

CONSULTATION ON REVIEW OF SUPPORT ARRANGEMENTS FOR LESS FAVOURED AREAS

Introduction

Over the last 18 months DARD has been conducting a review of support arrangements for less favoured areas. The review document sets out the background to the provision of LFA support and contains a comprehensive and detailed body of evidence

From the evidence base, the future role of support has been assessed and four alternative approaches to future support were proposed. The four options for future support are:

- Option 1: Withdrawal of the Scheme
- Option 2: Move LFA funding to Axes 1 and 3 within NIRDP 2007-2013 to target competitiveness and quality of rural life.
- Option 3: Move LFA funding to the agri-environment measure within NIRDP 2007-2013.
- Option 4: Retain LFA Support but focus it on the most naturally disadvantaged areas and align the Scheme with the new EU requirements.

The consultation sought views on the following issues:

- Whether all of the relevant issues had been captured and adequately explored;
- The conclusions that were reached within the evidence chapters;
- Whether respondents agreed or disagreed with any of the 4 Options presented as a way forward;
- The broad outline for any future LFACA Scheme and the limitations that should be placed on the Scheme;
- Any equality or rural proofing issues that had not been addressed adequately; and
- Any other issues respondents would like to draw our attention to in the context of the review.

The consultation was launched on 5 March 2009 and closed on 29 May 2009.

Respondents

Responses were received from 61 individuals/organisations. Those who provided detailed comments were Disability Action, Castlewellan Blackface Sheep Breeders, Northern Ireland Agricultural Producers Association (NIAPA), Countryside Alliance Ireland (CAI) Southern Organisation for Action in Rural Areas (SOAR), Ulster Farmers Union (UFU), National Beef Association (NBA), Council for Nature Conservation and the Countryside (CNCC), National Trust (NT), Royal Society for the Protection of Birds (RSPB), Northern Ireland Environment Agency (NIEA), Social Democratic and Labour Party (SDLP), Ulster Wildlife Trust (UWT), 8 individuals and the same response from 37 individual farmers from the Mourne area (called the Mourne Area farmers).

Summary of Responses to Questions posed in Consultation Document

Q1. Are you content that all of the relevant issues have been captured and adequately explored?

Most respondents believed that the consultation document was comprehensive and that the relevant issues had been covered. However, the RSPB considered that the importance of HNV farming had not been addressed fully. CNCC supported this view and also suggested that more consideration should have been given to the role of LFA farming in the context of Northern Ireland agriculture as a whole; the threat to upland habitats from exotic species, particularly Sitka Spruce; and climate change. The UWT would have liked the document to give more consideration to the matter of common grazing. The SDLP felt that the consultation document did not adequately reflect the wider benefits of the LFACA on rural economies and the resultant impact on job creation.

Q2 Are you content with the conclusions that have been reached within the evidence chapters?

Most respondents were content with the conclusions that had been reached within the evidence chapters. However, the RSPB considered the review did not address the issues of biodiversity decline, climate change, biofuels and water quality - areas where they considered that the provision of LFA support could deliver in Northern Ireland e.g. carbon storage and sequestration in peat soils or upper catchments water management. They also stated that HNV farming should be acknowledged. One individual considered that socioeconomic issues had been ignored and that the emphasis should have been on supporting food production. The SDLP did not think that the conclusion in some chapters reflected the evidence presented. They did not feel that DARD had adequately recognised the high reliance LFA farmers placed on support to help them meet the extra costs associated with farming in LFAs. The UFU believed that the relevant evidence captured had, in large, supported the very existence of the current Northern Ireland LFACA scheme.

Q3. Do you agree with Option 1 that there should be no future LFACA Scheme and that the funds released should not be reallocated to other rural development measures? If so, please explain your reasons for this choice in the context of the evidence that has been presented in this review.

There was **no support** for Option 1 from any respondent.

Q4. Do you agree with Option 2 that there should be no future LFACA Scheme and that the funds released should be reallocated entirely to Axis 1 and Axis 3 measures of the Northern Ireland Rural Development Programme? If so, please explain your reasons for this choice in the context of the evidence that has been presented in this review.

a. If your choice is Option 2, to what priorities under Axis 1 and/or Axis 3 should the monies be directed, and why?

There was **no support** for Option 2 from any respondent primarily because this option would lead to poorly/no targeted support for LFAs and land abandonment.

