



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Inquiry into Better Regulation: Ulster
Farmers' Union

29 September 2015

NORTHERN IRELAND ASSEMBLY

Committee for Agriculture and Rural Development

Inquiry into Better Regulation: Ulster Farmers' Union

29 September 2015

Members present for all or part of the proceedings:

Mr William Irwin (Chairperson)
Mr Joe Byrne (Deputy Chairperson)
Mr Thomas Buchanan
Mrs Jo-Anne Dobson
Mr Declan McAleer
Mr Kieran McCarthy
Mr Oliver McMullan
Mr Ian Milne
Mr Edwin Poots
Mr Robin Swann

Witnesses:

Mr Crosby Cleland	Ulster Farmers' Union
Mr Ian Marshall	Ulster Farmers' Union

The Chairperson (Mr Irwin): I welcome Ian Marshall, the president of the Ulster Farmers' Union (UFU), and Crosby Cleland, the beef and lamb policy officer at the UFU. I ask you to take up to 10 minutes for your presentation, and then we will ask some questions.

Mr Ian Marshall (Ulster Farmers' Union): First, the Ulster Farmers' Union thanks the Committee for taking a strong interest in the principles of better regulation. We appreciate the efforts that you are making to reduce the regulatory burden that farmers currently face in Northern Ireland. Cattle identification cross-compliance is a huge issue for our members. In recent months, we have consulted them on the regulatory challenges that they face, which are being forced by DARD. Cattle ID cross-compliance and the thresholds that DARD deems to be acceptable for single missing tags found at inspection are of huge concern. You will be aware that we last briefed the Committee on that matter in May, but such is the opposition to DARD's unreasonable policy on cattle ID cross-compliance that we felt it necessary to present our concerns to your inquiry into better regulation.

Earlier this year, DARD proposed to relax its penalty matrix for cattle ID cross-compliance. The proposal was not deemed acceptable by farmers in Northern Ireland because of the regulatory burden that it presents to their farms. It in no way comes close to the more tolerable standards that are applied in other regions of the UK and the Republic of Ireland.

Before outlining our concerns about the DARD cattle ID cross-compliance penalty matrix that is currently being enforced, it is important to set issues relating to the tag replacement in context. I am mindful of the fact that everybody is probably aware of the figures, but, very briefly, over the past number of years, in excess of 200,000 cattle replacement tags have been purchased by farmers in

Northern Ireland. At an average cost of £3.60 each plus VAT, it is unnecessary and amounts to over £700,000 a year. Arguably, given that many part-time farmers are not registered for VAT, the cost is much higher.

At the very minimum, it means that between 6% and 8% of cattle tags are replaced every year in Northern Ireland. Although that seems a relatively low figure, it is at least 50% higher than that in the Republic of Ireland, where replacement rates stand at about 4% per annum. There is a strong view from our members that there is a considerable variation in the quality of tags available for use. There are good-quality tags on the market, but there are also some very poor quality tags, and that is something that DARD is directly responsible for, in that it approves the tags that are on sale in Northern Ireland. With those facts in mind, farmers felt aggrieved by DARD's decision to introduce a threshold in 2014 for the loss of single tags. Previously, we had 28 days to replace single missing tags before any penalties were considered. However, the threshold that DARD introduced in January 2014 stipulates that, where 10%, or 20 tags, are found to be missing at inspection, that will be considered an automatic breach of cross-compliance. Those changes were first discussed with both the UFU and the Northern Ireland Agricultural Producers' Association (NIAPA) at a DARD stakeholder meeting in May of last year, and, following consideration by the UFU, there has been significant objection by farmers, who consider that another example of DARD's desire to gold-plate European standards.

In June of this year, the European Commission carried out an audit to check DARD's procedures and processes for compliance with European requirements. One of the areas that the auditors identified as having a perceived weakness was DARD's approach to missing tags prior to 2014, when farmers had 28 days to replace single missing tags. DARD has argued that it rectified that situation by the introduction of its threshold in 2014. It has always been clear, however, that DARD took too severe an approach. That has been highlighted by the comments that DARD made in a letter to the UFU, dated 18 September 2015, in which it stated that the auditors indicated to it that a relaxation of DARD's approach to the issue may be acceptable.

