

**COUNCIL FOR NATURE CONSERVATION
AND THE COUNTRYSIDE**

POLICY STATEMENT

THE DEVELOPMENT OF AGRI-ENVIRONMENT POLICY

IN

NORTHERN IRELAND FROM 2006.

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Council for Nature Conservation and the Countryside Policy Statement

The Development of Agri-environment Policy in Northern Ireland from 2006.

SUMMARY

We see the following initiatives as desirable elements of agri-environment programmes from 2006.

REGARDING FARMING PRACTICE

- Develop and pursue comprehensive action to diminish nutrient and pesticide pollution at source.
- Provide incentives for the provision of effective environmental barriers to the transmission of nutrients into water courses
- Develop the training of farmers in environmental management, with particular reference to new attitudes in the management of water
- Develop incentives to deliver 'on farm' and 'between farm' biodiversity.

REGARDING THE DEVELOPMENT OF AGRI-ENVIRONMENT POLICY

- DARD, in liaison with EHS, to provide an overarching document defining an agri-environment policy that will underpin sustainable agriculture in Northern Ireland for the next 10-20 years.
- Ensure sufficient additional funding in Northern Ireland (ideally by use of additional voluntary modulation at no less than 7.8% of total CAP direct support expenditure) to move nature conservation and countryside protection into a significant new phase i.e. one which encourages cooperative agri-environment schemes *between* farmers and helps move environmental protection toward the management of local and regional habitats and landscapes.
- Provide adequate funding to sustain a comprehensive programme of 'one-stop' compliance monitoring in relation to both environmental regulations and cross-compliance.
- Integrate the protection, management, enhancement and restoration of habitats and species within a catchment management framework.
- Identify funding for the encouragement of new marketing initiatives for Northern Ireland agriculture in the forthcoming era of open markets.

We suggest, as a guiding maxim for all the above initiatives, that farming in Northern Ireland should focus on low input, high quality, High Natural Value (HNV) farming methods wherever possible, which respect the environmental quality of soils, air and watercourses. We believe that expansion of this type of farming should become a valuable marketing ploy for Northern Ireland

in the pending new era of open markets and competitive pricing for agricultural products, and as the health implications of pesticide use and polluting chemicals continue to cause concern.

BACKGROUND

AGRICULTURE AND THE ENVIRONMENT

This paper sets out CNCC's views on the most appropriate ways forward for Northern Ireland farming over the next ten-twenty years. It is not meant to be prescriptive. Rather we hope that it will provide a basis for discussions with other interested parties. It is not our intention in this paper to criticise the Northern Ireland farming community. We see modern agriculture, in Northern Ireland as elsewhere in the UK, as having evolved over the last five decades in response to clear signals from government as to the desirable directions of change. These signals encouraged greater productivity and intensification and farmers responded to deliver these objectives. Today, farming faces new challenges which require new initiatives and funding arrangements. Our aim in this paper is to try and identify what these new initiatives and funding arrangements might be and how they might assist the farming community in general at a time of enforced change.

Modern agriculture exercises both positive and negative effects on the natural and cultural environment of the countryside. It creates the cultural landscapes enjoyed by so many and the semi-natural habitats which support important species diversity. However, CAP-driven modern agriculture, based on production quotas, has caused significant environmental problems including the production of damaging wastes from silage and slurry and the overgrazing of fragile upland habitats. Furthermore, Northern Ireland's agricultural production has been largely based on an arterial and land drainage strategy since 1947 which has removed many important wetland habitats of great importance for breeding birds, changed stream flow hydrology – increasing flood peaks and lowering low flows – and released large volumes of sediment into river channels.

By the 1990s realisation at EU level of the environmental problems emerging from the CAP led to national and regional agri-environment developments which now give reason for optimism that the effects of damaging agricultural practices in the countryside are appreciated and that problems they give rise to are being addressed. To DARD agri-environment scheme initiatives can be added the ASSI programme, the Biodiversity Action Plans, the River Conservation Strategy and fisheries restoration programmes.

However, much remains to be achieved and recent research, particularly in the field of nutrient enrichment of waters, indicates the real scale of residual problems still emerging from past policies. With regard to the use of agricultural fertilisers, an early view, that inorganic phosphorus is retained by most agricultural soils has now been revised. Prevailing wisdom is that soil P levels in Northern Ireland (as elsewhere) have built up beyond levels that many soils can retain and current P applications appear excessive. On another front, and mainly because of arterial drainage, only 20.9% of Northern Ireland's rivers can be regarded as semi-natural compared with 28.2% in England and Wales and 44.3% in Scotland. With regard to our ASSIs, most only declared in the 1990s, CNCC has recently been presented with evidence that many of their main features are in unfavourable condition, due in large measure to environmentally unsympathetic farming.

