation of the new policy.

The land management industry needs a clear timescale of transition with a clear final destination. This means that the transition should not be long enough for the final destination to be changed during the process.

2. What are your views on the possible abolition of the greening requirements of crop diversification, ecological focus area and retention of permanent grassland and the incorporation of the greening payment into the BPS entitlement values?

No answer

3. What are your views on the retention of the current ploughing ban on environmentally sensitive permanent grassland (i.e. within Special Protection Areas and Special Areas of Conservation) and how this could be achieved?

No answer

4. What are your views on those accepted into the YFP up to and including 2019 continuing to receive payment for as long as they are eligible to do so?

No answer

5. What are your views on whether to allow further applications to the YFP and the Regional Reserve after 2019?

If these are extended, eligibility should be extended to forestry.

The land management industry needs a clear timescale of transition with a clear final destination. This means that the transition should not be long enough for the final destination to be changed during the process.

6. [What are your views on the most effective means of encouraging and facilitating generational renewal on farm businesses?](#)

Developing a profitable rural sector which will appeal to new entrants. Those qualifying as new entrants should receive the same rights and be able to access payments as current or existing land managers. Currently new entrants are eligible to pre-determined payment levels by meeting certain criteria, for example, a young farmer can qualify for the higher level payments provided they have agricultural training or qualifications. This should be amended to ensure that there is a "level playing field" for those new entrant investors who purchase land with the intention to create woodland. If properly facilitated this should encourage new forestry entrants and new businesses without those qualifications but working with experienced forest managers to become involved in land management and immediately increase the foot print of forestry. New entrants to forestry should be not be unfairly penalised.

7. [What are your views on whether the elements of the current direct payments discussed in Section 2.7 could remain in 2020 and 2021?](#)

No answer

8. [Have you any specific suggestions for simplifying other aspects of the current direct payment in 2020 and 2021 which are not mentioned here? If so, please explain your rationale for suggesting these.](#)

It should be extended to include all rural land uses including forestry. Any phasing out of direct payments should be applied equally to all hectares.

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9. [What are your views on a "Productivity Grand Challenge" approach to delivering a step change in the rate of advance in science and innovation?](#)

A good concept but one that needs to have results without being gold plated. All measures need to be checked using the principle of cost benefit analysis.

10. What are your views on the principle of placing greater policy emphasis and investment in agricultural education and knowledge transfer as means of driving better industry outcomes?

This should apply to all rural land uses including forestry.

Please see "A Forestry Skills Study for England and Wales". This report was commissioned in 2017 to, 'provide an evidence base that informs a skills action plan designed to support the national policy objectives of achieving growth of the forestry sector and active management of an increased area of woodland'.

This study should be repeated in Northern Ireland. The recommendations arising from this English and Welsh study will inform the preparation of the Skills Action Plan. There are significant opportunities for a more integrated rural labour market, as there are many transferable skills between farming, forestry and other land management industries including planning, soil management, machinery operation, etc. Greater integration would enable the development of a robust rural workforce, better able to engage in a range of operations across several industries and reduce dependence on seasonal work. This integration must begin in colleges with more students studying 'land management' rather than farming or forestry specialisms.

11. What are your views on linking qualification attainment with a broader range of policy interventions as a means of incentivising farmer engagement with formal training initiatives?

This should apply to all rural land uses including forestry.

12. What are your views on continuous professional development (CPD) as a policy intervention and the possible investment of public funds to incentivise CPD?

This should apply to all rural land uses including forestry.

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13. What are your views on the provision of investment that is specifically targeted on innovation and new technology uptake and that is aligned to other strategic objectives, notably environmental performance?

This should apply to all rural land uses including forestry.

14. What are your views on the provision of investment incentives other than capital grant (such as loans, loan guarantees, interest rate subsidies etc.)?

This should apply to all rural land uses including forestry. Access to investment funding in the open market can be difficult so a scheme that can open up access for worthwhile investment would be very useful.

15. What other initiatives by government and/or industry should be pursued to facilitate restructuring and investment and drive productivity?

Any new initiatives should apply to all rural land uses including forestry.

16. What are your views on the provision of a basic farm resilience support measure?

We would support such a measure if it included incentives to create and manage woodland and forestry.

17. What are your views on an appropriate mechanism to establish the level of payment under a farm resilience support measure?

