



## Northern Ireland Affairs Committee

### Oral evidence: [Northern Ireland and the EU Referendum](#), HC 760

Wednesday 16 March 2016

Ordered by the House of Commons to be published on 16 March 2016

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Members present: Kate Hoey (Chair); Tom Blenkinsop; Oliver Colvile; Lady Hermon; Danny Kinahan; Nigel Mills; Ian Paisley; Gavin Robinson

Questions 674 – 769

#### Examination of Witnesses

Witnesses: **Wesley Aston**, Chief Executive, Ulster Farmers' Union, and **Ian Marshall**, President, Ulster Farmers' Union gave evidence.

**Chair:** Before we start the main part of the business this morning, I am sure the Committee would, on behalf of all of us, wish to send our condolences to the family of prison officer Mr Ismay. The Committee will write to his family. Thank you.

Welcome both of you. You have had an early start, but then as farmers you are used to that. I am glad you are here.

**Ian Paisley:** When were you last a farmer, Wesley?

**Wesley Aston:** Yesterday.

**Q674 Chair:** We are looking forward to hearing from you. We also have the Northern Ireland food assembly today in the Jubilee Room, so you will be able to go to that as well. Would you like to just introduce yourselves and perhaps make a short statement?

**Ian Marshall:** Ian Marshall, President of the Ulster Farmers' Union.

**Wesley Aston:** Wesley Aston, Chief Executive of the Ulster Farmers' Union. I have been with the Ulster Farmers' Union since 1991. I am from a farm.

**Ian Marshall:** These are challenging times for agriculture. Certainly production is under immense pressure at the moment. There are a number of factors but we are all acutely aware of those. This is a hugely important discussion for the union. The importance of support mechanisms to support agriculture and the agri-food industry is hugely important to us. Certainly, as we embark on this process of discussion, what we need for this



discussion is information, guarantees and assurances, and to come to an informed position on the referendum of 23 June.

**Q675 Chair:** Did you want to add anything?

*Wesley Aston:* I will add the official UFU position. We had a meeting of our executive committee, which is our main decision-making body, and we have been looking this way back since last September or October, when we were first approached by others about taking a position on it. We have been waiting on the Prime Minister coming back from his negotiations in Brussels. When he came back we had a meeting the following week, and at that stage we discussed it among our executive. The position they adopted, which we issued a press release on, which you may have seen—if not, we can furnish you with a copy—is basically that we have a wide range of opinion across our membership and we recognise that already. It is not just solely about economics; there is more to it than that. On balance, in the absence of any compelling reason for agriculture to leave the European Union, we feel that it is better for the minute, given the circumstances and the knowledge we have, to stay. That is the official position.

**Q676 Chair:** Can I just ask you to tell us how many farmers you represent across the whole of Northern Ireland?

*Ian Marshall:* We are currently a membership organisation with around 12,000 members. There are just under 25,000 claimants for the support mechanisms directly involved in agriculture and agricultural production, so it is hugely important to the Province and to the economy.

**Q677 Tom Blenkinsop:** Good morning, gentlemen. You have said that the case for Brexit has not been made for Ulster farmers. Are there main themes as to why the case is not being made? Is there a pragmatic reason? Could you go into more depth?

*Ian Marshall:* When we look at the position we are in currently, we see that our largest trading partner is currently the European Union. Our largest trading partner will remain the European Union. In the absence of surety and guarantees, supposition and aspiration does not carry any weight with us at the moment. We need to know with more certainty what the Brexit scenario could look like.

What we know at the moment is that 85% of our revenue is derived from a support mechanism from the European Union, which currently, as it stands, the market is not delivering. If you dig a bit deeper in the Northern Ireland figures and look specifically at a situation last year, you will see that £236 million was received as a direct support payment and the total income from farming was £183 million. Therefore, in real terms the industry did not make any money last year, so that is a huge concern for us as we go forward in the absence of guarantees and perhaps uncertainties.

*Wesley Aston:* Let me quickly say that the figures the President has just quoted for last year's income from farming are nothing out of the ordinary; they are typical for this last number of years, so it shows the dependence we have had over a prolonged period.



**Q678 Tom Blenkinsop:** Your reasons are purely pragmatic on behalf of your members. Have you had instances of members highlighting issues from the transition from SFP to BPS? Has that been a concern or has it broadly been dealt with?

*Ian Marshall:* Any change in any of these processes is a concern for any of our members, and certainly this was no different this time. Again, uncertainty and the unknowns were a concern for many members. The concern for us as a union was to ensure that the money we received was to support actively farming farmers. It was not about a land support mechanism or anything else; it was about supporting food production. Our primary concern was to ensure that the people who were in receipt of that support would remain in receipt of it, because the survival of many of these businesses is completely dependent upon that support, and any quick or short-term removal of that could be seriously detrimental or, in some cases, potentially terminal to those businesses.

**Q679 Tom Blenkinsop:** You might not be able to answer this question, but how long could the average farmer—one of your own members—last in a transitional period between a situation where you are receiving BPS and a new scheme that is set up in the case of a Brexit scenario?

*Ian Marshall:* You cannot make this judgment on averages, because averages are particularly dangerous because we have such a range of scenarios. We have farming businesses at the moment that are actually looking to the future to invest. In the same breath, we have farm businesses that are struggling to service their daily bills and keep the farm operational. We cannot look at what the average situation would be like at the moment.

*Wesley Aston:* It also depends on the sector, because there are some that are lesser supported anyhow, directly, such as the pig and poultry sectors, so they would not see it as being as problematic as the dairy or the beef sector, for example.

**Q680 Danny Kinahan:** Thank you very much for coming; it is good to see you here. You mentioned 87%. Can you put a figure on the support? I am told that the support to agriculture is £230 million. Is that true?

*Ian Marshall:* The 2013-14 figure was £266 million, received as direct support in single farm payment. There was an extra support, which was £83.1 million, through a rural development programme, which for many circumstances was outside of primary production agriculture; it was other rural ventures.

**Q681 Danny Kinahan:** Do you have any feeling, from the past, of whether, if we left the EU—if we Brexited—we would be likely to get that support? How easy is it to get that support from the UK Government?

*Ian Marshall:* The concern is that historically there has not been a track record of supporting agriculture, irrespective of which political party was in control or in

government. In the absence of the guarantees, we have huge concerns about what this potentially could look like.

**Wesley Aston:** There certainly have been instances historically where the UK, under EU rules, could have provided direct support to its farming industry, such as the decision that was taken in Brussels earlier this week by the Agriculture Council, where they allowed state aid to be provided. I daresay that, based on the historical track record, we do not expect the UK to provide any money to any parts of the UK farming industry.

**Q682 Danny Kinahan:** Gosh. Okay. There are 27 other states. If we leave, do you feel that we will have to pay other tariffs, and would they be looking at other countries to provide the produce that we have before they would come to us, or is our produce so good that we are quite safe?

**Ian Marshall:** We have to be realistic about this. As much as we are certainly very, very high-quality good food producers in the UK, in our absence the other 27 member states would, in many cases, be able to source produce from other parts of the world and the European continent without having to source it from the UK. Even though the trade is hugely important, they are not completely dependent upon the UK for their survival, and that is a concern.

**Wesley Aston:** The figures we have point towards the fact that, if you take our main sectors—beef and dairy—certainly they would be exported outside the British Isles, including the Republic of Ireland, so really beef and dairy would go to continental Europe. If you take pigs and poultry, then you can add that into the south of Ireland, where we put a lot of pig and poultry meat. Strictly speaking, it is only really beef and dairy products that are our main exports to mainland Europe.