It is our view — I hope that you agree — that it is not a case in which relaxations may be acceptable; rather, it is one in which relaxations must be accepted. What makes farmers aggrieved by all of that is that the changes that DARD made in 2014 were not required under any European regulation. The decision to change the penalty matrix was based on an old Commission guidance document. The Commission defines normal limits as taking into account the situation usually found in comparable herds and rearing conditions. Taking that into account, two points must be considered. Why did DARD set a generic threshold of 10%, or 20 animals with single missing tags? The number of cattle in each of the 20,000 herds in Northern Ireland varies considerably. Secondly, the rearing conditions in a closed herd and those in a flying herd, where all the cattle are bought in, are completely different. In a closed herd, the farmer has full control over tag replacement policy from birth to slaughter; how often tags are checked; where they are ordered, the quality of the tag; where the tags are placed; and the part of the year in which the animals are tagged. Given that keepers of flying herds are constantly purchasing cattle from a variety of sources, they do not have any influence over where tags are ordered; the degree of quality; or making sure that animals are tagged in the correct part of the year. They are therefore at much higher risk as a result of the low-level thresholds that have been imposed by DARD in its cross-compliance matrix. Furthermore, the guidance states that the keeper is responsible for replacing the lost ear tags within the deadline set by the national legislation. If the keeper has taken, in due time, the appropriate measures to obtain replacement tags, that can be taken into account to support a decision of no reduction.

Where DARD originally decided that all herds that exceed the threshold should have a breach applied, the Commission stated that, where a region can see evidence that a herd has an adequate tag replacement policy, a reduction should not apply. Given that DARD's animal and public-health information system (APHIS) allows it to monitor the replacement rate of tags in a herd, rather than simply using a generic threshold, surely that should provide DARD with enough evidence that a herd keeper is taking sufficient action to replace missing tags.

I have no doubt that, when DARD meets the Agriculture and Rural Development Committee next week, it will make reference to the term "several", and how the Commission has stated that it is only in cases in which "one or several" animals have missing tags that no reduction is to be applied. For DARD to rationalise its very definitive and strict threshold on the basis that Commission guidance uses the word "several" cannot be justified. The word "several" is a very loose term, which, according to the Oxford English Dictionary, means "more than two but not many". We do not think that it is unreasonable to ask DARD for its definition of "many". As we understand it, the definition of "many" is

"a large number of". If we consider similar terms in a thesaurus, we get phrases such as "some", "a few" or "a number of", all of which are vague, much like "several".

If DARD is going to be particular about definitions in a document that is nothing more than guidance, the definition of "many" is very important, because it will depend on the circumstances. In Scotland, the threshold is 16% of missing tags found, which farmers there consider to be much too low. In the Republic of Ireland, it is 30%, while there is no threshold at all in England and Wales. That is despite the fact that England itself had a Commission cross-compliance audit in 2012.

Overall, it is our view and conclusion that it is unacceptable that DARD has taken an approach that has put herd keepers in Northern Ireland at a distinct disadvantage to other regions. It is difficult to understand how the neighbouring regions in the UK and the Republic of Ireland have managed to adopt a mechanism that demonstrates much greater flexibility while satisfying Commission rules, yet, in Northern Ireland, where we have the most sophisticated livestock traceability in Europe, in the form of APHIS, and where those cattle with single missing tags are still fully traceable, even that is not good enough for the Department, which instead wishes to continue gold-plate. DARD is failing to demonstrate any balance between what is practical for farmers and what appears to be acceptable to the Commission in other regions. The fact that a Commission audit has taken place since we last met with you, from which the results are now available, means that DARD can no longer be allowed to provide excuses for why it cannot relax its position. The Commission is now saying that relaxations can be considered, which is an opportunity that must be seized.

To conclude, we again thank you, Chair, for the opportunity to brief you and the Committee on this important issue for livestock farmers. We ask you to agree with us on three points. First, DARD should significantly relax the threshold for cattle ID cross-compliance to bring about parity with neighbouring regions. Secondly, DARD, as a matter of urgency, should publish the Agri-Food and Biosciences Institute (AFBI) research on cattle-tag performance in Northern Ireland, which should be nearing completion. Thirdly, DARD should overhaul its standards, which are allowing companies to sell poor-quality livestock tags in Northern Ireland, because that is not only costing farmers money but creating a time-consuming cross-compliance burden.

This is a significant opportunity for the Department to demonstrate that it can work with the industry to try to relieve some of the pressures and alleviate some of the burdens on farms in Northern Ireland.

The Chairperson (Mr Irwin): Thank you very much, Ian. Thank you for your presentation. The Committee has made it a big issue, too. For some reason, the Department is coming back to the Committee week, and I want to see where they have got to on this.

I was speaking to a senior vet a week or two ago. Other areas of the UK use a metal tag and a plastic tag. How do you view that? Would that not make it much less likely that cattle lose their tag?

