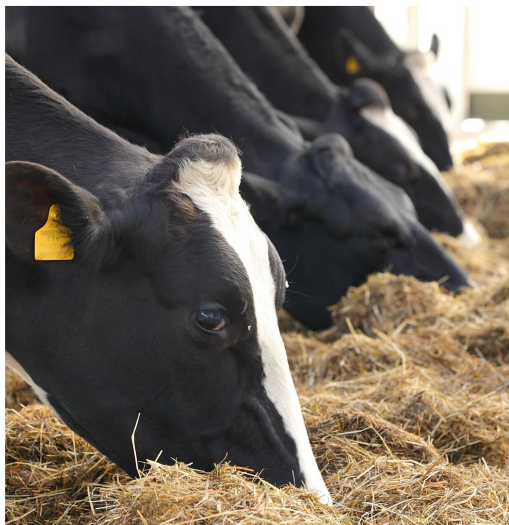





**ULSTER
FARMERS'
UNION**

Difficult Times - But We Can Deliver
2016 Manifesto



About the Ulster Farmers' Union



Founded in 1918, the Ulster Farmers' Union (UFU) is the largest democratic voluntary organisation representing almost 12,000 farming families throughout all parts of Northern Ireland and across all agricultural sectors. Its central objective is to promote their interests both at home and abroad through professional lobbying.

Mission Statement

"To serve its members by promoting and supporting a vibrant and sustainable rural economy where agriculture is secure and pivotal to its future."

The UFU represents agriculture and wider rural issues, working with politicians and other groups and organisations locally, in the UK and in Europe to ensure that the interests of agriculture and rural issues are advanced. In the particular the Union works closely with the National Farmers' Unions in England, Scotland and Wales, and the Irish Farmers' Association in Dublin. Collectively the UK Unions also have a significant permanent staff presence in Brussels (the Bureau de l'Agriculture Britanique) and are also members of the main EU Farming Organisation, COPA giving local farmers direct access to all of the institutions of the European Union.

The main strength of the Ulster Farmers' Union is its long-standing ability to successfully represent the wide range of interests of Northern Ireland's farmers.

Importance of the agrifood industry to the local economy and its potential to grow



Despite the stark reminder in the recently released 2015 Farm Income Figures for Northern Ireland of the extremely tough times currently being faced by our entire farming community, the agrifood industry in Northern Ireland continues to be our largest manufacturing employer with an estimated 100,000 people employed and £4.8 billion of sales and has continued to grow throughout the recent wider economic downturn with increases of 6.6% in turnover and 5.3% in processing employment and 5.8% in turnover and 2.0% in processing employment in 2013 and 2014 respectively.

Serious cash flow difficulties on farms is our immediate concern and significant market volatility is also becoming increasingly frequent and both of these must be satisfactorily addressed in the short-term. However, the industry is still growing and the prospects are good.

The NI Government initiated and supported 2013 Agrifood Strategy Board 'Going for Growth' Report remains the strategic blueprint for the industry with its major 2020 targets of a 60% increase in sales to £7 billion (of which £4.5 billion will be outside Northern Ireland) and its 15% growth in total employment to 115,000. This is still very much achievable provided that the industry continues to drive forward with this agenda and NI Government provides the relevant, timely and necessary assistance and support.



Key Strategic Actions

Fair Operation of the Food Supply Chain

The food supply chain remains dysfunctional and this must be satisfactorily resolved.

To assist in addressing this:

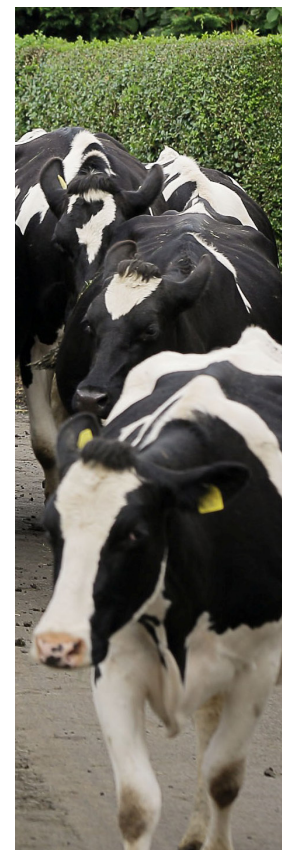
- Promotion of the single 'supply chain concept' with increased transparency, improved contractual arrangements, and the facilitation of closer producer co-operation;
- Enhancement of the oversight by the UK's Groceries Code Adjudicator and the introduction of a similar EU system;
- Removal of the NI/GB producer price differentials (which we have estimated to have lost £30 million across Northern Ireland's beef, lamb and pig sectors alone in 2015).



