



Northern Ireland
Assembly

Committee for Agriculture, Environment and
Rural Affairs

OFFICIAL REPORT (Hansard)

Agriculture Bill: Northern Ireland Environment
Link; Royal Society for the Protection of Birds
Northern Ireland; Ulster Wildlife

20 February 2020

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Members present for all or part of the proceedings:

Mr Declan McAleer (Chairperson)
Mr Philip McGuigan (Deputy Chairperson)
Ms Clare Bailey
Mrs Rosemary Barton
Mr John Blair
Mr Maurice Bradley
Mr William Irwin

Witnesses:

Mr Sean Kelly	Northern Ireland Environment Link
Mr Philip Carson	Royal Society for the Protection of Birds Northern Ireland
Mr John Martin	Royal Society for the Protection of Birds Northern Ireland
Ms Jennifer Fulton	Ulster Wildlife

The Chairperson (Mr McAleer): I welcome Sean Kelly, development manager at the Northern Ireland Environment Link (NIEL); Philip Carson, policy officer at the Royal Society for the Protection of Birds (RSPB); Jennifer Fulton, CEO of Ulster Wildlife; and John Martin, head of policy and advocacy at the RSPB NI. Will you make a 10-minute presentation to the Committee? Then, there will be the opportunity for members to ask questions and maybe for you to expand on some of your comments.

Mr Sean Kelly (Northern Ireland Environment Link): Thank you, Chair, for your welcome. I thank the Committee for the invitation to provide evidence. Just by way of background and a brief introduction: the Northern Ireland Environment Link is the network and forum body for non-statutory organisations that are concerned with the environment. Our 65 members represent over 120,000 individuals and manage a large land area, delivering a variety of benefits to society.

I will move on to specific comments on the Agriculture Bill. We would just like to make a few headline comments, if you like, on our analysis of it. First, we believe that it is in the best interests of Northern Ireland's economy and environment to keep farmers farming. Therefore, the maintenance of viable farm incomes is central to the delivery of any future agricultural strategy. However, we believe that new agricultural legislation must facilitate a transition towards sustainable agricultural policies and address environmental issues such as climate change, biodiversity loss, and water and air quality, while, of course, producing the food that we need.

Reforming future payments to focus on using public money for public good is one of the most important steps that the UK Government can take to fight the climate and nature emergency. We advocate for a similar approach being taken in Northern Ireland. Those public goods are the goods and services that society needs farmers to produce but that are not paid for through the market, such as clean air, clean water, carbon storage etc, all of which will help to contribute to our international obligations beyond EU obligations.

I acknowledge that clause 17 in Part 2 of the UK Bill requires UK-wide assessments of food security, but that must include the sustainability of food consumed in the UK, whether it is produced locally or overseas. I am aware that some of the previous witnesses highlighted the same issue. We believe that Northern Ireland and UK farmers should not be undercut by imported food that is produced to lower standards. Similarly, it is important that Northern Ireland, England, Scotland and Wales work together on an ambitious common framework for agriculture and the environment that prevents a deregulatory race to the bottom in the UK.

Clause 45 in Part 7, in conjunction with schedules 5 and 6, outlines the extent and nature of the application of the Bill to Wales and Northern Ireland, but there is, of course, an important difference. Clause 44 outlines that the main provisions that apply to Wales will expire in 2024. That is what is often referred to as a sunset clause, and it places the onus on the Welsh Government to develop their own domestic legislation in a time-bound manner. With no sunset clause or similar arrangement for Northern Ireland, provisions are not time-bound, which presents a risk that a business-as-usual approach may continue indefinitely. That would see the continuation of the current system, which is widely regarded as inefficient, ineffective and inequitable, and lead to an incentivisation of a model of farming that has resulted in long-term declines in a range of environmental indicators, as evidenced by the 2019 'State of Nature' report.

