

Northern Ireland Affairs Committee

Oral evidence: Brexit and Northern Ireland: Agriculture, HC 939

Monday 16 July 2018, Stormont

Ordered by the House of Commons to be published on 16 July 2018.

Watch the meeting

Members present: Dr Andrew Murrison (Chair); John Grogan; Kate Hoey; Nigel Mills; Ian Paisley; Jim Shannon.

Questions 220 - 356

Witnesses

I: Allan Chambers, Farmer, and Adrian McGowan, Farmer.

II: William Irvine, Farmer, Thomas Douglas, Farmer, Malcolm Keys, Farmer, and Peter Gallagher, Farmer

Examination of witnesses

Witnesses: Allan Chambers and Adrian McGowan.

Q220 Chair: Gentlemen, good morning. Thank you very much for being with us here today. I was just saying to my colleagues earlier on that the Northern Ireland Affairs Select Committee sitting here to take evidence is keeping the flame of democracy alive in Stormont, so we are part of an important process today. It is particularly important that we should be focusing on agriculture, since agriculture is of vital importance to Northern Ireland in a Brexit context. The purpose of our deliberations, and the report that we will create shortly, is to try to bring to bear a Northern Ireland perspective on the current talks, debate around Brexit and the United Kingdom's future after 29 March next year.

Can I congratulate you, Mr Chambers, on your appearance this morning on the BBC? It was great to wake up this morning to the business in hand today, and if I may we will crack on with some questions and, in so doing, hopefully better inform the report that we will be producing very shortly.

Before I do that, perhaps I can ask you very quickly to introduce yourselves, where you come from, in terms of agriculture in Northern Ireland, and what your hopes and aspirations are for the future after March next year. Mr Chambers, would you like to start.

Allan Chambers: Yes. I am a semi-retired arable farmer from East Down, which is known as the bread basket of Northern Ireland. My family have been farming there since 1680, so food production is in my blood. I am passionate about it and my fear for the future is—under a Brexit scenario—that we will be in severe difficulty in the production of cereals. There is one farm in the Ukraine that produces the same amount of grain as the whole island of Ireland. When it comes to a family farm business, without some kind of support it is going to be extremely difficult.

Adrian McGowan: I am Adrian McGowan. There are only five generations on our farm—so not going back as far as Allan—growing vegetables in Killinchy outside Comber. That has been a tradition of growing vegetables for generations.

I am concerned, going forward, with Brexit. The labour issue is a huge one for us in that we depend on foreign labour now. We have become dependent on it almost, so the Living Wage again has been creeping up steadily the minimum wage over this last while. Although we don't begrudge the guys their wages, the problem is we cannot get more for our produce. Farmers have basically decreased prices over the last 10 years rather than increase them, so we are struggling from a cost point of view.



HOUSE OF COMMONS

The border issue is another big one. We are struggling to get produce now since Brexit, but they appear to be sourcing locally more and consolidating their own supplies as much as they possibly can. These are the main concerns and, again, it is down to supermarket pressure.

Q221 Chair: Can I pick up on that because that is an interesting point? With the slip in the value of the pound after the referendum, one would naturally expect that it will be easier to export produce to the Republic. You are telling me that our closest European Union neighbour is even now, even before we have left the European Union, changing its behaviour in terms of where it sources its materials; is that correct?

Adrian McGowan: Yes. Just on the devaluation at that time, we obviously got about 10% extra and we thought, "Great, this is helping our returns", but the producers in the south obviously felt under pressure and they have Bord Bia and Origin Green, which are the marketing umbrella body promoters. I suppose that through the political influence of the supermarkets they have slowly squeezed the northern guys out.

Q222 Chair: That is interesting. On the Common Agricultural Policy and farm subsidy, there is a bit of an irony in that in the news it is very big landowners who are in the frame for capitalising big time on farm subsidies—some of the big undertakings, particularly in East Anglia, where landowners really do rake it in. In Northern Ireland, with much smaller farms, farmers themselves are proportionately much more dependent on direct farm payments. What would you hope would replace the Common Agricultural Policy as far as you are concerned, and how do you think that needs to be different from the rest of the United Kingdom?

Allan Chambers: Westminster has stated clearly that the £300 million that came in from Europe will continue to come into Northern Ireland, and it will be at the discretion of our Department there to make the decision as to how that is spent. That is positive news. We won't be lacking in farm support.