CAP REFORM

The EU's Common Agricultural Policy (CAP) is currently being revised, on the back of a mid-term Review Agreement. CNCC views a reformed CAP as the most important recent catalyst for reversing some of the damage unwittingly inflicted by agricultural policy on Northern Ireland's biodiversity over the last 40 years. Some environmental benefits are likely to follow reforms of

the 1st pillar of the CAP already announced by DARD. It is anticipated, for example, that full decoupling in the beef and sheep sectors from 1 January 2005 will lead to an 18-20% reduction in the local suckler cow herd and an 8-10% reduction in the breeding ewe population. In a generalised sense, (i.e. for Northern Ireland as a whole) these changes should reduce silage and slurry production and decrease overall grazing pressures on agricultural grass swards and semi-natural habitats. Furthermore, the removal of stocking density thresholds previously associated with headage payments will mean that flock/herd owners will no longer need to resort to conversion of woodland and wetland habitats into forage area. Such changes will thus *tend* to change for the better the inter-related problems of eutrophication, overgrazing and reclamation. Another beneficial change for biodiversity might occur if farmers, in response to the removal of guaranteed markets from single enterprise farms, and in a collective effort to minimise economic risk in an open market, revert to a more traditional pattern of mixed arable and livestock farming, thus diversifying the pattern of land cover on individual farms.

Patterns of reduced livestock numbers will, of course, vary across Northern Ireland. As DARD's 2004 policy paper points out, reductions in suckler herd numbers in certain upland areas, where numbers may already be low, may actually lead to over-extensification, which in turn may lead to environmentally-damaging undergrazing. Elsewhere, existing intensive farms may become more intensive to focus on supplying the free market. In these latter circumstances, agri-environment measures to encourage mixed farming, within farms, would need to become a strong element of an agri-environment policy sensitive to the needs of environment and biodiversity. The effects of CAP reform, in other words, may produce environmental damage as well as environmental improvement and will need to be monitored very carefully. Some flexibility in policy development may need to be available.

Our views on how the opportunities created by the reformed CAP may best be developed are presented in two sections:

- (i) Farming practice initiatives to improve nature conservation and countryside on the ground in addition to those currently in agri-environment programmes;
- (ii) Policy initiatives for agri-environment funding that we recommend for approval by DARD and EHS from 2006.

CNCC supports all the recommendations made in the Northern Ireland Biodiversity Strategy and looks forward with anticipation to actual delivery under the direction of the Northern Ireland Biodiversity Group. The recommendations we now address are ones that ought to be given particular attention when prioritising and pursuing agri-environment programmes from 2006. One thing can be assured. Notwithstanding the proposed provision from 2006 of additional voluntary modulation money allied to match funding, there will be insufficient agri-environment money to fund all recommendations on how to diminish the environmental impacts of farming currently in the public domain. Some selection is necessary. We see the following suggestions as of prime importance.

REGARDING FARMING PRACTICE

- Develop and pursue comprehensive action to diminish nutrient and pesticide pollution at source.
- Provide incentives for the provision of effective environmental barriers to the transmission of nutrients into watercourses.
- Develop the training of farmers in environmental management, with particular reference to the development of new attitudes in the management of water.
- Develop incentives to deliver 'on farm' and 'between farm' biodiversity.

REGARDING AGRI-ENVIRONMENT POLICY

- DARD, in liaison with EHS, to provide an overarching document defining an agri-environment policy that will underpin sustainable agriculture in Northern Ireland for the next 10-20 years.
- Ensure sufficient additional funding in Northern Ireland (ideally by use of additional voluntary modulation at no less than to 7.8% of total CAP direct support expenditure) to move nature conservation and countryside protection into a significant new phase i.e. one which encourages cooperative agri-environment schemes *between* farmers and helps move environmental protection toward the management of local and regional habitats and landscapes.
- Provide adequate funding to sustain a comprehensive programme of 'one-stop' compliance monitoring in relation to both environmental regulations and cross-compliance.
- Integrate the protection, management, enhancement and restoration of habitats and species within a catchment management framework.
- Identify funding for the encouragement of new marketing initiatives for Northern Ireland agriculture in the forthcoming era of open markets.