Some powers included in the Northern Ireland schedule raise the potential to readopt farm support measures that, in our opinion, represent a regressive step in the development of a fit-for-purpose agricultural policy. Alternative measures that seek to deliver environmental outcomes while benefiting farm profitability could be prioritised instead. For example, we note that the schedule allows for future support payments for areas of natural constraints (ANC); however, that comes with little conditionality about how the land needs should be managed. It is the view, therefore, that alternative policy tools could achieve greater impact for farming and the environment in those areas and so improve resilience and farm profitability in the challenging conditions within which they operate.

Similarly, the schedule allows for the re-establishment of a voluntary coupled support scheme. It is interesting that Northern Ireland chose not to develop such a scheme following consultation with stakeholders in 2016, and DAERA stated, at the time, that:

"if production is to expand in Northern Ireland, it should be built on a platform of profitability, not subsidy."

Whilst the schedule provides much-needed certainty in the short term, Northern Ireland, through subordinate legislation, needs a bespoke, long-term sustainable agriculture and land management policy in the form of a Northern Ireland agriculture Act. As I stated, any future agriculture Act for Northern Ireland should be shaped around the concept of public money for public goods and effectively integrate agricultural and environmental issues. There should be long-term support that enables farm businesses to thrive in a new landscape, underpinned by sustainability. The Minister should, as a priority, set out the timeline for the development of such an Act, outlining how agricultural policy will deliver for nature, farming and the climate, so that the farming sector has the certainty and stability it needs.

To conclude, we recommend that the Committee endorses schedule 6 to the UK Agriculture Bill for Northern Ireland, having given due consideration to the points that we provided in our written briefing, which I know that you have received. We are happy to answer any questions on the evidence that we have presented.

The Chairperson (Mr McAleer): Thank you very much for your presentation and for the comprehensive papers that you provided. Philip, you wanted to ask a question.

Mr McGuigan: Thanks very much for coming along and for your introduction. I am not quite a layman, but I would like a bit more detail on public service for public goods. You hear and read that all the time,

but, sometimes, you find it hard to visualise what it means. From your point of view, what does it mean?

You talked about ANC and support payments for that. Can you provide a bit of detail on the suggestions that, you think, could be made to allow that to happen?

Thirdly, we have taken evidence from various groups today, and, by and large, everybody has suggested an NI agriculture Act or something similar. There are maybe differences in what groups think the timescale for that could be, given that there is so much uncertainty. Some groups say that we need to wait a while to see the impact of this island protocol and different things. From your point of view, what kind of a timescale would you be pursuing with regard to that?

Mr John Martin (Royal Society for the Protection of Birds Northern Ireland): I will start off with the question on public goods. Maybe Phil will come in on ANC, and then we will all maybe chip in on the timescale of what is appropriate.

The concept of public goods is one that is well tested and evidenced across the world, really. It is the notion that, if you put public money into something, that creates a public good that is freely available to everyone. It is in comparison with a private good, where you pay for something at the shop and then you consume it; you are the only one who has it, so it is the opposite of public goods, where you put public money into something and it makes it freely available to everyone.

When the Westminster Agriculture Bill talks about public goods, particularly environmental public goods, it talks about things where the public are funding interventions at farm level for certain environmental outcomes. That could be for the benefit of water quality, biodiversity and carbon storage, to name a few. Probably the best example of that in current policy is an agrienvironment scheme, where a farmer voluntarily enters into an agrienvironment scheme to deliver certain options under contract with the Department over a five-year period with a certain outcome. Some of those could be tree planting, and some could be action at farm level for threatened species and, for example, fencing along watercourses. The notion that they are getting public money for that is good value for money from our point of view, because it means that they are improving water quality for everybody. They are improving, for everyone, the plight of certain species that are at risk. There has been a lot of debate about whether food is a public good or not. In our understanding and, generally, the accepted view, food is not a public good, but food security and protecting the productive capacity of the land is a public good. There is quite a difference in nuance there. From a public good point of view, we would probably look to agrienvironment schemes as a current example of what is being delivered.