Mr Marshall: Everyone who has worked in the industry for the past number of years knows that, prior to the advent of plastic tags, metal tags stayed in the ear and, very often, wore out rather than disappeared. Therefore, using metal tags is certainly one option, and farmers have always felt that using them is a way of ensuring that there is always a tag in an ear.

The Chairperson (Mr Irwin): I assure you that we will put the issues that you raise to the departmental officials next week.

On better regulation, you will be aware that the Northern Ireland agrifood better regulation and simplification review took place in 2009 and that the subsequent DARD better regulation action plan ended in 2013. Have you seen any improvements since then? Have any benefits or achievements come out of that process?

Mr Marshall: We question whether there have been any tangible benefits or improvements in how DARD interacts with the agriculture industry and farmers.

The Chairperson (Mr Irwin): What should we be doing to keep the momentum going? We have brought this forward because we want to try to help. Is there anything that the Committee should be doing to help the process?

Mr Crosby Cleland (Ulster Farmers' Union): I make the comparison with the 16% threshold in Scotland and the 30% threshold in the South. The fact that England and Wales do not have a

threshold, despite having a rating and a commission looking at it, sticks out like a sore thumb to us. We do not understand why there is a 10% threshold, never mind the 20%. The 20% threshold is the biggest bug. For the man with the bigger herd, 20% is ridiculous, because he has more work to do, from looking after the bigger herd. How is he going to go around counting the tags? At the beef and lamb committee, we often hear mention of metal tags. There are always a few on the policy committee who suggest the metal tag as a replacement. Others favour plastic tags because they can be read easier. Most of the farmers are getting older and do not use their glasses when they are out.

The Chairperson (Mr Irwin): My thought is to have one of each.

Mr Cleland: Yes, we could work with that.

When farmers are having their cattle tested, you hear a few mention that there are cows that can rip the new tag off as soon as it is put in. They can go back the day after putting it in, and it is out. How the cow does that or where it does it, we do not know, but it might be to do with the make of the tags, because there is a big difference between them.

Mrs Dobson: Thank you for your briefing. I want to focus first on the Department's drive to put everything online, for those who can access the Internet. I recently challenged the Minister to create a specific section on the DARD website for young farmers. I would like to hear your view, Ian, on the quality of the information available to young farmers. I think that a 100-page PDF document is not the way to go for young farmers. It is not an efficient way to communicate. Does the UFU have an opinion on that?

Mr Marshall: We have concerns about that also. In an era in which we are all encouraged to put everything about our businesses online, we have concerns those who cannot access rural broadband are seriously disadvantaged before they even begin. It can be quite patronising to young people to have PDF documents and files put on for guidance and to give them a steer, because, very often, the people whom we are dealing with are miles ahead of us, the Department and its officials in accessing the information anyway. We need to be serious about moving the industry forward and about being competitive with other parts of Europe. The example that I cite comes from a number of meetings that I had in Latvia, where I learned that rural broadband speeds are much superior to those in the middle of Belfast. We are very far behind other parts of Europe. We are seriously disadvantaged. If we are serious about moving this on, we need to ensure that we have —

Mrs Dobson: A 100-page PDF document for young farmers certainly does not —

Mr Marshall: No, we feel that —

Mrs Dobson: Therefore, you, like me, feel that we need a much more innovative response, and one that reflects the fact that the people with whom you are dealing are way ahead with social media and everything like that.

It is equally important that we do not leave the older farmers behind and that we work with them as well to provide a way of communicating. One size will not fit all. Do you agree with that sentiment?

Mr Marshall: Certainly. We all make reference to the age profile of our farming industry. That is a concern. However, we are not going to change the age profile unless we embrace and engage with the young people, get them involved and ensure that farming is profitable and sustainable.

Mrs Dobson: Good. I am glad to hear you say that.

In your submission to the Committee, you talked about benchmarking, which is obviously a very important issue. Are you in communication with fellow unions in other regions of the UK to see how the different jurisdictions approach gauging the impact of legislation on farmers?

Mr Marshall: Yes. We continually engage with other farming unions in the UK and other farming organisations across Europe. Benchmarking is important and efficiency is important, but what it must come down to is the margin.

Mrs Dobson: Of course.

Mr Marshall: As recently as Saturday, I had a conversation about the headline price of commodities and the fact that volatility affects our bottom line. It is actually not about the headline price or the cost of production, however. It is about that bit in between, which is the margin. It has to be the margin for everyone in a supply chain — a supply chain that operates as one.