We make no priority distinction between these recommendations. They should all be funded as part of a co-ordinated plan to raise the profile of environmentally-friendly farming in Northern Ireland. In our response to DARD's consultation paper on additional voluntary modulation we argued the case for maximizing additional voluntary modulation at 7.8% of CAP direct support expenditure. The case for doing this was based on the following considerations: (a) the serious nature of many environmental quality problems in Northern Ireland affecting nature conservation and the countryside (b) the greater significance of agriculture to the Northern Ireland economy than to other parts of the UK and the need to attract into it as many funds as possible to moderate the effects of serious policy changes (c) the more constraining climate and soil conditions in Northern Ireland, which limit the range of options Northern Ireland farmers enjoy in coming to terms with a world of non-guaranteed food prices.

SPECIFIC RECOMMENDATIONS:

REGARDING FARMING PRACTICE

- (i) Develop and pursue comprehensive action to diminish nutrient and pesticide pollution at source

This should include a move towards compulsory, financially-aided, improved on-farm management of organic wastes, manures and silage effluent. Currently 'good farming practice', including proper management of farm wastes, is a condition of receiving payments under agri-environment schemes. Outside these schemes i.e. in most of Northern Ireland, the Code of Good Agricultural Practice for the prevention of pollution of water is voluntary. This Code, required by the EU in part-fulfilment of the Nitrates Directive, is an excellent document. But failure to comply does not give rise to criminal or civil liabilities.

Current proposals, under the Nitrates Directive, for the protection of surface and ground waters propose designation of all Northern Ireland as a Nitrate Vulnerable Zone (NVZ). In due course, this development will bring associated mandatory action programmes (one each for nitrates and phosphates) which will make this type of Code compulsory for all farmers. CNCC supports this action as part of a 'whole farm' management approach, necessary in our view to effectively rein

back decades of totally unintended, but nonetheless very damaging, pollution of the Province's soils and watercourses.

Funds would have to be made available for capital grant-aid to provide requisite levels of waste storage facilities and while CNCC welcomes the grant aid scheme recently announced by DARD, it regrets that the time frame of that scheme is shorter than would be necessary to ensure that all farmers with insufficient waste storage will be able to avail of the aid. Also it may be that a rate of 40% is too low having regard to the difficult financial circumstances presently facing many farm businesses. CNCC also notes that recent discussions about good farming practice argue for farm waste storage until at least February. In our view this may not be a radical enough solution to the problem. Ideally, manures and slurry waste should not be applied to Northern Ireland soils until March or even April. Even then, in some years on some soils in some regions, it may be too early. Soil moisture deficits often do not build up quickly enough to provide enough oxygen or warmth in the soil to break down organic materials adequately until April in a typical year. The climate and soil constraints on good farming practice in Northern Ireland are severe, real and cannot be ignored or 'wished away' if effective environmental improvements in the countryside are to take place. The potential of 'waste-to-energy' schemes should also be examined as an integral element of a policy for dealing with farm wastes at source. Waste-digestion schemes have not been adopted for grant support in Northern Ireland but have been successfully encouraged in other European countries. There is an urgent need, in our view, to re-evaluate these for Northern Ireland, both in terms of enhancing environmental quality and diversifying the rural economy.

- (ii) Provide incentives for the provision of effective environmental barriers to the transmission of nutrients into water courses.

Nutrients are already in our soil environment and existing technology cannot remove them. Their effect, as they move under gravity towards our rivers, can only be managed by effective interception. We therefore argue that funding be provided for *nutrient removal through provision of river/lake marginal wetlands* (i.e. waterlogged soils, wetlands, wet grasslands, and/or river corridor strips of natural vegetation). In the UK research has shown that grassland on a wet floodplain, managed by traditional methods, can remove up to 75% of phosphorous and perhaps 95% of nitrate from improved managed grassland draining into it. Sites for such buffer strips need to be chosen with care. Too much overland flow through the site, for example, can reduce their effectiveness, especially with regard to phosphorus, and soils need to be seasonally or permanently wet. Soils rich in iron oxides appear to have considerable potential. Schemes of this type are already available under the REPS scheme in the Republic of Ireland where salmon rivers are particularly targeted.

Funding for such projects might be considered under the Countryside Management Scheme. Provision of recreational access in such areas, especially in areas of reed-bed or woodland, could also be included. Wet grassland management currently appears as a Tier 3 level payment in agri-environment schemes and this level of funding would be necessary for such initiatives.

Soil protection is a particularly relevant concern at the moment in the EU's Sixth Environmental Action Programme: "In response to concerns about the degradation of soils in the EU, the European Commission has outlined the first steps in a strategy to protect soils..... (and) we are now placing soil protection on a level with clearing up our water and air" (www.europa.eu.int/environment/agriculture).

- (iii) Develop the training of farmers in environmental management, with particular reference to the development of new attitudes to the management of water: water management as 'an alternative crop'.