**Q683 Ian Paisley:** Gentlemen, you are very welcome. It is good to see you here. Thank you for coming. I hope you enjoy today's Northern Ireland food fair, where we can really show off our smiling basket of great food produced in Northern Ireland. Could I take you through just a couple of points to begin with? Can you confirm that farming and farm produce has always been subsidised in Northern Ireland, since the creation of the state?

**Wesley Aston:** Yes.

**Q684 Ian Paisley:** It was subsidised up until we entered the EU and then we had CAP in the EU. Our history of CAP has not been a glorious one. I know in my 18 years as an elected representative there have been complaints every day from farmers about CAP. Is that your experience?

**Ian Marshall:** We all have concerns about bureaucracy, about red tape, about the tedious process we very often have to be part of in order to receive the support. That being said, that support has been invaluable during that period. There is an important thing that we need to recognise: every developed country in the world supports agriculture, with the exclusion of one, which is New Zealand. It is a myth to think agriculture can survive without support. You either support it or you ask the general public to pay more for food.

**Q685 Ian Paisley:** It is more than red tape. The complaint, which I am sure your members make to you about that CAP, is that the actual policy is wrong. It is not about supporting the primary producer. It has shifted. From 1974 CAP had a very different outlook from what it is now. Would you agree that it is the policy that is wrong?

*Wesley Aston:* Certainly the policy has changed, but we cannot necessarily say that, had we not have been in the European Union, the agriculture support policy from a UK Government would not have changed over that period of time either. It is hard to compare.

**Q686 Ian Paisley:** I want to get the issue of guarantees. You are absolutely right that for your membership you need to be in a situation where the people are saying, “We want to exit. This is what it could look like.” At the same time, do you accept that there are absolutely no guarantees about CAP in its current form? We do not know what CAP is going to look like in three years’ time if we stay in Europe. Is that not right? It changes every four or five years.

*Wesley Aston:* We were fortunate enough that the Prime Minister visited Northern Ireland a few weeks ago and we organised a farm visit for him. We had a private meeting with him and a number of other industry players before the farm visit. We specifically asked that question: were we to remain within the European Union, what guarantees do we have that we will continue to have funding? His answer was that he will not be the Prime Minister by the end of the negotiations and, equally, he could not commit for a further Government.

**Ian Paisley:** You have no guarantees either way.

*Wesley Aston:* But he has since said that they certainly will be looking at continuing to support agriculture. Again, there are no guarantees either way. I suppose it is better the devil you know than the devil you don’t.

**Q687 Ian Paisley:** That is a very helpful answer, Wesley, because I fear that—we all have to put our hands up on this and be responsible—there is a very deliberate fear agenda on one side saying, “If you exit, it is going to be awful for you,” and, “If you stay, it is going to continue to be awful.” That puts you in a very difficult position to advise your members on that. Could we come on to our trading issues and our potential trading relationships with other countries? How important would it be for us, as an agriculture-producing nation, to get our red meats and our pork produce into countries such as China? Would that open up a fantastic new market for our primary producers?

*Ian Marshall:* Market access is key for Northern Ireland because we export so much of what we produce, so it is hugely important that we have market access and a wide variety of market access, both to the European Union and to new and emerging markets. I sit on our Agri-Food Strategy Board. Part of its remit is to look at new and emerging markets and to give the Province a wider portfolio of products to sell to the rest of the world and to get and gain access to those markets. We are in a unique position in Northern Ireland in



that we share a land border with another member state, which leaves us in a slightly different position from potentially other parts of the UK.

**Q688 Ian Paisley:** How difficult, Ian, has it been for us to get a trade deal with China for our red meats and our pork? Tell us something about that.

*Ian Marshall:* Certainly there is concern from the industry players who have been on this path for a considerable time that that market access has been difficult. It is not a fast-track process; it is a long, slow and arduous process built on trust and building relationships. That being said, fundamentally we produce world-class produce, so we have something good to bring to market. That being said, we can open up and gain access to these other markets.

**Q689 Ian Paisley:** You have said it has been a considerable time. Can I tie that down? My guess is that we have been negotiating a trade deal with China for about 12 years. Is that right?

*Wesley Aston:* I could not quote an exact figure, but it has probably been of that order. There has certainly been a lot more activity more recently. There are two levels. One is that the European Union is looking to try to broker trade deals with other countries outside Europe, and the Agriculture Commissioner intends to travel all over the world to do that. Equally, the UK Government are doing trade missions. In fact, our own Northern Ireland Executive Ministers have been doing trade missions as well. The issue is that we have not really got any experience of doing this, and unfortunately the response so far has not been good in terms of opening doors, although more recently there has been a bit more positivity around with some export markets starting to open up.

**Q690 Ian Paisley:** It worries me that we are depending on Europe and Britain and our membership to get us this major trade deal that would really change the face of agricultural markets for us in Northern Ireland. For 12 years I have been involved in trying to get that, and every year I get the same letter back from the Department of Agriculture: “It is coming. It is coming.” But so is Christmas. It is like a wheelbarrow; it is always in front of us. We just never ever seem to get the deal over the line. Would it surprise you that smaller agricultural nations and larger agricultural nations, such as New Zealand, Chile and Switzerland, all within a period of three years successfully negotiated an agricultural trade deal for their countries with China?

*Ian Marshall:* Some elements of that do not surprise us. In terms of our specific concern with trade deals and where we sell produce based on what we currently do, market access and the market access we currently have is very important in this discussion. I hate to keep re quoting Donald Rumsfeld, but it is about the known knowns, the known unknowns and the unknown unknowns—we are back to this one again. We know we have market access to 27 other EU member states, which is a very valuable and important market for us in Northern Ireland, so we are concentrating on those at the moment.



**Q691 Ian Paisley:** Finally, the last area I want to look at with you is what happens after 23 June. Let us just say that the people decide to remove us from Europe. What would you like a BAP—a British agricultural policy—to look like? What would be your key points if you had to write on that blank sheet of paper for the British Government? What would you like a British agricultural policy to look like in the event of an exit?

*Wesley Aston:* There are probably two things, irrespective of whether it is a BAP or a CAP. There is continued funding—continued financial support—because we cannot do without that.

**Ian Paisley:** To the primary producer?

*Wesley Aston:* The primary producer cannot continue without financial support; otherwise, they just cannot produce the food that consumers want.

**Q692 Ian Paisley:** A lot of that millions of pounds at the moment goes to community groups in the countryside and to other facilities and most does not reach the primary farmer. Is that not right?

*Wesley Aston:* No. The vast majority of the amount of money that Northern Ireland gets from Europe, for example, is direct CAP support. There is a rural development programme, but it is a much smaller amount that goes to community groups and other investment projects in the agricultural industry. The other one probably is the whole issue about bureaucracy and regulation; just making sure that we can operate and do what we need to do, which is to farm.

**Q693 Ian Paisley:** That should not be a difficult agenda for our own Government to achieve in the event of an exit. I do not know whether you followed what the Secretary of State for Northern Ireland said a couple of weeks ago in the farming papers: that she believed that under exit a farm policy could attract more money. Did that raise the attention of your members?

*Ian Marshall:* It is probably back to this discussion between “could” and “should” and “might”. That is our concern, again based on what we currently know, what we currently have, what that may look like and what an exit would potentially look like. The label of Project Fear from whatever side of the argument is not helpful, because it sometimes clouds really important issues.