Q5. Do you agree with Option 3 that there should be no future LFACA Scheme and that the funds released should be reallocated entirely to the agri-environment programme? If so, please explain your reasons for this choice in the context of the evidence that has been presented in this review.
a. If your choice is Option 3, should the additional monies be directed through the existing agri-environment measures, or are adjustments to the programme required (including, for example, ring-fenced monies for certain areas)? Please give reasons for your answers.

The significant majority of respondents **did not support** Option 3.

The UFU did not agree with nor support Option 3. The UFU believed that Option 3 could actually have a negative environmental impact on the LFAs/future LFAs with the added factor of being more costly to administer. The UFU believed that AE schemes should remain distinct and look to build on the environmental benefits that the LFA scheme provides through active land management. CAI stated that it is important to differentiate between environmental and LFA schemes. UWT recognised the need to reassess and adjust the recently launched Northern Ireland Countryside Management Scheme (NICMS) if this option was to be pursued.

However, in principle, this was the NT's preferred option as it was the option most explicitly aimed at the sustainable use of land for a range of benefits – conserving biodiversity, water and carbon management, preservation of historic features and landscape protection. However, NT believed that to be effective (and to achieve best value for money/widest support) Option 3 should be recast under an agri environment (AE) umbrella. The result would be an AE system with entry at a range of levels. Such a system would see LFA (largely SDA) farmers 'topped up' using ring fenced funds - in recognition that public benefits are more costly to achieve in LFA areas, and hence "would not otherwise be achieved". Qualification would require the achievement of explicit environmental standards/use of certain practices - less onerous (and requiring less monitoring) than under existing AE schemes, but more consistent than those currently achieved under LFACA.

NIEA indicated that they would support this Option if monies were redirected through existing schemes with ring fencing for management of designated sites. However, given the voluntary nature of the scheme, NIEA had concerns that some areas not in receipt of agri-environment payments within designated sites and other farmed areas of high natural and scenic value may not be agriculturally sustainable. Without LFA support it is likely that a valuable management tool for at least maintaining biodiversity in the countryside would be lost.

RSPB did not agree with Option 3 as it stood because the increase in agri-environment funding would not ensure that funding was targeted at LFAs, which include many of our fragile and protected habitats, particularly the SDAs. They suggested that LFACA funding directed

towards NICMS should be set aside specifically for farming the future designated LFA. LFA funding should be used to provide a 'top-up' for farmers that previously received LFACA. In order to receive this 'top-up', farmers would have to enter NICMS, if not already taking part in the scheme. Farmers who are already in NICMS could get this 'top-up' automatically if management practices were deemed appropriate for LFA objectives. If not then additional management prescriptions would have to be taken on in order to meet agri-environment LFA eligibility criteria.

Q6. Do you agree with Option 4 that there should be a future LFACA Scheme? If so, please explain your reasons for this choice in the context of the evidence that has been presented in this review.

All respondents agreed that there should be future support for naturally disadvantaged areas. The majority agreed that it should be through a LFACA Scheme. The RSPB and NT wanted a stronger environmental emphasis on the LFA support payments. RSPB stated that a key strength of LFA support that differentiated it from AE in particular, is a focus on maintaining extensive farming systems.

Q6 a. Do you agree with the broad outline for such a Scheme that has been given and the reasons for this? If not, what changes would you like to see and why, in the context of the evidence that has been presented in this review. In particular:

(i) Do you agree that the focus of future of support should be the SDA (or any future designated LFA)?

There were mixed responses to this question. The RSPB, CNCC and NT welcomed the focus on the SDA. NIEA agreed with the SDA focus but would like to see greater support for HNV land. The UFU believed that future support should be targeted to those who actively farm in the future designated LFA. CAI wanted the focus to be on LFAs. SDLP considered support for SDA farmers essential but wanted DA farmers to be given some form of support too. NBA and SOAR opposed any reduction in the area supported.

Q6 a. (ii) Do you agree that applicants to the Scheme should farm at least 10 ha of land in total (of which at least 3 ha must be in the SDA)? If not, what would you like to see as the minimum size and why?

There were mixed responses to this question. The UFU, CAI and one individual farmer agreed with a 10 ha minimum. Castlewellan Blackface Sheep Breeders suggested that the minimum holding size could be raised from its current level to 6 ha. NT, RSPB, NBA, NIEA, NIAPA, and the Mourne Area Farmers did not agree with the proposed 10 ha minimum – the consensus in these groups was that smaller farmers could still deliver substantial environmental benefits – and that the minimum should be closer to 3 ha.