Mrs Dobson: It is crucial that DARD not only gauge the impact of changes but anticipate how reform and changes will impact on our farmers. I declare an interest, as my husband is a beef and cereal farmer. I should have said that at the start. Do you agree, Ian, that it is better to anticipate than to mop up afterwards? We need to be forward-thinking and ahead of the game.

Mr Marshall: Yes. Some of the concern among the farming community and union members is around the fact that, very often, the Department can be reactive and not proactive. The Department can be inward-looking in managing budgets and in ensuring that the finances stack up and the mathematics work. We feel that it needs to be outward-looking and forward-thinking and able to say, "OK. What are the rules? What does the market require? How can we get this pot of money to fit?"

Mrs Dobson: And look at how that will impact on our local industry.

Mr Marshall: Yes.

Mr Byrne: There is a lot of confusion, Ian, over why there seem to be more restrictions in Northern Ireland for cross-compliance and better regulation. Why do you think that DARD is so different? Ideally, which of the models do you want? There is the Scottish model, the English model, the Welsh model and the Republic model. Which do you think would meet our needs best?

Mr Marshall: What we feel would meet our needs best is a system that satisfies the Commission that we are not in breach of any rules or regulations but that has a degree of flexibility and an acceptance that, if the authorities approve the purchase of tags and manufacturers of tags, that same authority does not penalise farmers when those tags are lost from animals. Therefore, a system that is fair, as in other regions, and has flexibility. I acknowledge that, in an ideal world, no animal would ever lose an ear tag, but we do not live or farm in an ideal world.

Mr Byrne: Are you looking for a model that is different from all the others and is more flexible and sensible, or would any of the systems in Scotland, England, Wales or the Republic sit better here?

Mr Marshall: The systems in England and Wales, which have no thresholds, are the most favourable options for anyone at the moment. That having been said, if the Department feels that it is necessary to apply thresholds, it could use one from another region, which is nearly double the threshold that we have. That would be reasonable. Reference has been made to young farmers, progressive farmers and larger farmers: all those categories are disadvantaged by virtue of the current rules and regulations that our Department is applying.

Mr Byrne: Finally, what about the AFBI research on cattle tags? Has that been completed? Have you had sight of it? When is it coming?

Mr Marshall: We are led to believe that the research is on the verge of completion. We are very keen to see that information in the public domain, because we feel that there are serious concerns about retention and quality of tags. The document will probably reinforce our position that, if there are potentially substandard tags in the market, it is completely unfair to penalise a farmer when an animal loses one of those tags.

Mr Cleland: I can add to that. There has been similar research done on sheep, and I have been involved in the trials with AFBI for one of the trial flocks. We have followed the tags in those sheep over two years, and there has been pretty good retention, but most of that is down to the proper placing of the tag in the ear, which is a factor in the cattle structure. Rushing to get a tag in as a cow goes to market is not the way to do it. You want to place it in the right position and at the right time. There is still a lot of work and time involved. There is something known about for sheep, but we know nothing on cattle.

Mr Byrne: What are the vets saying? What sort of a tag do vets want, or do they know?

Mr Cleland: An interesting point came up in the previous meeting that we had on this. Somebody asked me how farmers in the South can use only one make of tag. That is maybe a reason that the retention rate has been the right one, although I am not saying that vets in Northern Ireland should use only one.

Every Thursday morning, I am up with the lamb group of 700 animals, reading the tags as they are going into the meat plant. The reading of a tag is so different between the different makes. However, the tags are getting better. There was one type of tag that did not read at all. Now that the farmers have used those up, reading of tags is easier, but that should never have happened in the first place. We are saying exactly that about cattle tags: they should never have been passed.

Mr Marshall: From a veterinary perspective, the important point that we all need to recognise is that this is about food safety. The priority of the Commission is food safety. However, that having been said, APHIS in Northern Ireland is arguably one of the most advanced traceability systems in Europe. In our opinion, as a farming union and as farmers, an animal losing a tag presents no threat or risk to food safety because of the system that we have in place. We feel that the process at the moment is onerous, and a zealous approach to penalising farmers.

Mr Poots: I was glad to hear that Jo-Anne is thinking about you, Chairman, when she talked about older farmers. *[Laughter.]* In any event, I welcome the fact that the Ulster Farmers' Union has brought the matter before us today, and I declare an interest as a member of the organisation. I welcome the fact that it has specifically come here to discuss one subject, because, when we talk about better regulation, we do not want to be looking at 100 regulations to see whether we can tinker with some. We want to get five or six things that we can identify and do something about.