**Ian Paisley:** Ian, Wesley, thank you both very much. That is very helpful.

**Q694 Chair:** If we had Brexit and you were sitting down with the UK farming Minister, would you not think that initially an awful lot of the bureaucracy, which sometimes makes farmers feel that their whole life is about filling in forms, would go?

*Ian Marshall:* As a farming industry, we always feel everything is over-bureaucratic and complicated and why could it not be simpler, but the reality is, to use an American phrase, we are in a litigious society. Everything has become more bureaucratic and everyone is making sure that they have covered their own position. Whatever process of farm support



we have, whether from the Treasury or the Commission, certainly any system or any process can invariably end up being bureaucratic. That is a concern, but none the less it is something that we have to live with and deal with.

**Wesley Aston:** It is not necessarily legislation that is the problem. Legislation is always there. Where we are at the minute is the link to the basic payment scheme—previously the single farm payment—which is a real problem in how it is enforced, because it is all too easy to penalise a farmer through that mechanism rather than, as you would have to do otherwise, going through the courts. It is the enforcement of the legislation. The legislation, you could argue, has always been there. There are examples where you could argue that Europe is going above and beyond what is required, but equally there are examples where the UK has gone alone. Recently, for example, with sow stalls and tethers way back in 1991 we moved ahead of the game on a European level. You cannot necessarily say you would be any better or worse off either in or out of Europe in terms of regulation.

**Q695 Chair:** Do you think sometimes common sense has gone out the window, for example on when you can put your slurry out depending on the weather and so on? Farmers feel very restricted by these rules, which do not take into account their understanding of farming over many, many years.

**Ian Marshall:** We—I say “we” meaning citizens of the UK—all feel that common sense has gone out of many areas of life. None the less, that is where we are today.

**Wesley Aston:** Farming is not an exact science. It is very weather dependent. You have to do things as and when you are able to. Unfortunately, one of the issues is that because you are pushed for time, you find that there are a lot of issues around health and safety for farmers who see deadlines coming and they have to keep doing things. Common sense would be great, bearing in mind the practical nature of our industry.

**Q696 Gavin Robinson:** Good morning to you both. As you know, I do not have too many farms in east Belfast, but there are a number. I would like to talk about your ability to lobby and your ability to get change from the European Union. Is this scenario right? If you have an issue, and you want to see change in regulation, or from the European Council, you go and you try to convince Michelle O’Neill, the Agriculture Minister in Northern Ireland, that that is the right thing to do; you convince her; she then has to engage with DEFRA in England and convince it that not only is it the right thing to do, but the English Minister should take a Northern Ireland issue as an important issue to take; the English Minister then goes to the European Council—sometimes Michelle is invited to sit in the room beside the English Minister—and then Liz Truss has to go in and convince 27 other member states that that is an appropriate change to make. Is that roughly the process?

**Ian Marshall:** Broadly speaking, that is the process.

**Q697 Gavin Robinson:** How many times in the last five years, for example in Michelle O’Neill’s tenure, have you asked for lobbying like that? How many campaigns have you had for tweaks and changes in European regulations?





**Wesley Aston:** I can answer your last question first and then go back to your first question. We have had quite a lot because a lot of activity has been going on across a wide range of issues.

**Q698 Gavin Robinson:** A lot of campaigns involve that process.

**Wesley Aston:** Yes, but it is important to stress that we do have access directly to the European Commission and to the European Parliament. The UK farm unions have our own office out in Brussels and have had for some considerable time. It is manned by four permanent staff out there. In fact, our President—he probably did not want to say this himself—was out in Brussels on Sunday night, in advance of the Council of Agriculture Ministers meeting there on Monday, where he met the Secretary of State and the devolved Ministers, minus our own, who unfortunately was not there. We do that sort of thing directly ourselves as well.

**Q699 Gavin Robinson:** How many campaigns like that have there been in the last five years?

**Wesley Aston:** I could not put a figure on it, but a huge number.

**Q700 Gavin Robinson:** How many have been successful?

**Wesley Aston:** Not as many, but, again, there have been successes.

**Q701 Chair:** Could you tell us some of the successful ones?

**Wesley Aston:** Yes. One of the things we did—this is a very important issue for Northern Ireland—was, in relation to reform of the CAP last time round, moving from the single farm payment to the basic payment. We had a major issue about active farmers and non-active farmers, in particular. We put in a huge amount of effort, going out to all the Commission and Parliament officials, and all sorts of things. Thankfully, we managed to get the system in place that moved the support from the landowner to the active farmer. That was huge for the Northern Ireland agri-food industry. It took a long time, but that is a classic example.

**Q702 Gavin Robinson:** Give us an example of an important one that has been unsuccessful thus far.

**Wesley Aston:** I suppose just trying to get more money out of the European Commission to help with the state of the industry at the minute.

**Q703 Gavin Robinson:** Would it not be fair to say that if the only person you had to convince was Michelle O'Neill, it would be a lot easier?

*Ian Marshall:* That is a fair point. However, even outside the European Union, as a smaller region, and as one of the devolved regions representing 1.8 million people, arguably we still have to have that discussion with the Treasury.

**Q704 Gavin Robinson:** If there was an agricultural spend in the United Kingdom and if there was a Barnett proportion for that for Northern Ireland, then the money would go to Northern Ireland and it would be up to the devolved Minister to decide the system. That would be a much better position for you, where you only had to convince one person rather than four plus 27 others in that process.

*Ian Marshall:* That is certainly true. You have to bear in mind that that is subject to what the pot of money will look like.

**Q705 Gavin Robinson:** We can talk global sums, but if you take £19 billion going to the EU and £10 billion coming back, and we get a proportion of that, if there was £19 billion and there was a spend proportionally on agriculture, then the Northern Ireland 3% of that £19 billion is bigger than 3% of £10 billion. Do you accept that?

*Wesley Aston:* You used the word “if”.

**Q706 Gavin Robinson:** You have no idea. You have already accepted that you have no idea what comes from remaining either, but the point remains that for the Ulster Farmers’ Union it is easier to convince one person, a devolved Agriculture Minister, than it is to convince a devolved Agriculture Minister, a national Agriculture Minister, a European Commissioner and 27 other member states.

*Wesley Aston:* In terms of principles, the fewer people you can go to and convince and the fewer decision-makers you have to convince, irrespective of what industry or what we are taking about, then yes, of course.

**Q707 Gavin Robinson:** Mr Marshall, you talked at the start about the export to the EU. What proportion did you say that was for Northern Ireland farmers?

*Ian Marshall:* We currently export just under 30% of our produce to the EU. Bear in mind that just under 17% is to the ROI, which we consider as exporting to the EU.

**Q708 Gavin Robinson:** So, 30% of total Northern Ireland agricultural exports is to the EU, and 70% of that 30% is to the Republic of Ireland. How much of the remaining 30% of the 30% is to GB?

*Wesley Aston:* There is about half of the 30% that goes to the rest of the EU and half goes to the Republic of Ireland. If you look at the total to the EU, half is to the Republic and half is to the wider EU.

**Gavin Robinson:** I am asking about GB.

*Ian Marshall:* GB accounts for just fractionally over 40% of what we produce in the Province.

**Q709 Gavin Robinson:** 40% of all production in Northern Ireland goes to GB.

*Ian Marshall:* That is right.

**Q710 Gavin Robinson:** Irrespective of what happens after 23 June, 40% of exports will have unfettered ability to go to that part of what is now the EU.