The payment should include incentives for tree planting to diversify farm incomes, sequester carbon, and enhance natural capital (eg reducing flooding, stabilising soil, reducing air pollution, enhance biodiversity) All investors or those who buy land with the intention of woodland creation should qualify for the same level of support as a farmer who is practicing agriculture. Enhanced levels of payment should be considered to ensure that planting are achieved.

18. What are your views on the targeting of a basic farm resilience support payment to take account of issues such as natural disadvantage?

This must not result in a disincentive for such farms to diversify into forestry where growing timber would be more profitable than other forms of production. Natural disadvantage should not be a factor. Farms in ANC tend to be larger so should have greater scope for diversification. The LFACA had an adverse impact on management decisions and distorted what the land could have been more productively used for.

19. What are your views on linking a farm resilience support measure with cross compliance obligations?

Yes, any payment should be on the basis that environmental standards are met. Cross compliance is the minimum required and every effort should already have

been made to reduce risk. Cross compliance should be the starting point and not the ultimate objective.

20. What are your views on the content of cross compliance/good farming practice associated with this provision?

No payments should be given to landowners who fail to meet minimum environmental standards. Those failing to meet legally required standards should have all funding withdrawn and should be prosecuted. Otherwise landowners who meet environmental standards out of their business income are disadvantaged.

Climate change mitigation is the most urgent public good, reflected in the fact that it is the subject of the international Paris Agreement<sup>7</sup> setting targets and timescales for carbon reduction. An essential component of carbon mitigation must be the immediate sequestration of carbon from the atmosphere. Growing trees, locking up timber in buildings, and growing more trees in their place is our only proven technology to do this: as the government's Clean Growth Strategy further says, 'a conveyor belt of locked-in carbon in our homes and buildings'. Also, unlike other proposed carbon capture techniques, growing timber for construction will create jobs, economic growth, and added value. All of the public goods listed represent crucial outcomes and should be supported by the Government. Well-managed productive woodlands can deliver all of the public goods listed. All managed woodland includes significant areas, often as much as 40 per cent of the area in new woodlands, which are managed for wildlife and the environment under the UK Forest Standard. This provision of public goods is supported by the productive component of the woodland but does not attract continued public funding. The Clean Growth Strategy<sup>8</sup> states, 'incentivising farmers to plant more trees across England, provides not just carbon reduction but recreational space for our growing communities and timber for our bio-economy'. In addition, recently published natural capital accounts by the Office for National Statistics show that Britain's woodlands provide services of £2.3 billion per year to the economy in terms of recreation, carbon sequestration, timber and air pollutant removal.<sup>9</sup>

21. What issues would an appropriate cross compliance regime seek to encompass?

Cross compliance should seek to further best environmental and good farming practice. It should add to the legislative minimums in animal welfare, bio security, accountability and tracing (including record keeping).

22. What are your views on the tiering or capping of a basic farm resilience support payment, or the establishment of an eligibility threshold?

In designing such scheme, it must be borne in mind that any public payment effectively disadvantages unsubsidised activities. For example, if a profitable

land use such as forestry is made ineligible, there is a risk that it is outcompeted by unprofitable activities.

23. What are your views on the introduction of anti-cyclical/insurance type measures to help address volatility?

Insurance could include appropriate diversification including the planting of timber crops.

24. Should anti-cyclical/insurance type measures be sector-specific or aimed more generally at income protection?

No answer

25. What are your views on the enhancement of fiscal measures as a means of addressing the issue of income volatility?

No answer

26. What are your views on a possible pre-defined and agreed crisis response framework to respond to crisis events, either locally or nationally?

These should apply to all land uses including forestry (for example fire, storm or disease damage)

27. What are your views on the suggested environmental principles to be incorporated within the agricultural policy framework?

We are broadly supportive of these. They should support the establishment of productive forestry which can address all these issues.

Growing trees, locking up timber in buildings, and growing more trees in their place is our only proven technology to do this: as the government's Clean Growth Strategy further says, 'a conveyor belt of locked-in carbon in our homes and buildings'. Also, unlike other proposed carbon capture techniques, growing timber for construction will create jobs, economic growth, and added value. Environmental principles need to be at the heart of any future policy. The use of public funds for public benefits has to form the major component of any future funding for farmers and landowners.

There must be clear targets regarding "carbon" and these must be **owned** by Government with regular reporting and accountability.

28. What are your views on the need for investment in research and education targeted on environmental and conservation management in the agricultural sector?

This should include all rural land uses including forestry.