From my own sector's point of view—and we only occupy about 4% to 5% of the land mass in Northern Ireland, it is used for cereal production—our big concern is that we have been totally reliant on an area based payment to keep ourselves in business. Even that has not succeeded. We have had that for maybe 20 years now. It has not retained the area that was grown.

I don't know whether you have been circulated with this graph that shows the decline in the arable area. In cereal production we have shrunk from 90,000 hectares to 30,000 hectares, which is a 66% drop in the last 50 years since I started to farm. My big concern is about taking away area payments. Area payments are not without fault because on occasion they tend to go straight into landlords' pockets or to be paid out to a man that is not producing anything, but if that is removed it will continue to accelerate the decline in the areas used for grain production in Northern Ireland. Not only will that affect the availability of local grain. It will also



HOUSE OF COMMONS

be environmentally detrimental. Do people want Northern Ireland to become one green carpet of grass? That is what is happening currently. Do people want to accelerate that? Our prediction would be that in 20 years' time, if the current decline continues, there will not be a field of grain in Northern Ireland.

This is totally contrary to what has happened in other regions of the United Kingdom. In Scotland, Wales and England, the area of grain has either stayed consistent in the last 50 years or has risen. There has been a big increase in the arable production in England. We are unique and concerned that directives from Westminster may say that you can no longer use an area payment to support sectors, but there is the term, and it has been used by our Department, "vulnerable sectors". Our hope would be that our Department can see the need to continue to support cereal production in Northern Ireland through an area-based payment.

The detail of how that is to be administered would have to be very carefully gone into, but the general agreement among my counterparts is that we will not survive and we will have to switch out of cereal production to grass-based production. In other words, feed the dairy cows, which is in a big expansion mode at the present time and stop doing what we are doing. Do we want that? Does the general public want that? Do the taxpayers want that? I don't think they do.

Q223 Jim Shannon: Gentlemen, nice to see you. Mr Chambers, just to reiterate the point that you were on the TV this morning. I heard your comments very clearly. You referred to the differential between the Republic of Ireland and Northern Ireland when it comes to £30 or £40 per tonne barley difference.

In an exceptional year like this year when within six months we have had the wettest, the coldest, the driest and the warmest, all in six months. It is hard to believe we could have weather of such intensity within six months in Northern Ireland, but there you are. It does put pressure on. It also puts the pressure on this year perhaps with the EU.

I should declare an interest as a member of the Ulster Farmers Union and also, at least, perhaps a farmer, if not working the land, my neighbour works the land.

I just want to say this and ask you the question. You made a comment this morning that the continuation of the subsidy or the EU assistance that you get is very important. The Government have indicated a willingness to continue that, at least when they have the power to do so, at least up until the next election. You probably want a larger commitment beyond that, but obviously the Government can only do that within the remit of their tenure and control. What discussions have you had with the Government—through your union I presume, however you would do it in relation to that—and what has the feedback been?

Allan Chambers: Representatives of the farmers—the UFU and other organisations—have discussed some things with the Government. I have



HOUSE OF COMMONS

not been personally involved in those discussions but, from what I can see, there is a commitment to continue to support the farming community.

From my own particular sector, the types of available support seem to be slanted towards high tech production, IT skills and knowledge transfer, all the things that would be on a wish list. For instance, high tech and the use of satellite imagery to send drones out over my crops to tell me where my weaknesses are in the middle of fields and things, the cost of that is huge. The area that I farm would never justify this. The average size of an English arable farm is probably four times what mine is, so overheads come into this big time.

High tech is brilliant: driverless tractors, will it ever come about? It certainly will never happen on my farm. Mini-till, all these modern ideas that I would love; if I was in Lincolnshire I would certainly be switched on. I would be farming 2,000 acres. I would be in to all this stuff but the overheads that come with what is envisioned in the form of support that our Northern Ireland administrators and Éire seem to think that I will want. It is just not sensible. How can I do this? I do not have the area.

In a Brexit scenario, where I am likely to see no area aid coming through to support my business, I need to expand my business. That is what I would love to do. The obvious answer is: when you are squeezed you get bigger. You take less profit per unit that you market but you market more units. I cannot do that. It is not within my remit to get my hands on more land to grow more crops. It just cannot be done.

Q224 Jim Shannon: The differential, which you referred to this morning on the TV, between the Republic of Ireland and Northern Ireland—the £30 to £40—that is a critical factor. It is a continuation of what the Republic gets at least in a different method and the commitment the Government have given. Are you reassured by the commitment the Government have given so far?

