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28 February 2014

Mr Noel Lavery,
Permanent Secretary,
Department of Agriculture and Rural Development,
Dundonald House
Ballymiscaw
Belfast
BT4 3SB.

Dear Mr Lavery,

CAP REFORM ALREADY HAVING SERIOUS IMPACT ON THE ARABLE SECTOR.

It was good to meet you at the UAS / UFU / CAFRE Arable Crops Conference on 21 January. Your presence was very much appreciated.

The purpose of this letter is to reflect the very grave concern within the arable sector about the implications of the proposed CAP reform changes and in particular the proposals relating to the “active farmer” and requirements for earning entitlements.

In our response to the DARD consultation on the proposals the Society pointed out the very serious implications of the proposals for the availability of conacre land. We emphasised that this has the potential to devastate the potato and vegetable sectors which depend very largely on the availability of clean conacre land to sustain their businesses.

In section 4 of our response we stated that –

“Research by the UAS would indicate that non farming landholders will be very reluctant to forego claiming entitlements for a number of reasons, including –

- I. *Knowledge that entitlements will climb steadily in value in the years ahead.*
- II. *Belief that this increase in value will not be adequately reflected in commercial rents.*
- III. *Concern that the absence of entitlements is an indication that they are not “actively farming the land” and so will have implications for Agricultural Property Relief (APR).*
- IV. *Determination, in view of the very considerable financial implications, to play safe in the interim period to protect their future income and APR situation.*

There are strong indications that some landlords are already taking action to farm the land themselves or make other arrangements which will result in withdrawal of the land from the rental market. The requirement to implement ‘greening’ for larger landowners will also act as a disincentive to rent out land for arable production.”

It gives me no satisfaction to report that this is proving to be correct and is happening now (in 2014). The implications are so serious and the confusion is such that landowners are already withdrawing land from the market for the 2014 cropping season.

At our Meeting on Monday night we received a report direct from Wilsons Country, who as you know are respected major potato packers and suppliers to supermarkets in Ireland. Their field staff had that day been advised by two of their “Preferred Growers” that they had already “lost” 25 and 10 acres of potato respectively for the 2014 season. This action was taken by landowners with whom the farmers had longstanding relationships so was not taken lightly by those concerned. The growers involved are, as Wilson’s “Preferred Growers”, some of the best in the country with a professional approach to both production and marketing. The implications for the entire potato industry are therefore obvious. The situation for seed growers and vegetable producers will be equally catastrophic.

The Societies approach is always to try to offer constructive suggestions when highlighting a problem and so suggest that DARD should take the following action –

1. Urgently provide and publicise unqualified assurances that the situation in 2014 will not affect the landlords access to entitlements in 2015; and

This action will go some way to alleviating the immediate problem for 2014, but do nothing to overcome the major crisis approaching in 2015.

2. For 2015 formal exemptions or legal rental arrangement must be urgently developed and widely publicised for potato and vegetable production in 2015. For example it should not be difficult to build a special case for these crops on the basis of disease (e.g. PCN) control through long rest periods between root/vegetable crops. The alternatives are of course the loss of an industry or perhaps the intensive use of pesticides which would be both expensive and contrary to the greening objectives of both the EU and National Governments.

We appreciate the efforts of your staff to address the many complex issues associated with these CAP reform proposals but the loss of conacre is of urgent and critical commercial importance for the vegetable and potato production and processing sectors in Northern Ireland. The Society would be very willing to, along with other relevant organisations such as the UFU and the Horticulture Forum, engage with the Department in a forum to discuss solutions to these issues. This discussion needs to take place as a matter of the utmost urgency.

Regards,

W R L Moore. UAS Chairman February 2014.