Please see A Forestry Skills Study for England and Wales. This report was commissioned in 2017 to, 'provide an evidence base that informs a skills action plan designed to support the national policy objectives of achieving growth of the forestry sector and active management of an increased area of woodland'.

This study should be repeated in Northern Ireland. 11 The recommendations arising from this English and Welsh study will inform the preparation of the Skills Action Plan. There are significant opportunities for a more integrated rural labour market, as there are many transferable skills between farming, forestry and other land management industries including planning, soil management, machinery operation, etc. Greater integration would enable the development of a robust rural workforce, better able to engage in a range of operations across several industries and reduce dependence on seasonal work. This integration must begin in colleges with more students studying 'land management' rather than farming or forestry specialisms.

29. [What are your views on a shift towards outcome based environmental measures for agriculture, including co-design with farmers and land managers?](#)

We support this. It should not be too complicated and should integrate all rural land uses including forestry.

There should be a long-term aspiration that all activities within future schemes are outcome based, but at the current time the evidence base and administrative processes are too undeveloped for wholesale adoption. There is not the evidence to show the optimum outcome in every case and in others, the beneficial outcomes are so widely acknowledged, such as with riparian buffer strips, that inspection costs can be kept to a minimum by paying for activity. Ongoing pilot schemes run by Natural England's have demonstrated that although environmental performance may increase, efficient systems for administering outcome-based schemes are currently lacking, management costs are high and the evidence base about how to achieve excellent outcomes is undeveloped. To improve the knowledge base and to support improved outcomes as part of the available advice, land managers will be able to undertake ecological training to improve species identification and expertise. When accredited, land managers should be financially rewarded for providing their monitoring reports. This policy will increase land manager engagement in environmental delivery whilst providing cost effective monitoring. Ultimately this will improve the evidence around land management and allow for focus on the most effective actions.

30. [What are your views on the need for future schemes to move beyond the costs incurred income forgone approach to incentivise changes in farming practice to enhance environmental sustainability?](#)

We support this approach. This should include all rural land uses including forestry.

Future schemes must be a contract between land manager(s) and the Government, with land managers being paid specified amounts, on specified days for providing specified outcomes or carrying out specified activities. This direct relationship is necessary to ensure accountability and the integrity of the

scheme. This direct link also means that land managers have a single point of contact for entry into environmental land management and a reasonable expectation of good service. There should however be a presumption of local delivery for future schemes. To be effective and to ensure that applicants are treated in a consistent manner, local prioritisation and delivery should be achieved transparently and within nationally monitored limits and rules. There will also be a need for overarching priorities and targets to be set nationally

Whilst complicated to put a fiscal value to enhanced environmental outcomes it seems prudent to look at a system that is outcome (ecosystem services) based. There are already mechanisms for valuing carbon captured and it should be possible to place a value on flood mitigation, GHG reduction and pollution mitigation. Potentially a hybrid system where there are reduced capital grants and income forgone payments but with a much longer period of predictable annual premiums for the benefits to society.

31. [What are your views on the role of other actors in the supply chain seeking to drive better environmental outcomes?](#)

We support this approach, recognising its limitations. Commercial forestry has successfully operated a market-driven sustainability scheme for the past 20 years.

32. [What are your views on the delivery models that would deliver the best uptake and outcomes?](#)

An outcome-driven model with clear targets, with ministers and civil servants taking responsibility for the delivery of these.

33. [What are your views on the role of government in ensuring market transparency?](#)

We support this approach.

34. [What are your views on CPD extending to encompass supply chain awareness training for farmers, including increased emphasis in farmer training on business planning, benchmarking and risk management?](#)

This should include all rural land uses including forestry. Forestry can provide examples of this approach working in practice.

35. [What are your views on the need for, and nature of, government action to achieve greater collaboration within and better functioning of the agri-food supply chain?](#)

This must also include the forestry and timber supply chain.

Improving infrastructure, especially telecommunications, addressing failures around planning and providing alternative incomes through commercial forestry and environmental enhancement could ensure these areas thrive. The command