It strikes me that the information being brought to us today identifies the fact that we are way out of kilter with everywhere else, and without justification. If European regulations are applied and applied appropriately, Scotland, England, Wales and the Republic of Ireland should all have been prosecuted by this point for failing to meet those regulations. Or else DARD has got it wrong. Is that the case?

Mr Marshall: In our opinion, very much so.

Mr Poots: If you look at the replacement rate of tags — 13.46% and 13.39% respectively in the last two years recorded, which are 2012 and 2013 — and take a herd with, for example, 1,500 cattle in it, you will see that there are close to 200 replacements in a year. You will always replace more tags in the house than you will in the field because there are more objects for the tags to get caught on. The figure of 20 becomes totally unreasonable at that point, because you will easily lose 20 tags in a month. The ones that you find in the feeding passage are easy to sort out, but the ones that go down into the slatted tanks are somewhat more difficult to sort out. The 20 figure really is something that needs to be knocked on the head, and knocked on the head very quickly.

Mr Marshall: Our frustration comes from the fact that here is an example of our being onerous in how we interpret rules and regulations, completely unnecessarily and at a time when agriculture is not in a particularly good place financially. Here is an opportunity for the Department to show leadership and say that it can do things better and make it a more workable, fairer system for farmers in Northern Ireland, and one that is comparable to other regions.

Mr Poots: The cost to the industry of the replacement tags is close to £1 million a year. It has been around £850,000 in each of the past two years. Have you any idea of what the cost might be of inspections that have been carried out? What has been the cost of punishment in the form of single farm payments being reduced as a consequence of DARD's actions?

Mr Marshall: I think that it is fair to say that any cost to the industry is unacceptable, because it is over and above what is necessary. There certainly has been a huge cost: financial penalties being applied; and stress, annoyance and grief for people who are trying to run businesses. In the larger herds, it is a full-time job to ensure that, at no point in time on inspection, you have made a mistake or animals have lost tags. It is not a reflection on poor farming or bad farmers. It is by virtue of the fact that the tags that we currently put in cattle's ears will be lost, and, as you rightly point out, cattle tend to lose more of them in the house.

Mr Poots: I see that, in 2006, the replacement rate was over 16%. That has now dropped to 13.5%. Was that reduction as a result of the likes of button tags being used in the second year? You cannot

read them very well, but at least they seem to stay in quite well as opposed to other tags, which can catch very easily on things.

Very often, I have seen an animal pull out an ear tag and actually rip the ear. It has maybe done it twice. All you have left are wee hanging bits. In the first instance, it is cruel. We need to reflect on that. Secondly, you have got just a piece of hanging skin to put an ear tag in at that point. You have not got anything particularly solid. That makes it next to impossible to maintain a tag in the ear.

Mr Marshall: Regarding the figures that you refer to, and farmers themselves will know this, once you lose too many purchased tags in a season, you will try to switch manufacturer or change the product to try to ensure that there is more retention. That is reflected in those figures. You are exactly right. For example, there has been some reference made to the fact that we may be looking at the sheep industry being interpreted as being on a parallel with the cattle industry, whereby missing tags will be considered in the same fashion — as the farmer being in breach. That is a huge concern.

Crosby, you may want to speak about that.

Mr Cleland: Absolutely. You immediately look at the hillman. How can he cover that? He is not bringing the sheep in often. He may bring them in only two or three times a year. How will he cover the tags on the hill? There is absolutely no way that that can happen.

You talked about the button tag. That was the one that we had the most problem with, because the identification bit — the part that is read — is on the stem. If you squeeze it too hard, you will break it. That is where fault has come in, particularly with sheep tags. All those things are there to be researched, but they should never have been allowed through in the first place.

Mr Poots: Of course, the sheep ear is considerably smaller as well, so if there is damage to the ear at any point, it will be difficult. Sheep seem to react a lot more as well. You get a lot of swollen ears and so forth and calcifying of various places. It can be physically impossible sometimes to put in a second tag.

Mr Cleland: Absolutely, but Ian made the very important point that it is respected around the UK. We had a meeting of the four jurisdictions — Wales, Scotland, England etc — and they are jealous of APHIS. There is a system in there and you will hear about it in the future, but there is a push for lifetime assurance. That does not suit the Northern Ireland situation in any way, but APHIS might be able to pull us out of that. Our recording is much better. They are doing a paper exercise and passing it between each other. It is a totally different system. Then we have this set on top of us. It is totally over the top.

Mr Poots: Finally, they always have to have two tags to go to an abattoir. Many a time, when a tag is bought, it never goes into the ear of the animal; rather, it goes into a skip. That does not add anything to APHIS, farm quality, traceability or anything else. It is someone who is insisting on doing something for the purposes of administration, not for any benefit to either consumer, farmer or, indeed, the Department.