Mr Kelly: We believe that farmers should be paid for delivering those things, and that can also contribute to their own resilience and sustainability. If they are producing animals as livestock, which, of course, they will be doing as well, they will, through this, at least be guaranteed a steady payment as opposed to the market fluctuations that they will also get.

Mr Philip Carson (Royal Society for the Protection of Birds Northern Ireland): In the past, our criticism of the ANC payment has been that it has not had any conditionality attached to it. For farmers to get that payment, it is based on their location. They are located where farmers face difficulties because of the climate, for example. Farming is not as productive in colder weather. The idea has been to try to counteract that by providing a payment because a lot of the farms in those areas are finding it very difficult to make a profit. With that, in upland environments, the farming systems can be very beneficial for providing public goods. So much water comes from our upland areas because of the water quality there, so is there a way that land can be managed with carbon storage and mitigation that provides for that? A lot of those soils have not been improved over a long period, so they have huge amounts of carbon stored in their soils. With respect to the loss of biodiversity, our upland environments benefit species like curlew and lapwing, which are breeding waders that have declined by up to 90% in Northern Ireland.

There is a range of public goods in those areas, and, as John said, farmers should be incentivised to deliver them and incentive should be targeted to areas where they have the opportunity to do so. The ANC has not necessarily recognised the benefits that have been provided from those landscapes and which farmers can provide. We will be looking for something that tailors in management of those habitats.

One of the other bits that we have been looking at is improving profitability in those landscapes and farm businesses. We commissioned some research across the UK that looked at certain business practices that can improve profitability in less-favoured areas (LFAs) or ANCs. The general presumption has been that to improve profitability is to increase production in those landscapes. However, when you increase production past the point of what your land can naturally produce, you have to start buying inputs. Those areas are, naturally, not as productive as lower-lying areas. The presumption has been to buy inputs to try to increase productivity and the production capability of the land. Once you do that, you eat into your profit margin, as your costs start to outweigh what you are able to get from what you are producing. We have found that less is more, and, if you manage with your stock in line with the natural carrying capacity of the land, it can improve profit margins and benefit the businesses. There is a range of things that we will look at in future policy to try to build the resilience and profitability of those systems.

Mr Kelly: Those areas tend to be the high nature value farms, and, therefore, we want to keep those people on the land, doing what they do best. It is not a case of us saying that there should be no support for those people. We are saying that it should be framed in a different way that helps them in their current way of operation.

Ms Jennifer Fulton (Ulster Wildlife): If you have a look at the front of the Agriculture Bill, at the financial purposes that are there for England or the type of public good that they are obviously looking at providing through the Agriculture Bill, you see that eight of the 12 financial purposes are environment-linked, which gives you a better idea of the direction of travel for them.

For ANC, there is a big challenge for producers on the hill. It is a tough life. Margins and profitability are not great. We have had a transition for single area payment towards a flat rate, which has rebalanced the distribution of funds to some degree. It is about how you get a sustainable system and whether that is done through an ANC mechanism or some form of agrienvironment scheme, with a top-up where it is needed.

There are other ways of doing it. If you look at the 'Farm Business Data' handbook for Northern Ireland, you will see that there is a huge difference in gross margins, from the lowest category to the highest. You have business development groups with the College of Agriculture, Food and Rural Enterprise (CAFRE), which is also working with a lot of those people to try to improve their efficiency and productivity through other routes. We all accept that we need the farmers to be farming in the hills. It is just a case of finding a suitable mechanism to enable that to happen.

Mr Martin: I will say a bit on the timing of a potential Bill. Obviously, the Agriculture Bill in Westminster is going through its legislative passage and is at Committee Stage. Its timing runs from January next year, with the transition phase, through until 2027. That gives time and sends a signal to the industry that change is coming and, over that period, gives them a chance to adjust their businesses if they need to.

Wales has taken power in the Bill and has committed to a sunset clause, which sends a signal to its farming industry that, by 2024, it wants to commit to writing primary legislation through the Welsh Assembly, which will be an Agriculture Bill for Wales. That will provide the route map for where Wales is going.