*Ian Marshall:* You would assume that.

**Gavin Robinson:** There is not going to be a trade barrier between Northern Ireland and England, Scotland and Wales.

*Wesley Aston:* You have to look not just in the round but on a sectoral basis, because we export quite a lot of beef and dairy products, which are our two mains sectors, to mainland Europe.

**Q711 Gavin Robinson:** Which sector sends most to continental members of the European Union—not the Republic of Ireland?

*Wesley Aston:* Both of those; beef and dairy.

**Q712 Gavin Robinson:** For dairy, for example, a lot of powdered products go outside the European Union. What proportion of their exports would that be?

*Wesley Aston:* I don't know off the top of my head, but it would certainly be a bigger proportion than any sector would go to outside the EU from the dairy sector. A lot less would go from other sectors. There would not be world exports to the same extent from any other sector apart from dairy.

**Q713 Gavin Robinson:** I understand that you do not have information now, but have you carried out that analysis?

*Wesley Aston:* The figures are there. We just have not looked into it at this stage.

**Q714 Gavin Robinson:** Can you submit those to this inquiry? The purpose of this inquiry is not for you and me to banter back and forth about the pros and cons of leaving; the purpose is to try to get an accurate assessment, so to myth-bust. Let us get some of the figures, the facts and the detail so that we can publish that and talk about the Northern Ireland implications of Brexit. If you could provide us with that, it would be most helpful.

*Ian Marshall:* It is probably an important point to note that it is quite a dangerous point in time for the figure, bearing in mind we are in the middle of a Russian embargo, where a large portion of European products—

**Gavin Robinson:** Do you have it over a number of years where you can show the correlation then, and we can take account of that? That would be very helpful.

**Q715 Oliver Colvile:** Thank you very much for coming to see us. I am sorry I was a bit late; I was tied up doing something else—it is just one of those days, I'm afraid. I am not going to pretend to you for one moment that I am great farming expert. My constituency has nothing more rural than one muddy field, which is Ponderosa Pony Sanctuary, so some of the questions I ask you may sound somewhat naïve, and I hope you will bear with me. First of all, can you just explain to me whether we are self-sufficient in food production, and which countries in Europe are?

**Ian Marshall:** No, the UK is not self-sufficient in food production. We are currently about 62% sufficient.

**Q716 Oliver Colvile:** We have to buy in food from elsewhere. Where do we principally buy that in from? Is it Europe?

**Ian Marshall:** The majority of that comes from Europe.

**Chair:** The EU.

**Wesley Aston:** And probably more so the Republic of Ireland.

**Q717 Oliver Colvile:** Therefore, because we happen to be a principal importer, frankly we are likely to see that price go up. Is that right?

**Ian Marshall:** Again, we are into this difficulty about scenarios after either remaining in the EU or leaving.

**Q718 Oliver Colvile:** Would the consumer benefit, because frankly all I have is consumers in my constituency? I have fish production, but I suspect that you are not fantastically well-qualified to talk about fishing. Would you say that the consumer would benefit from us coming out or not?

**Ian Marshall:** That is a hard call, because the reality is that the difficulty we have at the moment in the UK is that we have to deal with food deflation, with food becoming cheaper and cheaper for consumers on an annual basis. That is a huge concern for farmers. Any change or seismic shift in trading arrangements could potentially throw some of that out of kilter. That being said, our food stuffs are traded in the UK through five big multiples. 70% of what we trade in food goes through those multiples. We are also concerned that any change could ultimately increase the cost of food, which is historically cheap at the moment.

**Q719 Oliver Colvile:** I was in Brussels on Monday with the Northern Ireland Affairs Committee, and there was a bit of a demonstration from some French farmers on things like that too. Do you think that French farmers would be euphoric about us going, or do you think they would be feeling, "Oh gosh, no"? How do you think they would feel?



**Ian Marshall:** The first thing to note is that they are particularly more militant than Northern Irish farmers, so we are not surprised to see French farming—bear in mind that agriculture across Europe is under immense pressure at the moment; there is widespread concern about the value of food. That being said, our counterparts in Europe are very supportive of the UK remaining in that trading arrangement. Certainly, they see benefits to the UK being inside the discussion, as opposed to being outside it.

There is an important thing to remember: our access to that market as it currently stands is good. It is a very attractive proposition to be able to trade freely with the European Union. Renegotiating that would certainly be a concern, because we would potentially have to renegotiate all those trading arrangements, and we have concerns about what those may look like after Brexit.

**Q720 Oliver Colvile:** Do you think that farming would be more sustainable by coming out? The issue is to do with conservation. One of my big campaigns is to try to protect a certain bit of wildlife, and I just wonder whether or not you think we would be better served by being out of the European Union rather than in it to conserve that wildlife.

**Ian Marshall:** The important thing to note is that, whether in or out, the rules and regulations that are imposed on us by Europe at the moment will still be in place, because we look at other European countries on the fringes of Europe that effectively are outside the EU but trade with the EU, and they are certainly bound by all the rules and regulations that we as members are bound by. It is part of their terms of trade that they apply all those rules and regulations. Outside would not necessarily mean a relaxation or a different approach, because you would be bound by Europe's standards.

**Q721 Lady Hermon:** It is very good to see both of you here this morning. Unlike Oliver, I do have farms in North Down, more to the point, I grew up on a farm in County Tyrone, and my sister continues to farm in County Tyrone, so I do have a really keen interest in hearing the views of the Ulster Farmers' Union. I am interested in your membership. Can we start just with your membership and then we will move through some other points?

Am I right that you said—I will repeat the figures to you—that there were about 25,000 farmers who claim? Yes. And your membership is about 12,000? Less than half of the farmers in Northern Ireland are members of the Ulster Farmers' Union. Is your membership growing? Is there an age range? Is there an age difference? How do you attract members? You have the great Balmoral Show and presumably you attract membership at the Balmoral Show. Throughout the year how do you recruit more people to join the Ulster Farmers' Union?

**Ian Marshall:** Certainly we continually endeavour to recruit. The difficulty we have in agriculture is that as time moves on we get less and less farmers, because the natural, organic growth of agriculture is that farms across the world, irrespective of where the location is, tend to be getting bigger but smaller in number. You are always competing against smaller numbers of farmers as time goes on. We have been encouraged by the fact that we have grown our membership.



There is an important thing probably to note when you look at the figures you rightly quote about the 12,000 members compared with 25,000 actively farming individuals or businesses, because unfortunately for us, as a membership organisation, you can receive many of the benefits of our work even though you are not a member of the union. That has always been a difficulty. It is our job to encourage people that we are better with a single voice for agriculture to get a consensus to get a good position on what is best for the industry, irrespective of which sector an individual farm will operate in. Very often this has to be about compromise, because sometimes within the industry different sectors have completely different positions.

*Wesley Aston:* May I just clarify one specific point? There are 25,000-odd claimants for single farm payment or the basic payment scheme, but, having said that, if you look at the number of full-time farm businesses, as categorised by the Department of Agriculture, there is probably somewhere in the region of 15,000 to 16,000 of those. There are a lot of the farm businesses that claim are part-time farms, which have land but do not necessarily farm it themselves. In terms of the percentage of full-time farmers, we have a very significant proportion of that.

**Q722 Lady Hermon:** Do you have any way of knowing whether those that are not members of the Ulster Farmers' Union are as vexed and divided, really, over the EU referendum as your own executive is? Is that your hunch?