The Chairperson (Mr Irwin): One farmer came to me. He went to Dungannon with a load of cattle for the factory. One animal had lost a tag, whether in transit or not. He had to go straight to Portadown to get a tag, and he came back and handed the tag in, and they threw it in the bin. That is what really, really galled him. The tag was never put into anything.

Mr Cleland: We hear that quite often.

The Chairperson (Mr Irwin): It is absolutely ridiculous.

Mr McMullan: Thanks for your presentation. Have you spoken to your counterparts in the South of Ireland about the tags and how successful theirs are? There is only one contract a year for the supply of tags. They do not allow you to come down there to supply tags. So, they must have a successful set-up there.

Mr Cleland: Our counterparts in the South look north in horror at the situation our farmers are in, because it is unnecessarily penalising the industry and taking money out of farmers' pockets at a time

when we cannot afford to do that. You are exactly correct: there is one tag manufacturer, and that has stood them in better stead.

Mr McMullan: What kind of tags do they use? Have you seen their tags? Is there an equivalent tag up here?

Mr Cleland: I do not know which one they use, but I know from discussions in the beef and lamb committee and the hill farming committee that the most expensive tags that we have are Shearwell. That company replaces the tag free of charge and has it in the post the next day. The problem with that is that it has to come in the post. You will not get that to the abattoir in time. We have picked up on that through our groups. At the same time, they are more expensive and cost the industry more, but it still comes back to the issue of the 20 cattle in particular. The 10% we would like higher, but that 20 is ridiculous.

Mr McMullan: Is the only tag in the South superior to the tags that we have and even our dearest tag?

Mr Marshall: The tag that they have chosen seems to demonstrate better retention rates in the animals. The concern is that, if we take this as far as we want, we can probably manufacture a tag that would never come out of animal's ear, but the cost of that will not be reasonable. That is a major concern, but the manufacturer probably could produce the tag. It is about a balance between something that is cost-effective and something that satisfies Commission rules and regulations. We have tags on the market that do that, and it is accepted that there will be some tag loss within certain acceptable parameters. The difficulty for us is that, if the Department authorises and approves certain manufacturers and certain makes of tags that demonstrate much more loss than the Department, by its own admission, deems acceptable, that presents us with a huge problem if it is ultimately penalising a farmer.

Mr Cleland: We could even go deeper on that one and use the comparison of different houses and different barriers. The main problem that the boys were finding was with the ones with the up-and-down barriers that let one head in at a time. The round one is better than the square one, obviously. It has made a difference, but it means that everybody has to change their whole feeding system. If something has worked for years, why do we need to change all that again?

Mr McMullan: They would have had the same problem in the South, but they came up with one tag.

Mr Cleland: That is true.

Mr McMullan: Maybe there is a case for an all-Ireland tag rather than a whole lot of tags. I cannot see why, if it is working down there, you cannot have it up here.

Mr Cleland: Or certainly have restrictions on the ones that are not working.

Mr Swann: I want to pick up on the last bit about restrictions on the ones that are not working. How many suppliers are recognised by DARD?

Mr Marshall: There are currently 12.

Mr Swann: What is the rationale for that, Ian, in comparison with the South's method? If we went to one supplier in the North, would that mean green book status and more hassle for the Department?

Mr Marshall: I would presume that that is the case. It is about choice and not interfering with a market, free trade and all those things that effectively —

Mr Swann: If anybody produces a tag to a minimal standard would DARD approve them?

Mr Marshall: Yes.

Mr Swann: Rather than *[Inaudible.]* Right; OK.

You said that if there is a poor-performing tag out there, news would soon get round among farmers, whether in markets or yards. Is there a standard out there of tag from a current supplier? If we went down to three or four, would 80% of farmers be using a central supplier?

Mr Marshall: We could get completely hung up on the discussion about the quality of tags. I do not think that that is the issue. There are so many variations on farms to do with circumstances, the size of herds, the feeding systems, which Crosby rightly referred to, and sheep wire. All those things impact on how many tags you will lose in a season. I do not think that, as an industry, we need to get caught up on tag quality or specifying tags or manufacturers that we should approve. It is about indicating to the Department that we need some tolerance on its part. We need an acceptance that, in reality, animals lose tags. We also need an acceptance that if we adhere to the Commission's rules, do not gold-plate or make rules that are absolutely ridiculous and have a level playing field with ROI and GB, the industry will accept that there is a cost for replacement tags, and we will get on with it and buy tags when tags are missing. However, we cannot be expected to be continually penalised or held over a barrel.