Allan Chambers: No, not really. What I have checked out with contacts in the Republic, the review of the Common Agricultural Policy, which is now in the hands of Commissioner Hogan, is that area payments will continue. Farmers, my counterparts in County Louth, will continue to get the same support that they are getting, which is about £100 an acre. An average yield is 3 tonnes per acre, which is pretty good. I would love to be averaging that year on year on my farm. That equates to about £30 a tonne. How can I survive? How can my business continue to thrive and expand when my neighbour down the road is getting the equivalent of £30 a tonne more than I am?

The type of support that I visualise coming out of the £300 million that is guaranteed to Northern Ireland, if I could get my hands on that to make my business more efficient, to gear myself up with very modern machinery, if that was an economic, sensible thing for me to do I would be doing that. But I have to look at every decision that I make on my



farm and every pound that I spend has to be spent with a review of a return on capital. If I cannot justify that I am not going to do it, but I am still going to be disadvantaged hugely compared to my neighbour.

Q225 Jim Shannon: There is probably still a task for the Government to do to reassure farmers in relation to that.

You mentioned the very clear financial pressures there are in Northern Ireland and, indeed, across the whole of the UK, of GB and I. We are well aware of bank pressures. Is that something that has been playing with you and with some of your neighbours perhaps? I have heard of cases of some farmers, not necessarily cereal farmers, probably, dairy farmers, but I am well aware of the pressures that banks put on. Are you aware of banks working with farmers or perhaps making it hard for farmers?

Allan Chambers: I have not seen any problems. I have worked with banks all my life and—provided you do cash flow projections, do your business projections properly, and keep your promises or at least inform them if you won't be able to keep your promises—I have always found the banks fairly easy to work with, so I don't see a big issue there.

Adrian McGowan: In the horticultural sector, there has been a fair bit of pressure over the last few years. Go back to when the supermarkets came in here returns at the start were quite good. Banks invested and we had good businesses locally around Comber and different places. But slowly that squeeze overtook them. They got more efficient and eventually ran out of money. A number of guys sadly had to go out of business and then had to sell land to clear their way with the bank, so it has had a fair impact personally on a lot of people certainly in our sector and has done variably.

Q226 Jim Shannon: I am aware of some of those in relation to it. You are obviously predominantly in vegetables, although you do have a number of other sectors that you are involved with as well. Do you work with the co-operatives idea, such as Mash Direct, or is that something you are doing independently?

Adrian McGowan: No, we would market through Fresh Fields, which supply directly into supermarkets, or Mash Direct, so there is a balance of outlets locally. The pressure is on them as well to work with tiny margins. There used to be a regional maxim that in the regions you got a percentage or a few percent more. For instance, if you take grain, grain here will be worth £15 more per tonne than it will be in the east coast of England because of the cost of transporting it there. The supermarkets don't see the value of giving us slightly extra because we don't have the scale of England or Scotland, and we don't have the support the Republic would have through the Bia capital grant schemes, so that pressure is very evident. We are caught between two stools here.

Q227 Jim Shannon: In relation to the supermarkets, and you have mentioned you work through Mash Direct and Willowbrook Foods who have the larger market and can access it through that. I was of the opinion that



HOUSE OF COMMONS

that process is one that is successful, in that it gives small farmers the chance to be working alongside others to enable them to secure contracts through the likes of Willowbrook Foods and Mash Direct. That is something that has been fairly successful in our area that we live in over the last few years, and the success of those two companies would indicate that. Is that the way forward?

Adrian McGowan: Yes, added value is the way forward in any product now, isn't it? Because that is the way everyone eats. They don't have time to cook apparently. People say a lot of things. Yes, so we all have to just tie into that, but it is quite difficult on the ground to make margin on that type of project because it is just all working on tiny percentages but that is the way to do it.

Q228 **Jim Shannon:** In our area we have lots of potato growers and I was talking to some of them. The warm weather unfortunately will probably affect their yield as well in relation to what they produce. Nobody can be responsible for the weather and that is the fact of it but we have those extremes. Potato farmers, in particular, seem to have that profit and loss. That balance is so very, very tight. Is that something that the Government should be assisting more with or what do you feel about it?

Adrian McGowan: Again, I would refer back to the size of grant. They have a couple of grant schemes. They are reasonably well mechanised for irrigation, for instance. I don't believe they don't have the infrastructure for it. A grant scheme helped pay for their infrastructure and machinery. But here the margins are so close to the vine that no one has invested, so this is a year that we have been hugely exposed. It could be quite catastrophic for other people because the crops are just not growing. If there is no fat in the system it is very hard to absorb that, especially in the field crop situation.