*Ian Marshall:* We see divides within sectors of our industry. We see splits within families within our membership. We have husbands and wives who are completely opposed on this. Again, the discussion in many households is about their head and their heart, because in their head the individuals think, "Look, we need market access. We need security. We need the surety of being members of this trade organisation," and their heart says, "We do not want to lose our UK identity. We do not want to lose autonomy." That is the dilemma. That is the discussion. As you rightly say, we can see a difference of opinion.

**Q723 Lady Hermon:** You mentioned the meeting that you had with the Prime Minister. Was he able to give you any reassurances on those points about the UK retaining its identity and keeping its sovereignty. Did you discuss those with him?

*Wesley Aston:* Yes. We made those points very clear. Going back to the earlier question, in terms of a specific point we raised in relation to the amount of funding coming to the agricultural industry, that is where he could not give a commitment, but on the other ones he was very clear.

**Q724 Lady Hermon:** May I just check—I think it was Wesley—am I right in quoting back to you, because I just did not quite pick up your voice, that you did not expect the UK Government to pay any subsidies in the event of the UK voting to come out of the EU?

*Wesley Aston:* We were saying we do not know whether they would or not. Historically they certainly have not given us examples of that. I think I mentioned the specifics whereby at the minute you have the potential to provide state aid to your agricultural industry through the European Commission agreements, and historically that has very



rarely been done by the UK Government. There was a package agreed earlier this week that will allow for more state aid to be provided, and based on that historic position we do not expect that the UK will get any money directly from the UK Government, which they can under EU rules. It is just a case of what we have seen in terms of the ability to pay money through the mechanisms, and the UK have not been forthcoming in that.

**Q725 Lady Hermon:** What about meetings with the Secretary of State for Northern Ireland? She has been quoted in the newspapers as saying that in fact there could well be more money coming back invested in the UK in the event of the UK voting to come out in the referendum. Have you had the opportunity to discuss how the farming community in Northern Ireland would benefit financially in the event of an “out” vote?

*Ian Marshall:* Apologies for repeating ourselves, but it is back to this position of, in the absence of some guarantees or some assurances of what this may look like, very often the default position is “should, might, could”. That is where we have some difficulty here, because that is fine but we currently know what position we are in, our relationship with the EU at the moment and what that support mechanism looks like and what it looks like for the next number of years. That is our concern.

*Wesley Aston:* Another issue is that we do not know who to speak to, because it is not as if there is a single voice for “out”. There is Owen Paterson, who spoke at the Oxford Farming Conference. He outlined his reasons for going out. The Secretary of State for Northern Ireland has said things, but we do not really know who to speak to. One of our intentions is to hold a debate back in Northern Ireland, and we will invite the official “Yes” and “No” campaigns to come along and speak to our farmers at an open meeting. We are planning on hold it probably in the first week of June.

**Q726 Lady Hermon:** Would that be the former Secretary of State, Owen Paterson, and the current Secretary of State?

*Wesley Aston:* We do not really know who to ask, but we have been told that there will be an official “Yes” and an official “No” group and to go through the Electoral Office—to do it that way because they are funded.

**Q727 Chair:** Do you not meet the Secretary of State generally, now and again, to talk about farming in Northern Ireland? Why not?

*Wesley Aston:* We have not met the Secretary of State for some time because largely we deal with our own Northern Ireland Executive and our own Ministers.

**Q728 Lady Hermon:** Have you had meetings with the current local Agriculture Minister?

*Ian Marshall:* Yes, that is something that, by the nature of our work, is on an ongoing basis. Those meetings are continual.



**Q729 Lady Hermon:** That takes me on to another point. I have two other points. You mentioned investment. You are aware that there are some farmers who want to invest and they need certain things. Are you aware of some farmers who have put on hold their plans to maybe install a new milk parlour or whatever, on account of the uncertainty surrounding the referendum?

*Ian Marshall:* I am not sure per se that there is investment that has been stalled or stymied because of the referendum. There is more a situation in the Province at the moment where, by virtue of an initiative under the Agri-Food Strategy Board, the farm business improvement scheme, some investment in the industry has been delayed because potentially an assistance or support mechanism is imminent, and businesses have held off investment until they have seen what that would look like and whether that could deliver for them. That has been more of the reason or the rationale for some people to stall that investment at the moment, rather than the referendum.

**Q730 Lady Hermon:** Who would fund that particular scheme that you are talking about? Where would the funding come for that?

*Ian Marshall:* That is funded from our executive. It sits under the Agri-Food Strategy Board's Going for Growth initiative.

**Q731 Lady Hermon:** Would anything change in the event of an "out" vote in the referendum? Is it dependent on the vote?

*Ian Marshall:* We would like to think that that is secured; that is over a five-year or six-year term. We would like to think that money is secured for investment and improvement in the industry.

*Wesley Aston:* It is very complicated, because over and above direct support, the pillar 1 mechanism, there is also the pillar 2 rural development programme. Within the rural development programme there are different funding sources: there is direct from the EU; there is matched funding from the Northern Ireland Executive. What the President is speaking about now is a further additional Northern Ireland Executive significant financial contribution, specifically for the Agri-Food Strategy Board, to deliver that. The simplest place to deliver through the mechanism was the rural development programme, so they further topped that up by another £250 million.

**Q732 Lady Hermon:** That is complicated, and it is also very interesting. Your evidence has been fascinating. It really is very, very helpful indeed. Another point that you made was about the impact of sharing a border with another EU member state, the Republic of Ireland. Could you describe how close that is and why it is different? You have made the point that that is different for farmers in Northern Ireland where they share a land frontier with the Republic of Ireland than for farmers in the rest of the UK. Could you elaborate on what exactly you meant by that?

*Ian Marshall:* When you look at the statistics, just under 17% of our food trade is with ROI. Historically the trade in livestock and agricultural produce both ways has always





been hugely important. Interestingly, there is much support between ROI and GB. That relationship is symbiotic. It is as important for both entities. That trade is hugely important. The difference we have is that, for example, as our Chief Executive said, where we have some of our red meat trade exports there is a trade—a very strong, vibrant and healthy trade—in livestock between Northern Ireland and southern Ireland.

**Q733 Lady Hermon:** These are young cows or these are—

*Ian Marshall:* It could be sheep, it could be finished cattle, it could be trade of young cattle or it could be pigs. It is much of the livestock. Historically that has always been there because that is natural trade within an island situation. That has existed and that is going to be hugely important as we go forward with this discussion. It is important that we do not place a mechanism in there that effectively would either reduce the ability to trade or could complicate or put more cost into trading with ROI, because it is hugely important for us.

*Wesley Aston:* If I could just add in relation to that point, one of the things that we have always recognised across the land border between Northern Ireland and the Republic of Ireland has been that over and above the EU support, the Government in Dublin has committed a lot more funding towards the industry there. If you look just solely about the levels of support on one side of the border versus the other, whether it is through direct support or a development programme, the south of Ireland is always in a much better position than we have been in terms of the total amount of money that it gets from Europe and that it commits itself proportionately. This comes back to the issue that the UK Government could do what the Republic of Ireland Government are doing, but the history has not shown them to be doing that.

**Q734 Lady Hermon:** What are your anxieties about what might happen in the event of an “out” vote in the referendum, in terms of the free movement of goods across the border and the free trade of live animals—sheep, pigs and all those you listed?