Mr Swann: What is the ROI's replacement rate compared to here? Do you know that from your sister organisations?

Mr Marshall: It is about 50% of our replacement rate. The percentages are small. It is 6% to 8% in Northern Ireland, and that is about 50% higher than in the Republic.

Mr Swann: I am not challenging you, Ian, but surely the farming practices are the same. I am trying to get it into my head why there is a lower replacement level in the South than in the North. Practices are the same, the hills are the same and feeding passages are the same. Does it not come back to the quality of the tag?

Mr Marshall: It could, but, as a union and for our members, we cannot get bogged down in the approval of tags and the quality of tags. The Department feels that it needs to have a free-market situation in which everyone who supplies a tag to a standard is perfectly entitled to be in that market. As Oliver rightly pointed out, that is not the case in the South. There is one tag manufacturer there and fewer lost tags. The Department can draw its own conclusions from that. For us, the concern is the breaches, the penalties being applied and farmers suffering as a result.

Mr Swann: From a unionist point of view, if the Committee was taking this on as a piece of work, would something that it would want to look at be the quality of the tag, rather than —

Mr Cleland: The figure that we are looking at there is the big hazard — the 20-tag thing. That is the big issue.

The Chairperson (Mr Irwin): One thing that I will say is that if farmers feel that the tags are not up to standard, they can go to someone else. They have the choice to do that.

Mr Swann: If you have bought 100, and they are sitting on a shelf, you will use that 100 before you switch suppliers.

Mr Poots: You are a Ballymena man after all. *[Laughter.]*

The Chairperson (Mr Irwin): He must be a Ballymena man, all right.

You will be aware that I have always felt strongly that the 10% up to 200 and the fact that it is still 20 tags after that is discriminatory in real terms. Someone with 1,000 cattle only has a 2% threshold instead of a 10% threshold. I would be very surprised if the Department does not change tack on that. It is something that we will be very up there on.

Mr Poots: Even a small man who has 10 cows could lose a tag any time. He will always be in trouble.

The Chairperson (Mr Irwin): He is still allowed up to 20 tags. The bigger man has the big problem.

Mr Poots: No. He has a 10% threshold. He only has to lose one tag, and he is in trouble. That could happen any morning. You could have an inspection in the morning and all the tags are there, and the next morning, a tag could be missing and you hit the 10%.

The Chairperson (Mr Irwin): Yes. Round feeders seem to be a big problem with tags.

What do you think is the most burdensome regulation affecting farmers other than the tagging issue? We are thinking about what we are going to do. Is there anything else that you can think of? What do you believe is the most troublesome regulation affecting farmers?

Mr Marshall: From an industry perspective, there are concerns over interpretation of rules and regulations. There always seems to be an overriding fear of breaking Commission rules or regulations, and that supersedes any recognition that rules and regulations need to be applied in a pragmatic way in the industry. That is evident daily through our engagement with the Department. There is always the fear of infraction proceedings, or breaking rules or regulations or fines being imposed from Europe. When we travel to other member states, we find that, very often, there is a more pragmatic approach to applying rules and regulations, especially with our counterparts south of the border.

The Chairperson (Mr Irwin): We had Tony O'Neill up last week, and he mentioned the issue of third-party accreditation. What are your thoughts on that?

Mr Marshall: In what respect?

The Chairperson (Mr Irwin): In respect of third-party accreditation. What does that mean?

The Committee Clerk: In respect of whether you belong to an accredited body and quality assurance [*Inaudible.*].

Mr Marshall: We feel that, down the years, there has not been enough emphasis or importance placed on being part of an industry initiative such as the farm quality assurance scheme or some of the other things. If it is comparable standards, it is not unreasonable to think that that should carry some weight. In fact, many of the initiatives have been funded by industry and have applied a cost to a farm business over and above what was required. So, we feel that there should be an acknowledgement that a lot of the schemes are of a comparable standard and should carry weight and be recognised as such.

Mr McAleer: Thanks very much for your presentation. During the inquiry and even in our constituency offices, we routinely meet farmers who are frightened to put pen to paper in case they make a minor mistake, given all the penalties that come with that. You made reference a moment ago to other areas taking a more pragmatic approach to rules and regulations. Do you have any specific examples that you can share with us?