As Sean said, there is no such Bill for Northern Ireland, and we do not have a particular date in mind, but we would probably say that it should be sooner rather than later. One of the things that the Minister could do, if the legislative consent motion (LCM) goes through, is to commit to saying that, at some point, we will need legislation for Northern Ireland, because the current commitments in the Agriculture Bill will go only so far. They allow us to maintain the status quo, indefinitely, potentially, and we do not think that that would be a good position for the agriculture industry or the environment. The status quo cannot continue indefinitely and it would be prudent of the Minister to come forward with a potential commitment. That would be helpful for the industry as well because, at the minute, what will happen is very much a grey area.

Mr Kelly: Farmers could do with certainty. We need that as soon as possible but, at the same time, there is no point in rushing through. We need to get this right for all the stakeholders.

Mr Irwin: I am sorry that I have to leave; I have to be a long way from here at 5.00 pm. You mentioned coupled payments in your briefing and said that you are not on for coupled payments. Is that your view? I do not think you agree with coupled payments. There is a school of thought that for small

suckler cows, cowmen and sheepmen, coupled payments might have helped them stay in business. They do that in the Republic of Ireland, and possibly in Scotland. What is your view on that? I think that they both have coupled payments.

Ms Fulton: We are a bit worried about coupled payments for a number of reasons. First, if you encourage people to increase their stock numbers, which is different from maintaining what you have, and if you are trying to reach net zero for carbon and drive ammonia levels down, that can cause difficulties later. We definitely want to see farmers farming again. It is back to a suitable mechanism for doing that.

Mr Carson: I would like to come in there. Is the purpose of coupled support to provide the benefits to farm incomes? DAERA undertook consultation on this in 2016 and engaged with stakeholders about the potential to put through a coupled support scheme, and AFBI undertook some analysis to try to determine the potential impact of that. There will be a modest increase in production by 2.1%, but the analysis found that that could potentially push down prices and farmers could then be receiving a smaller return from what they have. It creates downward pressure. It would decrease, they thought, by about 3-4%.

Mr Irwin: I am not so sure that that will be the situation. I am not saying that I am for or against it, but it may be looked at. I am not a suckler farmer, so it does not affect me in the least. Suckler numbers are down by probably 10%, 15% or 20%. The reason I can think of that they might need a coupled payment would be to try to maintain what is there, not to increase it. There may be ways of doing that; I am not so sure.

Ms Fulton: You might be able to consider a payment for carbon farming where there are sustainable levels of grazing. Once it goes beyond that, it starts to add to the current issues. There may be other routes that can be considered. The Republic of Ireland is having a look at what it is doing, not just on coupled payments but around commonage grazing too. It has a commonage scheme that has had some challenges, and it is looking at options for the way forward for that scheme.

Mr Martin: Like all these things, it is not without risk. We are entering new territory with the Northern Ireland/Ireland protocol coming into play. If each country around the UK starts determining policy that is different from that in England, Scotland and Wales, there could be a skew in the market and there is potentially a risk of a race to the bottom for agriculture and environment as to who can undercut whom the best. We want to avoid that situation.

Mr Irwin: I will say this before I leave: most of the presentations that we have received have suggested that negotiations on border trade pose the most danger of doing that, not what we produce here.

Ms Fulton: Yes, we accept that.

Ms Bailey: Thank you very much for your presentation and for your written piece as well. It is very detailed and a real help. We have heard a lot today about new technologies that could be the answer for a lot of sustainability in farming. As you rightly say, the Bill produces a situation for Northern Ireland where we are maintaining the status quo — business as usual — and, in order to make that fit with tackling climate change or environmental commitments, new technologies will be the answer. Do you agree with that?

Mr Martin: There is potential for technology to reduce emissions from slurry spreading etc, or ammonia scrubbers in houses. There is a potential role for technological fixes. However, we would be hard-pressed to say that technology alone is the silver bullet for improving the favour of many of our threatened habitats and species, which require incentivised management on behalf of farmers and landowners. The majority of farmers are up for doing that. I guess they need some certainty as to whether they will be paid for doing it, and we think that they should, because they are going to be delivering an environmental public good. Of course there is a role for technology, but it would be a crass understanding of the situation to say that technology alone is going to solve those problems.