Allowing river- and lake-marginal wetlands to flood would also contribute to the alleviation of floods downstream. Over bank flood storage in Irish wetlands may reduce downstream flood volumes by 50% and flood peaks by 10%-15% for floods with a 1:40 year recurrence interval. The funding of such schemes at the individual farm level was recommended in the 'Curry' Report for England: "Farmers near towns prone to flooding should be paid for permission to use their land as a water storage site at times when flood risks are high. These schemes would have two beneficial effects. They would reduce the risk of flooding in towns while rewarding farmers for lost income from their flooded land. They would also recreate wetland habitats that have been lost in recent years. We think the government should take action to encourage these schemes..... The use of land management options will be aided by a rapid shift to whole catchment planning and away from the current system. The farming system should look to embrace water management as a 'viable alternative crop' " (Policy Commission on the Future of Farming and Food, 2002, p.56). This is a particularly relevant recommendation since whole catchment planning is to become a requirement under the Water Framework Directive.

We see this approach as one which could be linked with the need to identify pockets of biodiversity with potential for expansion which might be funded through SLNCIs and/or MOSS, with on-farm management costs being covered by Modulation funds.

(iv) Develop initiatives to deliver 'on farm' and 'between farm' biodiversity:

Given (a) the failure of recent policy to stimulate significant amounts of new deciduous native woodland and (b) the loss of hedgerows over the past two decades, farmers should be encouraged to develop hedgerows up to 10m wide linking existing woodland patches. Such initiatives would require co-operation incentives and would provide much-needed connectivity between habitats and facilitate species migration, an increasingly important provision as climate change begins to take effect. Hedgerows could be combined with footpaths and grants given at Tier 3 ESA levels to manage them properly to encourage recreational access. If EU co-funding is not available for footpath access then state aids approval should be sought for nationally-funded provision.

POLICY INITIATIVES

(i) DARD, in liaison with EHS, to provide an overarching document defining an agri-environment policy that will underpin sustainable agriculture in Northern Ireland for the next 20 years.

We see a two-fold need for this:

- (a) To demonstrate attempted compliance with EU policy: The need to integrate environmental policies into agriculture is an explicit element of the EU's current 6th Environmental action Programme. Under the EU's current Cardiff Integration Process, the Council of Ministers is now required to develop comprehensive strategies which demonstrate how environmental concerns are integrated into all major areas of EU activity: transport, energy, agriculture etc. These standards are established independently of the areas of activity affected, and farmers, therefore, will have to meet them even though they are established outside the CAP. Recent actual and threatened infraction proceedings make it increasingly obvious that Northern Ireland can expect little sympathy from the Commission, Parliament or the Council of Ministers for not fulfilling EU environmental obligations.
- (b) It will send out a message and help adapt the culture of farming within Northern Ireland. Without guaranteed prices for agricultural produce Northern Ireland farming will have to diversify. Improvement of salmonid and cyprinid fisheries, for example, represents a possible new source of revenue for the rural economy but would require reductions of

eutrophication and improved instream habitats, both of which will require public funding. Improved access, agri-environment tourism, recreation, emphasis on Northern Ireland's clean environment as a marketing tool for agricultural produce: all represent continuing opportunities which the farming community, perhaps, needs to be educated about. We would argue that this type of education on environmental opportunity should be provided as one element of an integrated strategy for agriculture and environment in Northern Ireland.

- (ii) Ensure sufficient additional funding in Northern Ireland (ideally by use of additional voluntary modulation at no less than 7.8% of total CAP direct support expenditure) to move nature conservation and countryside protection into a significant new phase i.e. one which encourages cooperative agri-environment schemes between farmers and helps move environmental protection toward the management of local and regional habitats and landscapes.

Spending on agri-environmental programmes in Northern Ireland has traditionally been small and we may now have to pay a price for this if future permitted spending is based on historical precedent. Statistics on the DARD website show that in 1981, for example, gross inputs into agriculture totalled £370 million, of which £0.9 million (0.2%) was spent on what might be termed 'agri-environment' projects, though in 2001, when a step-increase in agri-environment funding occurred, the respective figures were £652 million and £34 million (5.2%).

In response to the Curry Report, written (for England only) in the wake of the Foot and Mouth and BSE disease crises, the Government confirmed that it will release an extra £500 million to stimulate change in the farming industry. CNCC understands that this money represents matched funding from the UK government to facilitate increased 'voluntary' agri-environment spending over and above the 5% figure compulsorily provided for in the CAP. A pro-rata response for Northern Ireland would suggest that between £15 and £20 million should be available here.