*Ian Marshall:* Initially the tangible difference that we will probably be faced with will be some kind of border control, because effectively we are trading from Europe to a jurisdiction outside that trade organisation. That will present issues for us. We would be concerned about that.

Remember, if we cast our mind back a number of years, we had that situation in Northern Ireland. Anybody who is old enough to remember that will know that that was very complicated and very tedious for businesses, and very often it was businesses that operated on both side of the border. It was not just about Northern Irish companies trading with southern Irish companies; it was about businesses that were operating on both sides of the border. That presents difficulties, and we would be fearful, in the event that we exit, that that would potentially be the situation again. Ultimately, there would be more cost.

**Q735 Lady Hermon:** Presumably you have had some discussions with your counterpart in the Republic of Ireland; there must be an Irish farmers’ union as well. Have you had these

sorts of discussions and what have they revolved around? Are you allowed to say what the main issues were on your agenda?

**Ian Marshall:** We do have dialogue with the Irish Farmers' Association, which is our counterpart in the south. They will be fearful of a UK exit from the EU. Certainly they are cognisant of the importance of the trade for them. Bear in mind that very often it is the live trade that is important for them—that they have the ability to trade with Northern Ireland and that they have the ability to trade with GB. It is a hugely important market for them and they know that, as they are positioned on the western fringes of the European Union, to be outside of that trading relationship could potentially be detrimental to their agri-food industry.

**Lady Hermon:** Thank very much. That is very helpful.

**Q736 Nigel Mills:** I just want to go back to the start of Mr Colville's questioning on how self-sufficient we are in food. I think you said 62%. What do you think would be the level we ought to be at?

**Ian Marshall:** In an ideal world it would be fantastic to think that we could produce all the food we needed within the UK to feed the people. In the absence of retail and wholesale and process getting involved in it, that would be nice, but unfortunately we will never exist in that nirvana.

**Nigel Mills:** Not since about 1750, I think.

**Wesley Aston:** It depends on the type of product, given our climate. The temperate type products and the livestock products are what we would expect that we would like to be self-sufficient in, but if you look at things like fruit and vegetables, we are not necessarily good at that, because of the weather conditions, so inevitably we are probably going to have to import some of those.

**Q737 Nigel Mills:** The reason for asking was that the implication was, "Oh God, we have to import 40% of our food. The EU must be really quite vital, otherwise we will starve", but the data does not really suggest that to me. I think in the 1870s we grew about 60% of our food, similar to where we are now. That dropped down to about 40%, into the '30s before the second world war and then crept up a bit after that. It went up a bit when the EU had a rather strange set of CAP policies that subsidised rather too much and produced butter mountains and lakes and God knows what of various things. It has not been a particularly stable or sensible policy we have had on how much we are producing.

The question going forward, though, is how we make sure our farming stays competitive in what is a very globally competitive world? You can see south America trying to boost its exports. Paraguay can now have three growing seasons in some places. What do you think we need to do to make sure our farming stays competitive and we can resist cheap imports and keep finding export markets? What changes do we need to make?

**Ian Marshall:** As we look at trade—and it is all effectively global trade—what we have to focus on are our efficiencies, because ultimately in agriculture the market is the market. We are not going to change the market. We have to recognise the fact that we need to be

best in field. We need to be efficient at what we do. We need to try to lead on much of this.

Fundamentally, what we have found within the Northern Ireland context is that we need to have an integrated supply chain, because we have to recognise that, as farmers and growers, with the processing industry and retail, with food deflation the order of the day in the UK, everyone in this supply chain needs to make some profit to survive, and we have to integrate the supply chain to do that. We have to try to remove costs. In a Northern Ireland context specifically, what we look to do is grow the agri-food industry while operating and functioning in complete harmony with the environment, meeting all our environmental obligations and ensuring that we can do that. We firmly believe that, by virtue of technology, efficiencies, expertise, training and education, we are well placed to do that.

*Wesley Aston:* In an ideal world we would not want to be in a position where we have to depend on subsidies, as a lot of people describe them, but we cannot do without them simply because we have a cheap food policy and, in effect, even though the money comes to farmers, it ultimately cheapens food prices for consumers.

**Q738 Nigel Mills:** Do we not need to try to get to a flexible situation where if there is a big demand for purple sprouting broccoli at a good market, farmers can pretty quickly switch from growing peas that nobody seems to want to growing broccoli? Is that supported by the current system?

*Ian Marshall:* The livestock issue is completely different. You have a much longer lead-in time in agriculture. Very often a product is required, and by the time you get the product to market that lead-in time has been quite long; it is quite difficult to track where the market is going to be at a point in time when you have that product. When we look at some of the other initiatives, it is particularly difficult to work out where the opportunities are going to be. Very often it is not simple to change a farming policy at farm level very quickly to react to or change things.

Fundamentally, the problem in agriculture is that historically we are a push industry. Our farmers and growers tend to produce beef, wonder who wants to buy it and what they would like to pay for it. They produce milk, wonder who wants to buy it and what they would like to pay for it. They produce grain. It is inherently a problem with agriculture. Rather than being a push industry, we need to be a pull industry; we need to be market-orientated, customer-centric, ask the consumer what they want, see if our farmers and growers can produce it and then we are perfectly entitled to be paid for it. That is no different for us in Northern Ireland than it is for farmers across the UK, across Europe or, in fact, around the rest of the world.

**Q739 Nigel Mills:** I was trying to see whether you might fancy a more agile regime for farming subsidy and regulation, which facilitated quicker responses to market than perhaps the very cumbersome system we have now.

*Wesley Aston:* The system we have now, because it is divorced from production, is just about looking after the land. That does give you a lot more flexibility than we had



historically, where it was linked to individual animals or growing crops. There is in theory that flexibility and you can stop producing a particular type of product and the following year produce another type of product. It comes back to what the President said, particularly from a Northern Irish context; we are livestock-based, grass-based and we cannot switch things on and off. It takes three years from when you decide you want to put a cow in calf until you have a beef animal that is ready for slaughter. When you are planning ahead, it is very difficult to do.

**Q740 Chair:** Can I just be clear: are you saying that your members and you are delighted now to have the basic payment scheme, rather than the single farm payment?

*Ian Marshall:* Certainly, whether we are delighted or not delighted is irrelevant; it is what we have.

**Q741 Chair:** You sounded earlier as if you thought it was a great idea. I thought maybe some farmers did not think it is such a great idea.

*Ian Marshall:* Many farmers would like a far more simplified process, and I know that one focus by the Commission was on a simplified process. As we know and are all too aware, all of these processes tend to be bureaucratic and difficult.

**Q742 Danny Kinahan:** I was intrigued. We were talking about regulation, red tape and standards, and I wondered whether being in the EU means that our produce is highly respected because it fits to certain standards? Is that any different to what it would be whether we are in or out? Does it benefit us being in from that side?

*Ian Marshall:* Certainly our membership of the EU has benefitted in that we are part of this discussion globally about trade. We had an interesting conversation in Oxford with Commissioner Hogan lately about his Nairobi talks. Five parties were at the table in Nairobi: the US, Russia, China, India and the European Union. Commissioner Hogan felt that the UK would not have been at the table because absent from the table were Australia, Canada and Japan, which are hugely important agricultural producing nations, yet they were not seated at the table.

**Q743 Chair:** Do you think it is better to have one person representing all 28 countries, rather than the UK being there in its own right, as it is in the UN or the WTO?