Q6 a. (iii) What are your views on the range of farm enterprises that would make a farm eligible for support?

The UFU, CNCC, NIAPA, SDLP and an individual respondent agreed with targeting beef and sheep farms. Castlewellan Blackface Sheep Breeders, Mourne Area farmers, NBA, UFU, CNCC and an individual respondent believed that payment should only be made to active farmers. RSPB favoured supporting all farms who met EC eligibility criteria. NIEA said support should go to all farm enterprises complying with environmental duties and providing management of designated sites. NT suggested that support could cover limited woodland creation, reduced improved grass production - and other fringe schemes may be viable options, even limited production of winter foodstuffs for livestock.

Q6 a. (iv) What are your views on the use of minimum and maximum stocking densities?

A minimum and maximum stocking density was favoured by CAI, RSPB, NT, NIEA, CNCC, NIAPA and SDLP. The UFU and Castlewellan Blackface Sheep Breeders favoured the current minimum stocking density but opposed a maximum stocking density. The UFU felt that where a farm exceeds the qualifying maximum stocking density additional land could be rented to decrease the stocking density over the entire area. The UFU stated that this could be counterproductive in that it could increase demand for land. One individual considered that the current minimum stocking density (0.2LU/ha) was too low while the NBA opposed any proposed increase to this limit, feeling it would penalise a large number of farm holdings.

Q6 a. (v) What are your views on the use of a possible environmental option within an LFA support scheme? What sort of environmental issues could usefully be addressed by such a mechanism?

There was some support for the use of a possible environmental option.

CAI suggested that an environmental option could provide support for land to be considered for the production of an alternative energy source – e.g. wind power.

The RSPB suggested that consideration be given to provision of LFA funding for retention of Blackface ewes on heather moorland, to enhance the environmental value of the areas, and help threatened populations of grouse and other ground nesting birds. An individual farmer suggested that a bonus for controlling bracken (and Lyme disease) and mollinia by grazing with bovines would be desirable. The NBA suggested that there should be additional funding for traditional breeds. NIAPA suggested that enhancement payment for beneficial use of livestock would be supported.

NT believed that an environmental option is an essential component of any revised LFA scheme and felt that issues addressed could include driving active habitat management, reflecting the objectives of NICMS. Or they could address the “New Challenges” identified under broader CAP reform – climate change, renewable energy, water and biodiversity. CNCC strongly supported the use of an environmental option and considered that this would give an opportunity to achieve enhancement of landscape and habitats rather than merely

maintaining the status quo, with the possibility of creating more habitat diversity in a planned manner. They also considered that there was scope for a more imaginative approach at a landscape level involving not merely individual farmers but groups of farmers covering significant areas, working together to provide greater benefit. This could involve management of stretches of watercourses or the linking of isolated pockets of particular habitats. Experience gained through the Special Projects provision of the NICMS would be invaluable in developing this approach.

The UFU did not agree with a possible environmental option within an LFA scheme. They considered that any additional environmental enhancements should be done through or incorporated into the existing AE schemes and are strongly opposed to the use of any of the LFA budget as an environmental enhancement option.

Q7. Are there any equality issues that you would like to raise that have not been addressed adequately?

Disability Action noted that the evaluation contained no analysis of issues of multiple identity and considered that a full EQIA should have been undertaken and published as part of the consultation process.

Q8. Are there any issues relating to rural proofing that you would like to raise that have not been addressed adequately?

None identified.

Q9. Are there any other issues you would like to draw our attention to in the context of this review?

Castlewellan Blackface Sheep Breeders felt that there needed to be more research into the role of traditional breeds in hill land management. The NBA suggested that if the landscape is not to deteriorate further then more of the traditional breeds should be assisted financially. The NBA also considered that DARD should lead research into mixed grazing systems for the LFA.

An individual respondent suggested that LFA needed to pay on both new and existing woodlands probably at a higher rate than grassland. The respondent queried whether there should be woodland payment as the only payment on the new LFA land as a means of encouraging more planting on better land.

RSPB considered it essential that any excess funds released from a decrease in the area designated as LFA be recycled into Axis 2 of the NIRD to be used for the transition of any changes to how LFACA will be delivered in the future. If delivered through the current NICMS mechanisms this should incur a minimal cost. This would continue to incentivise farmers into NICMS and reward those for delivery of environmental and public goods.