Continued EU Support for Agriculture

With adequate producer returns not being delivered by the supply chain, the importance of continued EU financial support for the agriculture industry is essential as clearly demonstrated by the recent NI Farm Income figures:

- Maximum EU support must continue to be provided directly to agriculture (this is particularly important with further review and reform discussions on the EU's Common Agricultural Policy within the next five years);
- Additional assistance must be provided to sectors within the agriculture industry which are particularly vulnerable;
- There must be significant bureaucratic and administrative simplification of the wider CAP support system (both direct payments and rural development) and an associated 'Charter of Farmers' Rights' must be introduced;
- Every effort must be made so that all relevant EU payments can be made earlier as permitted under EU legislation to help smooth farm business cash flows.



Development of Market Volatility Mitigation Measures

With growing global trade, wider world events and the EU's move away from market intervention support for agricultural production under the Common Agricultural Policy (CAP), the NI agrifood industry is becoming much more exposed to market volatility.

This uncertainty must be addressed:

- The development and use of forward selling, futures markets and margin protection programmes must be fully explored;
- Broader product mixes and market outlets must be encouraged;
- Government must operate realistic safety net measures in case of market failure.



Access to Finance

Against a background of increasing volatility, new ways of financing the farming industry have to be made available. Cash flow management in particular is critical. This is not new and has already been operating in other countries throughout the world where the financial institutions have worked with their farming industries to implement and operate longer-term solutions which reflect this need. To progress this:

- Alternative sources of finance such as the European Investment Bank (EIB) must be explored;
- Lending for young farmers and innovative projects coupled with sound business plans must be facilitated and enhanced;
- Lower interest rates for farm businesses comparable to other areas of banking activity such as home loans must be introduced.

New Market Development



The World population is predicted to grow by 20% by 2050 and the demand for food will increase as a consequence. There is also a growing middle class in developing countries with enhanced demand for more westernised diets and food products. This presents very significant market opportunities:

- New export markets particularly in the Far East and North America must be identified and developed;
- BSE 'negligible risk' status must be obtained from the World Health Organisation (OIE) for Northern Ireland's beef sector at the earliest opportunity;
- Measures must be implemented to encourage local food product sourcing for public procurement.

Improved Agrifood Marketing

To help develop new markets and grow existing markets for our local food products, our present marketing activity must be enhanced:

- Clear and authentic labelling for primary food products as required under EU Country of Origin Labelling (COOL) from 2015 must be fully implemented and enforced;
- Co-ordination and funding of industry/Government marketing activity must be improved;
- Government involvement and support for industry to maximise the benefits from the NI 2016 Year of Food must be continued.





Increased Agricultural Competitiveness



While outputs are critical to farm business margins, inputs and efficiencies are equally important and are more within our control. We must:

- Encourage the formation of small farm business development groups to assist knowledge transfer and promote the production of business plans for individual farms;
- Provide the necessary funding for new capital investment from the Farm Business Investment Scheme (FBIS) for farm buildings and equipment with the earliest possible opening of the entire scheme in 2016 to permit in year work completion.
- Explore and improve access to all new technologies;
- A case must be made to reduce Employers National Insurance Contribution to offset the introduction of the National Living Wage (NLW), the current rebate does not go far enough. In addition future increases in the NLW must be capped post 2020. A further consequence of the NLW being introduced is that the NI Agricultural Wages Board should be abolished;
- Provide the new restructured Department of Agriculture, Environment and Rural Affairs (DAERA) with a sufficient budget allocation by the NI Executive to assist the agri-food industry deliver its strategic growth plans.

Livestock Improvement



The better use of genetic and breeding information will be essential to help progress production efficiencies within our beef, dairy and sheep sectors. The industry has already committed very significant time and financial resource to recently produce a specific strategic report from which an industry funded Project Manager has now been appointed to establish a 'central data hub' this year:

- A business case is presently being developed and NI Government financial support will be imperative to assist the industry in introducing a substantial four-year/£8 million programme to deliver this.

Improved Land Mobility/Tenure



While the 'conacre' land letting system under which approximately one third of Northern Ireland's agricultural area is farmed has served the industry well and provided significant production flexibility, more options are now possible, such as longer term leasing and rental arrangements.