*Ian Marshall:* To use the phrase that one of our American farming colleagues used, we are better to be at the table because if we are not at this table we will end up on the table. Being at the table as one of the 28 EU member states is certainly a good place to be.

**Q744 Ian Paisley:** Canada, India and Australia were already at the table individually because they are members of the British Commonwealth and we have a trading relationship there. I want to go back to what you mentioned about the Irish Republic. I agree with you.



The Irish Republic gets our money through Europe and they spend it on their farmers an awful lot better than how we spend the same money on our farmers.

It really is quite frustrating to think that we put all this money from the United Kingdom into Europe and the Irish Government get it. You look over the border and you see how they spend our money on their farmers. It really does wind people up. I am wondering if you have examined countries that are on the European continent but outside the EU. Have you looked at their farm subsidy programmes at all to compare them with EU farm subsidy programmes?

*Wesley Aston:* In broad terms, the NFU produced a document last October, which outlined what was happening in Norway and those sorts of things. They are doing a bit more work, which hopefully will be available at the end of this month. They have more resource to commission this type of work than we have, so we are waiting to see the outcome of that. We have not had any in-depth look at what sort of provisions are provided elsewhere.

**Q745 Ian Paisley:** With regards to that NFU policy, would I be right to say that the thrust of it was that for countries outside the EU their farm subsidy programme is much more targeted at the primary producer?

*Wesley Aston:* I could not comment.

**Q746 Ian Paisley:** You mentioned Owen Paterson earlier. I thought that he seemed to theme a lot of his comments at Oxford around that report.

*Wesley Aston:* Yes, he did; that is his take on it.

**Q747 Ian Paisley:** The other thing I want to talk to you about is crop production. Northern Ireland is really known for our livestock, as you have said, but we do have some crops. What is our single largest crop product? Is it spuds?

*Wesley Aston:* Probably spring barley.

**Q748 Ian Paisley:** After that, where would potatoes sit?

*Wesley Aston:* Potatoes would be probably way down the list. Unfortunately it has continued to fall.

**Q749 Ian Paisley:** Why is that? Why is Ireland, which is known for the spud, got a falling spud market?

*Wesley Aston:* The first thing is potatoes historically were not a supported sector. They now are because they have come into this land-based system that we have, so you can grow potatoes, you can grow cereals, you can farm with beef cattle, and you still get the same payment going forward.

**Q750 Ian Paisley:** You say that, but they are only in because they are farm land.

*Wesley Aston:* Yes, the land. That is what I am saying. You get a payment on the land. You can produce whatever you want on that land. Typically what we have found, which probably comes back to the whole issue that the President outlined about how the market operates and particularly the pressure from the retailers, is that we have not, unfortunately, kept pace with that and we are too small. The retailers have consolidated. We have a lot of small producers. They have a number of packers there who are certainly helping, but unfortunately it just does not pay, and that is why it is diminishing.

**Q751 Ian Paisley:** 30 or 40 years ago every farm in Ulster was really growing spuds in one of its fields, and because it has not been supported by the EU it has killed the industry. It is sad.

*Ian Marshall:* It is an important point to note, and one of our very younger members made exactly the same point one night in one of our committees: 30 or 40 years ago his grandfather grew flax, but we do not grow flax anymore. Things change. It is important not to take the potato example in isolation, because the reality is that when we look at consumer trends we see a big shift from the consumption of potatoes to rice and pasta. Unfortunately, even though we would like to think that the farming unions and agriculture could change that trend, and we are working on that one, certainly we are not successful at the moment.

**Q752 Ian Paisley:** When I go into the local supermarket or local shop and I see bags of different shape and size potatoes in Tesco or Sainsbury's or wherever, where are they coming from?

*Ian Marshall:* Many of the spuds come from local. At times of the year when there is a shortage of supply, those spuds are imported. It is interesting because part of the discussion about the decline in potato consumption has not been about the convenience, which we thought it would be. It is about waste because the consumer does not like waste. A bag of potatoes that someone subsequently discards 50% of is considered, on the consumer side, not to be good.

*Wesley Aston:* The main source of our potatoes would be local potatoes, followed probably by Irish potatoes and then GB potatoes. They would not necessarily be imported, although at the times of the year when we do not produce we will have Cyprus potatoes and that type of thing coming in, when there is a low production level in Ireland.

**Q753 Ian Paisley:** In terms of food deflation, which you have mentioned a couple of times, I think that it is very important that that is brought. Do you not really want to break this cycle where you have five multiples crucifying the primary producer on price and then you have all this other red tape going on at the other side from Europe? Do your members not really want to break that cycle and say, "It used to be that the primary producer was king in this relationship, but now we are the slave."? The farmer is now a slave in the relationship.



Surely there should be an element where the primary producer is allowed to stand up through its representative organisations and say, “We want to be king. We want to help set the price instead of being told by the multiples that our prices have to keep going down, even though our costs keep going up.” Do you not get that from your farm base, because that is what I hear every day from farmers?

**Ian Marshall:** The reality is that if we look at the food deflation phenomenon, we see that, post second world war, the average spend of disposable income in the household in the UK on food was about 50%. In 2014 that figure had declined to 9%. The consumer and the general public are prioritising other things over and above food. That is the reality and that is not unique to the UK. We would certainly like to see food be more expensive, and it is a concern right across our agri-food industry that food deflation is putting immense pressure on all players in the supply chain.

**Q754 Ian Paisley:** Surely the reason why the consumer is spending less on food is because they walk into the supermarket and they pick up something that is described as a beef burger and they get 20 for £3.00. It is not food at all. It is stuff that is edible but it is not beef and it is not a burger. It is these multiples that really have to be put on the rack and told, “You have to start educating the consumer that if you want good, clean, traceable, tasty, and the best nutritious food in the world, it costs money.” That is a hard sell because you are going to have to say to the consumer, “If you want that, you are going to have to pay for it.”

**Wesley Aston:** You are right in what you say. This is an issue that we have had for years and years. In fact, the EFRA Committee of this House have just recently conducted an inquiry into the farm-gate prices and looked at the Groceries Code Adjudicator model. There is an issue about how we operate within the supply chain. Europe looked at this and decided not to progress at a European level a similar type of mechanism. We have certainly raised it with the UK Government historically—whether there was anything that we could do to try to look at what happens in terms of how the supply chain operates.

**Q755 Ian Paisley:** Is the Groceries Code Adjudicator working for you?

**Wesley Aston:** Within what the Groceries Code Adjudicator is allowed to do; she can only do what she is able to do at the minute.

**Q756 Ian Paisley:** Can I suggest that it be given teeth? It has a very gummy kiss at the minute. If it had some teeth, that might help.

**Wesley Aston:** It does have teeth in terms of fines. We are pleased to see that coming out, and what happened with one of the major multiples fairly recent clearly shows that there was a need for it, but it does not go far enough. The issue is to what extent does legislation intervene in the operation of the marketplace. One of the things that we could look at, which we have always argued, is the whole need for public procurement. If our food is so good, how come our own Government cannot even make sure that they source our own high-quality products? If they cannot set an example, what do they expect the general public to do?



**Q757 Ian Paisley:** That is a very good point. You would hope that under Brexit that would be something that they would take up immediately, to fill in any gap. Can I turn to the confused messages that we sometimes get out of the EU, farmers in particular. I used to chair the Agriculture Committee at home in Stormont, and the current Chairman—William Irwin—asked some very pointed questions recently about fixed pricing at the farm gate. He got an official answer back that that was not possible and it was not allowed under the EU. He got that back from the Commission office.