Mourne Area farmers stated that the terminology needs to be changed - there is no commonage in Northern Ireland. The majority of the Mourne mountains are Trust Estates

and the Trustees manage the area on their estate and are responsible for fencing, maintenance and grazing control and stocking densities.

The Mourne Area farmers considered that young farmers need to be encouraged to continue to farm in the LFA as their knowledge and skills to farm in the LFA must be passed from one generation to the next. A pension scheme for older farmers may be one useful tool. Financial incentives aimed at young LFA farmers may be another useful tool. Land abandonment in the LFA will be a massive issue if Bluetongue is allowed in to the country as the economic impact on farmers may force many out of business. The skills held by these LFA farmers would be lost. DARD needs to continue to work on this issue. Trust Estates need CMS scheme tailored to individual mountains. Trustees have been managing the land for years and have a greater understanding of what is required. CMS needs reviewed – needs a more common sense approach. The creation of a National Park will cause land abandonment – farmers consider that there is too much bureaucracy, too many inspections and too many people telling the farmer what to do.

NIAPA do not wish to see removal of income from any farming family, however any change should provide a soft landing for those who may be negatively affected.

UFU do not wish to see changes introduced until 2014. The Mourne Area farmers said that the proposed higher payment regime in the SDA should be implemented sooner rather than later, and certainly before 2014 as the present economics of LFA farming clearly show.

UFU believe that there would be advantages in the future scheme if a two tier land classification was included.

Comments on Payment Regime

Full payment on Common grazing	Supported by Castlewellan Blackface Sheep Breeders, UFU, NBA
Mixed grazing supplement	Supported by UFU , individual farmer
	Opposed by Castlewellan Blackface Sheep Breeders NBA and an individual farmer believe additional funding is needed to fund mixed grazing
Degressivity	Opposed in principle by UFU and believed that the degressive level of payments proposed would result in a number of farms becoming fragmented to achieve maximum returns from the Scheme
	Supported by NIAPA with an option of a cap on support at 200 ha
	NBA saw merit in a tiered or degressive system of payment, but may not be an option within Northern Ireland due to prevalence of small holdings. Certainly do not want to see payments going from DA recipients to SDA farmers
	Mourne Area farmers stated that the proposed decrease in support above 40 ha would be detrimental to the Mournes
Alternative degressive thresholds	Castlewellan Blackface Sheep Breeders
	<ul style="list-style-type: none"> • Two payment rates <ul style="list-style-type: none"> i. 0–100 ha @ £62.50/ha and no mixed grazing bonus ii. More than 100 ha @ £50/ha and no mixed grazing bonus
	Mourne Area farmers
	<ul style="list-style-type: none"> • More need of support on mountain land from a management viewpoint than on basic farmland – higher incentive needed to keep the mountains grazed • First tier of support on mountain land should be at £60/ha. (Content with £40/ha on farmland)
	UFU (if payment is mandatory) Proposed two payment rates
	<ul style="list-style-type: none"> i. 10–200 ha ii. 200 ha+
	Minimum payment to be £40/ha with a supplement rate at 25% of land payment rate
Conacre land	Mourne Area farmers Land taken in conacre should attract only half the payment that land on a longer term lease e.g. 5+ years would attract
Alternative Payments	Individual farmer Pay farmers on SDA £600 per cow capped at 25 cows

Overall Summary

The majority of respondents were:

- Content that the relevant issues had been captured adequately and explored; and
- Content with the conclusions that were reached within the evidence chapters

There was no support for Option 1 or 2.

The significant majority of respondents did not support Option 3. In principle NT, UWT, and RSPB would support this option but only after a recast of the current agri-environment schemes and ring-fenced support to the LFAs.

Option 4 - all respondents agreed there should be future support for naturally disadvantaged areas. The majority agreed that this should be through an LFACA Scheme.

There was a mixed response to:

- Where the focus of future support should be, however, the particular difficulties of farming in the SDAs were recognised; and
- The minimum eligible area – some support for 10 ha of which 3 ha must be SDA, others said 3 ha should be the minimum.

The use of a minimum stocking density was favoured by all who responded to this question. However there were differing views on the use of a maximum stocking density.

There was some support for the use of a possible environmental adoption and a range of views on what that might comprise.

Different thresholds for gradually decreasing payments over a certain size of farm were suggested.

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