The UFU working closely with the Young Farmers' Clubs of Ulster (YFCU) has already committed significant resources to the introduction of a major initiative to create a broader range of options for land succession and tenure. A similar scheme is already operative in the Republic of Ireland and will facilitate more robust farm business planning and increased investment in land condition/productivity:

- Government financial support will be necessary to help launch and operate this 'facilitation' scheme later this year;
- The possible introduction of tax exemptions to encourage longer term land tenure arrangements must be fully explored.



Enhanced R&D/Knowledge Transfer/Agricultural Education



Strategically the importance of meaningful producer/market orientated research and development, the transfer of the associated knowledge, and the education of the next generation of farmers and continued professional development of existing farmers cannot be over emphasised:

- Increased funding drawdown from industry/the NI and UK Governments/and the EU will be critical for refocused and prioritised industry/Government R&D activity with increased involvement in wider collaborative projects (particularly with other countries);
- There must be closer co-ordinated activity between the R&D institutions and farm advisory services to improve the delivery of knowledge transfer to all involved in the industry;
- Agricultural education and training must be included at an earlier stage in the educational system to meet the growing opportunities which exist within the agrifood industry and the provision must be sufficient to satisfy demand.

Continued Livestock/Plant Disease Control Programmes



Diseases, both statutory and production, add cost to production, reduce outputs and potentially restrict trade. Very significant progress has already been made on an NI industry lead, Government co-funded and now legislative initiative for a specific cattle disease (BVD – estimated to cost the NI cattle industry £30 million annually):

- Further implementation of an industry/Government partnership approach to facilitate more livestock/plant disease eradication/control programmes must be continued;
- Bovine TB remains the single biggest ongoing disease burden and concern within the farming industry and Government. It is essential that a new approach involving wildlife intervention is adopted and the implementation of the recommendations from the DARD created independent TB Strategic Partnership Group will be central to resolving this major, longstanding problem for both industry and Government.

Environment



The farming community constantly works hand in hand with the environment and has always been supportive of environmental protection and enhancement:

- Government financial support for agri-environment schemes must be continued;
- The formation of a new NI Government Department (Department of Agriculture, Environment and Rural Affairs –DAERA) which will have the responsibility for both agriculture and the environment provides an opportunity to introduce much needed change in environmental governance but the main focus must be on the protection and improvement of the environment rather than the establishment of new structures;
- The recent widespread and more frequent flooding has had a devastating impact on many farm businesses and rural areas. This has clearly demonstrated that a Government/Stakeholder plan of preventative action for longer-term infrastructure changes is essential to protect such areas in the future;
- Government must provide support and certainty for the development of small-scale renewable energy projects as these not only deliver significant environmental benefits but also provide an additional income source for farmers during difficult economic conditions within the agriculture industry.



Farm Safety



Since its establishment in 2012 the NI industry/Government Farm Safety Partnership has made very considerable progress in raising awareness amongst the farming community of farm safety and is also helping to reduce the number of fatalities in particular on an annual basis, but as always, more can and must be done:

- Continued collaboration between industry and Government and the provision of the necessary funding for the critical Farm Safety Partnership initiative are essential;
- Funding must be provided for the enhancement of safety measures and equipment on farms.

Rural Services

With over 35% of the Northern Ireland population living in rural areas, the satisfactory provision of wider services in these areas is essential:



- It is imperative that all NI Government policies are 'rural proofed' as already agreed by the NI Executive in the Rural White Paper Action Plan and proposed as a statutory requirement as part of the Rural Needs Bill;
- In particular, issues such as health care access, rural childcare and the provision of wider fibre broadband to facilitate both the Government's 'e-drive' and to assist with economic and social development are critical;
- Greater recognition of the isolation in farming and the vulnerability farming families' feel because of rural crime and changes need to be made to the judicial system and policing to ensure rural dwellers can feel safe and secure;
- There must be continued Government support for the further development of Rural Support's Financial Mentoring initiative.

Welfare Reform

The proposed introduction of Universal Credits as part of the UK Government's Welfare Reform Act is very concerning. As proposed, this will punish the self employed, particularly farmers who receive most of their income on a seasonal basis. In order to limit its adverse impact, certain exemptions are essential:

- Removal of the minimum income floor- many farmers genuinely do not earn the National Minimum Wage and this must be recognised;
- Seasonal earners must be able to report accounts on an annual basis rather than monthly.

Summary



The NI farming community is presently experiencing extremely difficult financial conditions and immediate actions must be taken to address serious cash flow problems and increasing market volatility. However the Northern Ireland agrifood industry is a major part of the wider NI economy and continues to grow and the longer-term prospects are good.

The industry continues to drive forward and the NI Government must provide the relevant, timely and necessary assistance and support so that collectively we can deliver for the Northern Ireland economy and society.





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