CNCC recommended in response to DARD's recent consultation on Additional Voluntary Modulation (AVM) that a total annual voluntary modulation and match funding budget of £13.4 for agri-environment schemes would be required to move nature conservation and countryside protection into the significant new phase we think appropriate today. An element of this new phase should encourage co-operative agri-environment schemes between farmers, which CNCC believes would help move environmental protection towards a new scale of implementation, i.e. towards the management of local and regional habitats and landscapes.

Also in our June 2004 response to DARD's AVM consultation document, we identified a range of specific, higher-tier, initiatives that could be developed if such funds became available. All of them involve cooperation among neighbouring farmers, are thus pioneering in a Northern Ireland context, and have considerable nature conservation and landscape-enhancing potential at the local and regional scales. They include:

- joint approaches by farmers to the management of heather moorland;
- joint approaches to the restoration of wetlands and flood control (water management as a 'viable alternative crop', to quote the Curry Report);
- joint approaches to the (re)-introduction of mixed farming systems on adjacent farms as part of a strategy to diversify habitats within local areas;
- joint approaches to improve countryside access
- joint approaches to the preparation of management agreements by neighbouring farmers for the management of small lakes and small areas of wetland;
- joint approaches to the planting of native tree species in linear wildlife corridors.

- (iii) Provide adequate funding to sustain a comprehensive programme of 'one stop' compliance monitoring in relation to both environmental regulations and cross-compliance.

Particular attention needs to be paid to funding for compliance monitoring. CNCC understands that the EU requires 1% of farms to be monitored for cross-compliance. This is barely sufficient to identify malpractice and needs to be increased. In our response to DARD's Cross-Compliance Consultation paper of Spring 2004, we argued for increasing the amount of cross-compliance inspection to at least 5%.

- (iv) Integrate the protection, management, enhancement and restoration of habitats and species within a catchment management framework

We say this because the fundamental health of any ecosystem is determined by the fluxes within it of energy, water and nutrients. Fluxes of water and nutrients are determined by gravity (and human influence) within drainage basins. Inputs of water, sediment, nutrients to ecosystems in any catchment are partly controlled by outputs from parts of the countryside in the same catchment upstream. Not being able to control upstream water and nutrient inputs into river ASSIs, for example, very much explains why such a small percentage of river ASSIs has been declared in the Province: the area within which controlling notifiable operations need to be determined for effective ASSI management often lies outside (and upstream from) any boundary on a map that can reasonably be drawn round the appropriate designated area. CNCC sees catchment management planning, which as a principle has to be introduced as an integral component of the Water Framework Directive, as providing the vehicle for regional integration of agri-environment programmes and the management of biodiversity.

Catchment management, in all probability, will also evolve in such a way as to require catchment managers. These in effect, could become regional 'one-stop' shops for informing farmers of matters relating to trends in water quality, ecological status, regionally recommended or permitted fertiliser application rates, timing for slurry and manure applications, 'best available farm management technology' etc. Farmers' lives are set to become ever more complex and the catchment management model provides a means of providing them with one source to which they can go for reliable and comprehensive information, thus regionalising relevant information for them on a whole variety of legal, economic and environmental fronts.

- (v) Identify funding for the encouragement of new marketing initiatives for Northern Ireland agriculture in the forthcoming era of open markets.

Under a de-coupled production regime the loss of guaranteed prices for agricultural products will drive some farmers out of business, particularly on more marginal land. There is a real chance that under these conditions agricultural land will revert to semi-natural vegetation. Options in these circumstances would be to manage this transition through grants to occupiers or allow it to revert naturally after desertion. These are alternative possible outcomes of CAP reform that need to be watched carefully, and opportunities clearly exist to fund transition into native woodland or flower-rich meadows with low grazing which would do much to improve biodiversity in these areas.

When guaranteed prices and compensatory allowances based on headage payments are removed under reform of the first pillar of CAP farmers will have to develop new products and exploit available markets themselves. Adjustments will be painful and difficult and DARD needs to consider financial support for farmers who develop co-operative ventures. One area in which this may take place is web-based selling of 'desirable' meats into 'niche' markets concerned about the health implications of pesticide application and the effects of polluting chemicals on food quality. This type of initiative might involve special breeds or meat with low saturated fats based on hay/grass regimes rather than concentrates and silage. Another initiative might be to

explore ways in which 'buyers' can take out shareholder status in individual farms/animals/crops to facilitate continuation of some form of farming under less intensive agricultural conditions that would be sustainable in Northern Ireland conditions. DARD and DETI should ensure increased supermarket opportunity to purchase food within NI embraces these principles. The relevant concept here is **High Natural Value** (HNV) farming and its effective development and marketing.