Mr Kelly: I will just add, if I may, that a lot of the problems that we have are quite severe in terms of water quality and biodiversity loss etc. As John mentioned, I am not sure that any technology is going to flick in tomorrow so that everything will be OK. We have a lot of ground to make up. Technology certainly has a part to play, but at the same time, there are a lot of small farmers out there and

technology will have a cost. Unless there is something really revolutionary, I do not see how it is going to make the inroads that we need, given the information in, for example, the State of Nature report about the condition of our rivers and biodiversity etc. I am not sure that there is a quick fix there through technology, but anything that helps has to be looked at.

Mr Carson: When we are looking for solutions to these problems we need to look at the role that nature can play in doing that. Some of the best solutions that we have are actually through managing some of our habitats well and looking after biodiversity. In terms of increasing productivity, there are ways to manage the land and there are things that we can do that can benefit the farm business. Let me use a wider societal example in terms of climate change: if we manage our semi-natural habitats in the right way, we can actually draw down and store carbon. That has to have a key role to play in that mix of trying to address some of these issues.

(The Deputy Chairperson [Mr McGuigan] in the Chair)

Ms Bailey: You have provided a seamless link to my next question. I want to explore the notion of public money for public goods, what are public goods? There is clean air, clean water, carbon storage and new ways of doing things and looking to nature farming. Do we have much of that going on in Northern Ireland?

Ms Fulton: There are certainly examples scattered all around. There are quite a number of farmers in agri-environment schemes who manage designated sites. We work with farmers who produce cereals for Jordans and get a top-up for a higher standard. So there are different examples, and supply chains are starting to think about those issues more and more, because they are all being asked for their environmental credentials and for their carbon neutrality, which is a big thing because of climate change. It is still in its infancy, but it is definitely switching.

Mr Martin: INTERREG had a range of externally funded projects and agri-environment schemes that facilitated farmers to work together at scale across landscapes for specific actions. Some of that could be on managing peatlands at scale, which would be good for carbon sequestration. Some of that could be on managing habitats at scale for particular species of birds that are at risk. There are farmers in County Down who have worked together at scale to improve the fortunes of yellowhammer by 79% from baseline, which is a great result.

There are also farmers in the uplands of the Antrim hills in Glenwherry who are essentially preventing the extinction of curlew in Northern Ireland. As a species, the curlew has declined across Northern Ireland by 87%, and in Ireland by 98%. If we do not do something in the next 10 years, they are going to be extinct from Ireland altogether. Ireland holds an important population for the curlew worldwide, so some farmers are working with environmental non-governmental organisations (ENGOS) and off their own bat to help maintain those species, at the same time as producing food. It is not to say that they are farming nature, but they are farming with nature, and they are producing private goods that they are selling on the market. It is our view that they should probably get more from the market for those products because they are farming in a certain way. We would like to see a policy intervention that provides public goods for farmers who farm in a certain way. There also needs to be a market pull. As Jennifer said, supply chains are starting to pick up on this, and consumers have a role in determining which products they are going to buy. There need to be both policy push factors and market pull factors that bring us to a place where the environment and the landscape are improving, but we need both of those incentives at play.

Mr Kelly: There is also the opportunity, as John mentioned, through some of the current schemes for farmers to cooperate and work together. That is quite important, no matter how big your farm is. One of the things that would help would be nature corridors or wildlife corridors. We are looking at this thing on a landscape scale, so it could be an opportunity for farmers, even if they think that they do not have a particular angle on their farm to make environmental improvements. Where you are talking about wildlife corridors, tree planting or whatever, if we can have several farmers or many more cooperating together, we will start to get to a scale that makes a real difference.