Mr Marshall: With regard specifically to cross-compliance breaches, many of the breaches and issues arise from genuine mistakes. Everyone can make a mistake. In this era, we make reference to the fact that we thought that we would have a paperless society, but we have more paper than ever, and things are not in duplicate any more; they are in triplicate. If a farmer makes a genuine mistake and puts pen to paper, as you rightly said, there is a breach applied. There is no acceptance or acknowledgement that we all make mistakes. There should be a time frame in which, if there is deemed to be a mistake made, you can make a defence to say why the mistake was made and how it happened.

Our current appeals process is so slow and so tedious that it puts off many people from coming forward with genuine concerns over breaches and financial penalties that were applied. The first-stage appeals are slow, and the second stage is also tediously slow, and, for small pots of money, most farmers say, "Let's just accept the breach. Let's accept the penalty because we do not want to draw attention to ourselves in the Department's eyes, and it may impact on the next round of payments and hold up money. Therefore, we do not want to go there". That principle is fundamentally wrong. We have many cases brought to us weekly, where there are small pots of money — a few hundred pounds — and farmers are saying, "Let's just forget about it because we don't want to draw attention to ourselves, and we don't want to slow up other payments". That is wrong because that is money in every instance that is lost to the industry through no fault of the farmer.

Mr McAleer: I was surprised to hear last week from officials that the stage-two appeal takes, on average, 576 days, which is absolutely appalling. It is something that the Committee should press the Department on, Chair.

We hear routinely that DARD's ability to communicate with farmers is not particularly good, with the result that they are either misinformed or they miss out on a scheme or something like that. I recently met a farmer who did not apply for one of the earlier farm modernisation scheme programmes because he thought that it was just for young farmers. How could DARD better communicate with farmers?

Mr Marshall: You are exactly right; there is a huge issue with communication. The disappointing thing for us as a farming union, and for other farming organisations like NIAPA, is that when we go out and engage with farmers, the number of farmers and farm families who do not know rules and regulations or about schemes is frightening. We are all told that this is the information age, we are all contactable and everybody knows everything that is going on. That is not the case. The Department has a responsibility to communicate these things better, to get out there and tell people in layman's terms what those schemes, rules and regulations are about, and to be contactable.

Any time we have an issue in agriculture, and the industry goes into turmoil over a scheme or payments or something, the DARD system seems to come under immense pressure and struggle to deal with that situation. If things were communicated more effectively from the start, maybe those issues would not arise.

Mr Cleland: I have been involved with a few appeals through the farm quality assurance scheme. We have had talks with DARD about the beef and lamb process, for example, when somebody takes an animal to a meat plant. In one case, an animal started to limp in the meat plant, and, after a while, the vet decided that that was not right, and got it put down. However, the farmer was not told of a problem until two months later. Two vets had looked at the report from the vet on the ground and passed it to someone above them, who brought it back. So, the farmer got a letter, two months later, telling him about some date when he had brought in an animal with a broken leg, which is against animal health regulations, and that he would be taken to court. He went through the process as you discussed. His solicitor said, "Look, it is simple: the judge could go in any direction, so why not just plead guilty, take your fine and get out?" Once he does that, he loses farm quality assurance accreditation. That is £150 an animal. He was putting 300 animals a year out and he would lose that for three years. That is a lot of money. So he came to the appeal and got through because it turned out to be a femur.

Without going into too much detail, all I am pointing out is the time lag between when something happens and when it is reported back to the farmer. The DARD vets have come back and said they want to look at that and get back to farmers a lot sooner. We did get a reaction, but that has still to happen. So there are still issues like that.

Mr Marshall: There is a plethora of things in Northern Ireland that we see as stifling opportunity and slowing progress on expansion, from planning to welfare and environmental issues and how DARD engages with the industry. Part of this process has to be about the Department that is responsible for these things sitting down and engaging with the industry. Very often, industry can advise or steer the Department on what it feels is best to do a job more efficiently and effectively together.

Mr McAleer: You are on the ground and know the realities.

Mr Marshall: Yes.

The Chairperson (Mr Irwin): You mentioned second-stage panels and reviews. We had the Department up last week on that. Have you any concerns that, in some cases, the Department refuses to accept the outcome of those reviews?

Mr Marshall: Yes, we have huge concerns about that process. Quite frankly, stage 1 seems to be just a tick-box exercise. It seems to do nothing other than slow the process. Stage 2 is an embarrassment, the length of time that it is taking. When independent panels are employed, give a decision and are overruled, that is a major concern for us.

We have huge concerns about the whole appeals process and the frustration felt by farmers. Bear in mind that those pots of money are often the main revenue streams for a lot of businesses in the current austere times.

The Chairperson (Mr Irwin): OK, thank you very much.