paper makes no reference to commercial forestry and the potential contribution this could make to remote rural areas. If effectively incentivised and supported with advice, there is huge potential for responsible commercial afforestation to enhance agricultural incomes. Confor's report on forestry and local economy gave examples of the ways in which forestry can increase the number of jobs, residents and small businesses in a rural area.<sup>13</sup> Our report on farm forestry explored the ways in which forestry could improve the farm business, through capital injection, financial stability, and enhancing livestock productivity through shelter belts, paddock creation and access improvements.<sup>14</sup> Forestry runs at a profit of £80-150 per hectare, compared with losses of between £20 and £220 per hectare for hill sheep farming.<sup>15</sup> Far from being in competition, forestry can provide security for a farmer to ensure they can continue in farming. This has been recognised by the Scottish government in their 'Sheep and Trees' scheme 'to help keep sheep on the hills by integrating trees into their business and increasing their farm viability'.<sup>16</sup> The Government can only address the challenges of rural communities by integrating support payments and regulation across all rural business and land managers. The current "Reaganomics" approach to agriculture does not address many issues, in particular communication (both physical and digital) and also innovation and diversification. The creation of a level playing field of support and regulation for all rural business will help address some of these challenges.

36. Are there any equality comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

Support should be proportionate to the environment benefit produced. Capping payments for larger landowners is not equitable if smaller, less efficient farmers are advantaged at their expense.

37. Are there any rural needs comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

There must be investment in rural communications infrastructure, particularly broadband and transport links.

38. Are there any regulatory impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

No answer

39. Are there any environmental impact comments that you wish to raise at this point? Do you have any evidence that would be useful to the Department? If so can you describe the evidence and provide a copy.

Northern Ireland is one of the least wooded places in Europe, despite having an ideal climate for growing trees. The Irish Republic has demonstrated what can be achieved through government commitment to woodland creation.

40. Are there any other comments you wish to make or any other evidence of need that you think the Department would find helpful? Please submit any evidence with your response.

Once established, modern forestry is profitable and provides a wide range of enduring benefits. Forestry and timber is a £2bn UK industry,<sup>2</sup> wood prices are at record levels and the global forecast for future decades is for demand to rise and rise.<sup>3</sup> Wood is the ultimate sustainable and versatile material, a viable alternative in many situations to replace concrete, steel and oil with a carbon capturing, renewable and non-polluting alternative. Forestry is also one of the most sustainable land uses, enhancing natural capital and supporting biodiversity. The government aspires to build 300,000 new homes.<sup>4</sup> Building more of these with wood locks up carbon and saves money over the life of a building. Growing that timber in the UK ensures that the forests are sustainably managed and keeps the jobs and profits from forestry at home.

Forestry is a positive and important opportunity for many farmers and landowners, especially those on marginal land. It is a growing industry that provides a wide range of professional employment and career paths. Timber production will be the foundation of a future low-carbon society. It is vital, therefore, that forestry is central to future UK land-use policy.

DAERA is requested to consider the following when considering the future agricultural policy:

- Ensure that support for productive woodlands are included in future “agri-environment” schemes.
- Support integrated land uses combining both timber production and livestock farming.
- Ensure support for other land uses are ‘sense-checked’ to ensure they do not disadvantage landowners wishing to plant trees.
- Identify woodland priority areas, where risks are low and benefits high, and where the applications process for woodland creation can be accelerated.
- Provide funding for, and remove barriers to, woodland creation during the ‘transition period’, to ensure that DAERA reaches its planting target.
- Better support for establishing woodland will have multiple benefits for many stakeholders:
- Woodland owners, struggling to access grants for woodland management or expansion.
- Wood-processing sector, which has invested substantially in sawmills and wood processing to create jobs and add value to timber, but faces a severe lack of supply in coming years due to the lack of planting.
- Help farmers currently prevented from integrating profitable timber production into their business by CAP measures that slew land use decisions in favour of unproductive farming practices.

- Wider Northern Irish stakeholders, who benefit from woodlands in carbon sequestration, air quality, public access away from livestock, enhanced biodiversity, and locally grown timber products like 'home-grown homes'.

1. <http://www.confor.org.uk/news/brexit>
2. [https://www.forestry.gov.uk/website/forstats2017.nsf/lucontents/8a24f70614918e3380257fe0004b2cfc\\_3](https://www.forestry.gov.uk/website/forstats2017.nsf/lucontents/8a24f70614918e3380257fe0004b2cfc_3)
3. [https://www.worldwildlife.org/publications/wwf-s-living-forest-report-chapter-4-forests-and-wood-products\\_2](https://www.worldwildlife.org/publications/wwf-s-living-forest-report-chapter-4-forests-and-wood-products_2)
4. <http://www.confor.org.uk/news/latest-news/eskdalemuir-carbon-report/>
5. <http://www.confor.org.uk/media/246612/confor-farm-forestry.pdf>
6. <http://www.confor.org.uk/media/247024/farm-forestry-business-case-june-2018.pdf>