Ms Fulton: Peatlands are a win-win. Looking forward, it has to be a priority from where we sit now. Twelve per cent of our land area is peatland. It locks up 53% of carbon. Most of it is emitting carbon rather than sequestering carbon, because it is not in the appropriate condition status. Rewetting that is a big priority for Northern Ireland in moving towards a net-zero target. The International Union for Conservation of Nature (IUCN) has had a peatland strategy out, and Northern Ireland, I am sure, will be looking at one in the not-too-distant future. Scotland has just put £200 million into peatland

restoration. Under the 25-year plan, England has just put in £100 million. It is obviously something that they are looking at to address their journey towards a net-zero future.

Ms Bailey: Sorry, what have we put in?

Ms Fulton: We have not got anything yet, bar INTERREG.

Ms Bailey: Just checking.

Ms Fulton: I am sure that that will make its way to your Committee at some time in the near future.

Mr M Bradley: Thanks very much for your presentation. It was very interesting, from my point of view. When I was a young boy growing up, we had wetlands, peatbogs, sheughs — for want of a better word — rivers and burns, and now all that we have are straight drains. That has damaged an awful lot of land, so I am fully in favour of legislation to provide financial incentives for more tree planting and for re-establishing peatbogs, which has been brilliant, especially in the north Antrim area — and also re-establishing wetlands, if we could. The importance of wild flowers is always overlooked, as is the most important insect on the planet: the bee. We need to encourage farmers to plant more wild flowers along their hedgerows etc. I remember climbing up hedgerows. Now there are no hedgerows to climb up, because they have all been cut down. There is a lot of work to be done. I wish you well and I hope that it all works out, because the planet is in a terrible state.

Ms Fulton: We agree. You are into habitat recreation there, and we have done a lot of that in Fermanagh, turning fields into species-rich meadows, and it has worked despite all the odds. We are also doing a piece of work with QUB on roadside verges. It is important, and you need to join all that up through nature recovery networks. You may have seen that one of the clauses in the Environment Bill in England is on nature recovery networks, and that is exactly the type of thing that it is looking at: how you do that on a landscape scale, especially with climate, when species are migrating? It is extremely important, so, yes, we fully agree.

Mr M Bradley: I have one point. You need buy-in from the Rivers Agency, because it is perhaps the greatest culprit for lifting stuff out and leaving everything in straight lines so that water rushes away from the uplands to the lowlands, and then you have flooding.

(The Chairperson [Mr McAleer] in the Chair)

Mr Kelly: Once again, I agree with you on both points. When we talk about public money for public goods, people may automatically think, "Do I have to give half my farm over to trees?", or "I don't have barn owls on my land, so this doesn't apply to me", but things can be done to address the sort of stuff that you talked about such as the drains that have been dug out and straightened or the fact there are no wild flowers. I would be surprised if most farms do not have something. It does not have to be as big and as dramatic as people perhaps think, if the opportunity is not there. There are always opportunities somewhere.

Mr Martin: A quick stat from a wild flowers point of view: we have lost 98% of our wild flower meadows since the 1930s, which is a terrible state of affairs, particularly given all the benefits that they bring from an insect point of view.

Also, it is important to not look at this Agriculture Bill in isolation from the Environment Bill, which will be coming next week. It is also important to think about the environment strategy that DAERA has just finished its consultation on, which will hopefully come to the Committee at some stage, because agriculture has a big role in delivering a lot of the commitments in that. Of the total land in Northern Ireland, 75% is farmed, so it will have a vital role in delivering a lot of the targets that are in the Environment Bill or the forthcoming environment strategy. It is good that the Committee is looking at those different Bills over the next few weeks, because hopefully you will be able to make the connections between both those important pieces of legislation.

Mr Blair: Some of what I was going to ask has been covered. I want to go back to the Bill for a moment. If there is more of an emphasis on productivity in agriculture rather than land use, whether it is through the Bill or through local policy, do you agree that that is a negative for the environment most of the time? My perception is that it tends to lead to much fewer environmental benefits locally and fewer economic benefits in terms of jobs for the local area. Such policies tend to be skewed in favour

of intensive farming, which does not necessarily involve high numbers of jobs, just high numbers of animals most of the time, and means that there is minimum benefit to the local economy and the local environment. I am very keen to hear your views on that.