Yet I read in one of our local agri journals that they asked the same question of the same EU office and they have now got the complete opposite answer—that this is now possible. Have you been following that about the fixed pricing model? I am not advocating fixed pricing at farm gates, just to put that on the record. I am just saying that this leads to confusion that the EU tells you one thing one day and then seems to suggest something different the next.

*Ian Marshall:* The reality is, with regard specifically to fixed pricing, we are an exporting region. Certainly any model that will look at fixing prices or moving towards minimum costs of production could be seriously detrimental to the industry, bearing in mind you have to establish where that price sits and what that price would be. I am under no illusion whatsoever that that price will be at a significantly high level for farmers. You could weaken our position for exporting food.

**Q758 Ian Paisley:** Do not get me wrong; I am not advocating the policy. What I am saying is that there appears to be a level of confusion. The EU says one thing to our Agriculture Committee, “No, this is prohibited”, and then the next day suggests to the press that it would be allowed. Have you picked that up in your dealings with Europe, that it is very confused?

*Wesley Aston:* I do not know the specifics of the example you are talking about, but I do know that any time we have looked at trying to get producers to co-operate, the UK Government competition authorities themselves have moved in. It came about during the deregulation of the Milk Marketing Boards back in the mid-1990s when, at that stage, the idea of having a single big Milk Marketing Board successor, albeit at a private non-legislative level, was deemed anti-competitive and had to be broken up.

We in Northern Ireland, thankfully, were small enough to manage to retain the processing arm of our existing dairy co-operative. The UK Government helped to break a lot of those things up. The idea of getting producers back together again to give us that extra marketing strength that we probably need to try to compete with a smaller number of major multiples—it is very hard to redeem from where it was broken up in the first place, and it was the Government here in the UK that broke it up.

**Q759 Ian Paisley:** Tell me about the event that you met the Prime Minister at. Was that a UFU event? Was that organised by yourselves?

*Wesley Aston:* We were contacted by the Prime Minister’s office to see if we would organise a farm visit for him. We got two days’ notice to do that. He approached us and we then suggested who we would bring along. We brought the wider industry folks, so we had discretion. It was a UFU event.



**Q760 Ian Paisley:** It was a UFU event, and it was No. 10 that directly contacted you.

*Wesley Aston:* They contacted us directly, yes.

**Q761 Ian Paisley:** The Northern Ireland Office was not informed?

*Wesley Aston:* Sorry, I do not know the details. I am assuming it was No. 10 directly, but I do not know.

**Q762 Ian Paisley:** Was there any Minister of State or Secretary of State involved in it?

*Wesley Aston:* The deputy Minister of State for Northern Ireland was present at the meeting.

**Q763 Ian Paisley:** Do you not think it was unusual that the Secretary of State was not there?

*Wesley Aston:* Given the understanding we had, which was that our Secretary of State was in a different camp in terms of the EU referendum, to be honest we did not expect to see her there, but normally we would expect that if somebody from such a high level comes across they would be accompanied by the Secretary of State's officers in Northern Ireland.

**Q764 Ian Paisley:** I thought it was a bit unusual that she was not, irrespective of her different opinion. I wondered if there had been some fancy footwork going on within the Northern Ireland Office.

*Wesley Aston:* We cannot comment.

**Q765 Ian Paisley:** You were saying you were contacted directly by No. 10. Finally, Wesley, again this goes back to the issue of confusion within the EU about how there is state aid available for something and there was not. Could you go into that? Was that over milk pricing? What was that over?

*Wesley Aston:* On an ongoing basis, over the time that I have been working with the Ulster Farmers' Union, there have been various examples where Europe has effectively said that there are state aid provisions in there and you can, up to certain levels—in fact, those levels have increased over a period of time—provide assistance directly to your industry. The money does not come from Europe; the money comes from the Governments themselves.

What we have typically found is that, throughout the number of years, when those mechanisms had been permitted, for whatever reason, other member states have taken advantage of it and paid their own national money to their farmers. Our UK Government have not done that historically, and in fact we have even got the opposite, where there used to be a thing called agri monetary compensation because of the sterling exchange rate. We could have drawn that down, but the UK Government refused to draw it down on

the basis that, even though it would have been extra money into the farming industry, it would have affected the rebate, so they refused to draw it down.

We see in the Republic of Ireland, for example, that they provide top-ups to their industry, not all the time but occasionally, through national funding. The French are very typically known for that type of thing. That goes back to the point of the Agriculture Council meeting on Monday. That was one of the things that was agreed. We have not the full detail but member states can provide up to €15,000 of direct support to their farmers at an individual level. In the UK context, we certainly do not expect to see any of that.

**Q766 Ian Paisley:** That probably does reflect on the fact that, with the exception of France, we are net contributors to, as opposed to net receivers from, the EU. It maybe has an impact on it. What I am taking out of that is that you would really like to see the British Government standing up and batting for the industry.

*Wesley Aston:* Again, it was one of the points we specifically raised with the Prime Minister when he was at that farm visit. We said the history of the UK's engagement in the EU from a farming perspective has been that they have tried to make sure that they do as little as they can, whereas we would like them to have a "can do" attitude. We asked him whether he could commit to doing that. I go back to the answer I have given previously, which was that he could not commit to that.

**Q767 Chair:** We are nearly finishing. Are you really saying that, if you could be absolutely certain that the subsidy that all Northern Ireland farmers get at the moment would continue, farmers' attitudes to the referendum would be very different?

*Ian Marshall:* If you go back to our official line in the absence of this compelling case being made, the reality is that, whether we as an industry like it or not, we are hugely dependent on support, because the market quite frankly will not deliver a sustainable, profitable income for the farming industry.

**Q768 Chair:** You do not think any of them are worried about the uncertainty of the future of the European Union, in terms of the euro and what is happening there and perhaps Turkey coming in and probably taking a lot of the farming money? Is there not something on both sides?

*Ian Marshall:* There certainly is, because uncertainty is not helpful for our industry and there certainly is uncertainty about Turkey coming to this arrangement and the potential shift of moneys from west to east, as some are fearful of. Certainly that uncertainty is not helpful.

*Wesley Aston:* I think I said in a previous answer that UFU recognises that it is not, even for our members, solely about economics; there is a lot more to it than that.

**Q769 Chair:** I have just one final thing on the Ulster Farmers' Union itself. Do you look at the French farmers and their organisation and sometimes think that Northern Ireland farmers



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should be a bit more angry and a bit more militant, and that that might get your voice heard more, or do you just feel that it is too late now and you will just do it in your own way?

**Ian Marshall:** Can I just put on the record that we are angry but we are more considered in our approach to anger?

**Chair:** If the French farmers were angry they would be out on the streets with the manure.

**Ian Marshall:** The first and foremost thing for farmers for our agri-food industry is to acknowledge that the people who are most important to us are our consumers. Farmers on the street blockading supermarkets very often does not endear their industry to their consumer, and they are hugely important. That being said, we firmly believe that the way we make change is via this type of forum. It is sitting down, open dialogue, discussion and trying to iron out some of these problems. Standing at the top of the avenue at Stormont banging our chests and waving placards very often is not the best approach.

**Chair:** It seems to help the French farmers.

**Danny Kinahan:** I failed to declare that I am a member of the Ulster Farmers' Union at the beginning.

**Chair:** We will put that on the record. Can I thank you both very much for coming over and spending so much time with us? I hope that we will find an outcome that is satisfactory to everyone. Thank you.