Q229 **Jim Shannon:** Just to go back to you, Allan, with one last question in relation to yourself. In my constituency, particularly the Ards peninsula, there are large grain growers down in the lower half of the Ards peninsula, a mixture of cattle, probably dairy, and a lot of them farm cereals along with the cattle grazing. Probably the farmers are growing the grain for the purpose of feeding their cattle rather than selling it, so in the lower half of the Ards peninsula there is a lot of grain growing. Do you feel that the beef farmers and the dairy men should be working closer together?

Allan Chambers: They do work closely together. Most of my grain will be traded on farm, rolled, made ready to sell and will go to local beef and dairy farmers, so I think we are there already. There always has been co-operation there. Most of the grain that is grown in Northern Ireland is grown on farm to feed their cattle and that is fair enough.

If I have answered your question could I re-emphasise the environmental benefits? Environmental lobbyists have a huge say on farm support nowadays. I hope that you got the point that I was trying to make about



HOUSE OF COMMONS

the benefits of not losing any more of the grain producing area in Northern Ireland for environmental benefit purposes.

Q230 **Jim Shannon:** I don't see the loss of that directly around me. I see the guys that planted barley are still planting barley all my life. I cannot see much in the way of change but you might tell me differently. Across Northern Ireland of course I would not have all that knowledge but locally I probably would have.

Allan Chambers: The Department's own stats show a two-thirds decline in the arable area in the last 50 years, so the facts cannot be denied. You may not have noticed it but I can assure you that it is happening.

Jim Shannon: Thank you.

Q231 **Ian Paisley:** Gentlemen, you are very welcome. It is good to see you here again. I am sorry to hear that the Republic of Ireland is such a bad neighbour. I know that they pay lip service to the notion of being good friends and good neighbours, but the fact that they are once again screwing over one of our agricultural sectors is no real surprise to me. I have seen it done for years with the milk producers and the milk wars and all the rest of it. Even without Brexit I would say they would still be at that. It is something that I think we just have to deal with.

One of the things, Adrian, I noticed about the profile that was presented was that you have diversified in recent years into poultry production; is that right?

Adrian McGowan: Yes.

Q232 **Ian Paisley:** Has that been more of a success?

Adrian McGowan: We are just a year into it. We are up and running and getting on our feet. It is interesting dealing with that whole Moy Park organisation, how the attitudes of people within it, how good, professional everyone involved in it is, and on good form. Everyone is working towards a goal. Each producer is getting the wee turns we talk about, but you need that to maintain enthusiasm within an organisation. It is very, very professional.

Again, it is forced upon us in that the veg has got quite tight, but it is also the same as that, this intensification of farms. The only way you can make it work is to get bigger, and that is where the vegetable production is struggling from not having the scale here. Having local produce has to be good; encouraging people to eat more vegetables has to be good; encouraging children that are not eating enough vegetables. Yet it is being used like a loss meter in the system and losing its value. If it loses its value it almost loses desirability in some way. That is unfortunate but, again, keeping that diversity of crops, having mixed crops, having potatoes, having cereals. It all adds to the environment. It all adds to a balanced environment.

Q233 **Ian Paisley:** Potatoes are not subsidised by the EU. Poultry isn't



subsidised by the EU.

Adrian McGowan: But Single farm payments—

Q234 **Ian Paisley:** Single farm payment of course. That is a separate matter but that allows a farmer to generally benefit from British money paid to the EU, which then comes back to us.

In terms of what you are saying there about the opportunities and the slightly larger margins of poultry—and obviously it is very early into your poultry business—what are you really telling us is, at the heart of this, is that cereal and vegetable production in Northern Ireland is not a competitive type of farming. Is that the underlying message? It is a hard message to sell especially when you have been in it for years.

Adrian McGowan: Yes. Like in the Moy Park situation or a dairy farmer, which are marketed and processed through large organisations. Those large organisations do the negotiating with the supermarkets and the customer, so they have power over scale. The problem is with smaller, individual enterprises—potatoes, vegetables, horticulture—who don't have negotiating power.

In the last 10 years, going back to the supermarkets they have targeted fresh produce because fresh produce has a pretty soft entry. I don't know that it makes them a huge amount of money because it is quite difficult to manage compared to baked beans, for instance. They value it but they have definitely targeted the prices of it simply because they can. They are dealing with relatively small operations, but they have to be competitive.