On a not totally unrelated note, the Bill makes scant reference to organic farming mechanisms, progress or plans. I am keen to hear your views on that. It almost seems to be referenced as being something for the future that we might get to some day and something that we might do in Northern Ireland. If we start having increasing numbers of conversations around traceability and *[Inaudible.]*, the organic argument comes into play much more strongly. What are your views on that?

Mr Martin: On the productivity versus profitability thing, when we responded to the DAERA future agriculture strategy, we commented quite a lot on the fact that we should be looking at ensuring that our agriculture industry is as profitable as possible, as opposed to looking at it through a productivity lens. It is not always right to say that productivity leads to degradation of the environment, because some productivity can be done in a way that is more environmentally sensitive. Our research shows, through the State of Nature report, that the increase in the intensity of agriculture has led to the declines that we are now seeing. So there is obviously a sweet spot somewhere in the middle after which the increasing levels of intensity have led to environmental destruction. We need to find a path through so that we are able to subsidise farming in a way that makes productivity sustainable. The issue is finding a way that incentivises the right type of action on farms.

On organic farming, I do not know if I necessarily have an answer, but I can comment on the current state of play. Organic farming is encouraged through the rural development programme's environmental farming scheme. However, the uptake of that has been relatively low and the budget attributed to it has been relatively low. So there is obviously more that can be done from the organic sector's point of view. I do not know if anybody else wants to say anything on the productivity front.

Mr Carson: I would like to touch on the productivity side of things. In the Bill, it is about trying to get coherence and ensure that any measures to improve productivity are done on a sustainable natural resource base or actually contribute towards that. There are examples of that happening. It is about trying to find other ways that we have not found yet to increase productivity and provide those public goods. In the past, the policy has almost been twin-tracked and the two have been separated. We need to bring them together a little bit more.

Mr Kelly: As my colleague has mentioned, a lot of the time, productivity is about getting more. We have problems with nitrates and ammonia, which I believe you touched upon earlier. If we keep trying to develop the number of animals we have or whatever it is, that will affect prices, but it will also affect the environment. There has not really been consideration of how one affects the other.

I pay tribute to DAERA and to the civil servants because, during the time that the Assembly was down, they brought people together in a number of working groups. They did not lead that; they just facilitated it. We had, for example, to come up with priorities for Northern Ireland post-Brexit. There were four working groups. One was on fisheries, one on rural society, one on the environment, and one on trade and agriculture. All that I know is that, at that time, everyone round the table was represented. The environmental groups were there with the processors, the meat exporters, farmers' organisations etc. We agreed a template for what we would all like agriculture to look like in the future. I will not quote that in verse because I cannot remember that much about it, except for the fact that all of us who were sitting round the table thought, "Yes, we could live with that. It makes sense". I am not saying that that answers the question. I remember the three areas that we looked at: how we could increase productivity in a sustainable way; how we could look at improving the resilience of farmers and the farming industry; and, of course, the third was about environmental sustainability. They were the three areas that that was built around. I am not saying that it is not outdated or maybe needs to be updated or reviewed, but it might actually be a good starting point, if we are looking at a future Agriculture Bill, to think about how it sits with what we agreed back in — I am going to guess — 2017 or 2018. There was a separate environment one done, a separate fisheries one done and, I think, a separate rural society one. There definitely was an agriculture one. Each group had representatives on it from the others. We all knew at that time that those areas had to be looked at and integrated better.

Ms Fulton: If it can be underpinned by sustainability, productivity can add value, rather than have a negative value. Take, for example, phosphorous and nutrient management planning. If you do your soil analysis and follow your nutrient management plan, you can have the same or more productivity with less fertiliser. It is about finding the tools that help the industry to move on through precision

farming-type techniques. The Netherlands and other countries are all looking at the same approach. It is not always about piling in more animals: if you can increase your calving index on an upland area, you need less stock to get the same productivity per hectare. It is about how you approach that issue and make it work for both the environment and the industry.

The Chairperson (Mr McAleer): Before we conclude, I just want to get your assessment of the current mechanism for farm payments. They are based on the area that you farm, the basic payment scheme (BPS), and 30% for greening. Farmers have to abide by a number of cross-compliance measures. Fundamentally, they are incentivised to keep their land in good agricultural and environmental condition. What is your assessment of the current scheme? Are you content that it delivers on environmental outcomes? What is your view on it?

Mr Kelly: I have some general comments. I think that one of the officials said earlier that the current system and framework for CAP-related-type stuff was basically outdated and old. I do not think that it works well, because, as I said, it is hard to find anyone who is happy with it. Sometimes, when not everybody is happy, maybe there is something in the middle that we could agree on. However, this time, with regard to how support and stuff is given, I do not think that it works well.

With regard to the 30% for greening, I think that the greening measures apply to a very small number of farmers. I could be wrong. Maybe six farmers in Northern Ireland have to take measures to get their greening payment. Is that right? The funding is there, but you do not actually have to do a lot for it with regard to the greening payment. I think that having permanent grass is one of the things that qualify for it at present. Because of biodiversity loss, the condition of our soils and everything else, farmers are not happy about the cross-compliance system, how it is implemented and how it is operated etc. I accept that. I know that environmentalists, by and large, are not happy with it either. That is why we are a bit concerned about "business as usual" and letting that drift, if I can put it that way.

Mr Martin: At the macro level, in terms of value for money for the public, the public fund the subsidy for the agriculture industry to produce food, which it does really well. However, inevitably, because of the way the system is set up, it produces environmental degradation. The farmer then produces food, which is sold to the public via a private good, and the public pay for that as well. They have paid twice, and they then pay a third time for government to clean up the environmental degradation or to put action in place to clean that up. From a value-for-money point of view, it is hard to argue that it is good value for money for the public and, as Sean said, a lot of the research shows that the current cross-compliance system is not necessarily as effective as it could be. Even the European Court of Auditors says in its most recent report that it is not delivering to its full potential. Although it is a lot of administration for the individual farmer and farm groups to have to do, it delivers very little benefit from an environmental point of view.

Mr Kelly: To be fair to the farmers, they are delivering within the system that is set for them, and that is why this is a good opportunity to set a better system that favours everyone.

Mr Carson: If you look at outcomes and what the CAP and BPS are trying to achieve in supporting farm incomes and trying to maintain the environment — all of those things — and you test them against the outcomes that are set for basic payment, you will find that it is not really delivering on them. Farm incomes have declined and environmental quality has declined. It is not working, and there is an opportunity to look at how we deliver those outcomes in a smart way that provides that benefit.

The Chairperson (Mr McAleer): Another feature of the Bill is clause 34, which looks at agricultural holdings. The working group on sustainable land management did a report last year that concluded that the insecurity of 11-month tenancies was not good for environmental performance. What is your view on the conacre system, which is typically an 11-month rental arrangement here? Do you have any view on whether there should be a longer term? What is your position on that?

Ms Fulton: We agree. The conacre system does not really work for anybody, because no one wants to invest their time or money in the land, and you also cannot access agrienvironment schemes unless you have a five-year agreement. That automatically rules out some people from moving in that direction, and if we want to change things — we are in the middle of a climate and ecological emergency — we need to do something differently and we need more money spent to deliver environmental outcomes that can, at the same time, improve farming resilience, if we get the design of that correct. At the minute, only a small percentage of the overall budget is spent on environmental outcomes and agrienvironment. You have £325 million or something like that, and £295 million of that

is on single area payment. The rest is on agrienvironment and rural development. In the last two years, £38 million has been committed under the countryside management scheme, and another tranche is about to go out. It is about how you rebalance that equation for Northern Ireland plc.

The Chairperson (Mr McAleer): Thank you very much for your view on that. No members have indicated that they want to ask another question, so I thank you very much for coming before the Committee today.