Q235 **Ian Paisley:** If we were not discussing Brexit and, as a Committee, we were examining agri production in Northern Ireland at this time, do you think we would be hearing the exact same issues? These are issues that have affected the agri sector in terms of strategic issues and development issues. For example, next year, irrespective of Brexit, CAP is being reformed anyway, probably quite dramatically.

However, our farmers now have a guarantee that nothing will change in farming subsidy or support until after 2022. That is something that our Republic of Ireland neighbours don't have. That is something in fact that the rest of the EU does not have. We actually have a guarantee now to 2022 that you have stability for planning in terms of agri support. That may not have been expected but it is an upside of what has happened out of this Brexit negotiation.

Adrian McGowan: But farmers decide to grow on medium/long term, so yes it has to be. Confidence beyond that, I am not sure. If the budget gets tight is agriculture going to be a priority? I am not quite sure.

Q236 **Ian Paisley:** We don't know what is going to happen with CAP until 2020 for the rest of Europe. You know what is going to happen to 2022. You have an extra two and a half years.



HOUSE OF COMMONS

Allan Chambers: Could I come in here?

Ian Paisley: Yes, of course.

Allan Chambers: That is the best news I have heard today. All the discussions and all the information that I get back from the leadership team of my Ulster Farmers Union and others are not telling me that I am guaranteed.

Q237 **Ian Paisley:** I would ask you, Allan, to go and read Michael Gove's statements on this, to read the—

Allan Chambers: It will not necessarily continue post-2019. It will not necessarily continue in an area aid format. It is likely to be piloting new ideas and new schemes through and we may see a dramatic change in the way the money is distributed between 2019 and—

Q238 **Ian Paisley:** It will possibly allow the industry to be more agile, to respond to some of the needs. For example, if potato production is something that we want to mechanise and support by way of capital grants, which we cannot currently do, that may allow us to have that flexibility to say, "There is an area where we need to be sharper. Let's put the money there".

Allan Chambers: We are seeing the proposals that have been made. There certainly is some foreseeable help for the like of intensive sectors and potato production and modernising their packing and production equipment. But for my sector that I am here to represent, there is nothing in there that I will be able to get my hands on anything approaching the area payments that I get at the present time.

Q239 **Ian Paisley:** Can you give us an idea of what that looks like in terms of the support? What sort of support do you get proportionately from the EU to make your business viable?

Allan Chambers: Around €320 per hectare, roughly £100 an acre.

Q240 **Ian Paisley:** On top of the Single Farm Payment?

Allan Chambers: No, no, that is my Single Farm Payment.

Q241 **Ian Paisley:** Do you get anything on top of the Single Farm Payment?

Allan Chambers: Nothing, no, but I wish to be getting it.

Q242 **Ian Paisley:** You accept that the Single Farm Payment—there was a farm support subsidy in place before the Single Farm Payment, paid by the UK?

Allan Chambers: Yes.

Q243 **Ian Paisley:** It is unthinkable that there would not be a Single Farm Payment system, probably a British or a UK farm payment post-2022. It is unthinkable that that would happen. We are talking about a £20 billion industry. We are talking about food security for the whole of the UK. You



HOUSE OF COMMONS

guys are at the heart of that. It would be madness; it would be suicide for the Government to walk away from you.

Allan Chambers: What we are being told is that the area based part of that will be greatly reduced. That is what we are being told. We seem to be getting different information.

Q244 **Ian Paisley:** Who is telling you that message?

Allan Chambers: Mr Gove, and his advisers, his DEFRA people, the dairy people. Everybody is saying that the Single Farm Payment will either disappear or be vastly reduced and that farm support will come in different forms, genomics around cattle, capital grant schemes, all these other types of payments.

Q245 **Ian Paisley:** It will certainly not be called a Single Farm Payment. It will be for the production of food.

Allan Chambers: Absolutely.

Q246 **Ian Paisley:** What is your primary job? It is producing food.

Allan Chambers: Absolutely, and I am delighted to do it and I think I do it very well and I think I do it competitively.

Q247 **Ian Paisley:** Yes, you do indeed, for generations.

Allan Chambers: Yes. I know you don't like references to the Republic of Ireland but—

Ian Paisley: I am quite happy to hear it—

Allan Chambers: —if my counterpart in County Louth is getting the equivalent of £30 a tonne subsidy to grow grain, how can I stay in business? That is my profit level. I am producing about 1,000 tonnes of grain a year and £30 a tonne is my profit level.

Q248 **Ian Paisley:** It does go back to my earlier question. I am asking you genuinely, is cereal production a competitive business in Northern Ireland?

Allan Chambers: It can be. It can be as competitive as anywhere in the United Kingdom. We can grow excellent crops. We have done in the past. Our yields are on a par.

Q249 **Ian Paisley:** Do we not need a strategic change to the size, density and scale of farming?

Allan Chambers: An economist would say, "Forget about it. Let's import it from the Ukraine or anywhere else".

Adrian McGowan: South America or wherever. It depends if you want to keep production.

Allan Chambers: Yes. Do you want to retain a nucleus of good grain growers in the region? The food that was produced in the United Kingdom



HOUSE OF COMMONS

in 2017, if we started to eat it on 1 January 2018 we would now be in starvation. We are only producing 60% of our own food. Grain is the basis of all food production, may be with the exceptions of veg and potatoes. Chickens, pigs, cattle all rely on grain. Do we want to rely totally on imported grain in the Northern Ireland situation?

Q250 Ian Paisley: We are relying on 80% imported grain at the present time, and always will be.

Allan Chambers: Do we want to go to 100%? That is the decision that our Governments have to make. I have shown you the draft of the trend. The foreseeable future says if that straight line graph continues we will not be growing any grain in Northern Ireland in 2040. Is that what we want?

Adrian McGowan: Can I mention just on horticulture as a whole how little support it has had? It has had a little bit of Single Farm Payment support on the thin veg side, in particular on the mushrooms, orchards, the amenity side. The total value of the horticulture side is about 110 million a year. It is quite a significant and worthwhile industry. I don't know about direct support, but good marketing support to promote and develop it. It does not necessarily have to be a payment per acre payment, but good background marketing and development to me is only sensible.

Q251 Ian Paisley: That sounds to me like the technical support that is being offered and is being proposed. That is exactly what you are asking for.

Chair: It sounds to me as if we need a mixture of Single Farm Payments and the capital grant scheme that operates in the Republic.

Adrian McGowan: Yes. That is always helpful, overall development, promotion and marketing, which small individuals don't have the budget to do.

Chair: Gentlemen, colleagues, we are running short on time. An exemplar of brevity of questioning it is Kate Hoey.

Q252 Kate Hoey: Thank you. Welcome. You mentioned, Mr McGowan, about the labour shortage. That was one of your concerns. How many people do you employ at the moment that are not from Northern Ireland or from the UK or the Republic?

Adrian McGowan: We had six people. We are a relatively small operation. We had three foreign guys and three locals. Then we lost our summer workers, so we are down to three local fellows now but these are, like myself, long in the tooth, we've been here a while, in their forties and fifties but there are no young people coming through now at all.

Q253 Kate Hoey: Do you have seasonal workers coming in then just to work for picking things?



HOUSE OF COMMONS

Adrian McGowan: No, because our production is all year round, swedes, leeks for 10 months of the year so you need full-time guys and the guys coming in were Lithuanian. They were here more or less full-time. Once they started they stayed.

A lot of the employees from Eastern Europe—in Willowbrook and Mash Direct, the big employers around us—would not be seasonal. Seasonal is for strawberries, fruit picking and busy periods. While it is very useful, you need full-time people who you can depend will be trained up, because there is a lot of skill involved in it and speed of operation.

There used to be a seasonal agricultural scheme, going back to the first days when we were getting foreign guys, but by the time you got someone trained up they were going back again, six months I think it was. Once they were able to stay you could keep the same guys but they could go on holidays, go home again or come back again. They were people you could depend on and they were trained and productive.

Q254 **Kate Hoey:** But you have heard Michael Gove talking about introducing different types. Obviously there is a need for workers in all areas of work in agriculture. Do you not think that after we leave it will be quite possible that you will have a wider choice, because presumably we will not give any priority to the other 27 countries but we will allow the same rights to other countries, including all the Commonwealth countries who probably would be very interested in coming to Northern Ireland?

Adrian McGowan: Yes. I am quite sure of that. I don't think anyone has any particular prejudices about where they come from, as long as we can have good people.

Q255 **Kate Hoey:** The schools here finish so early. As we know, it is so much different from England. Of course the reason originally was that we would go and work on the farms, and I did when I was young. Why is it now you cannot get people to come and work from Northern Ireland in farming? Is it because you are not paying enough? You mentioned the Living Wage earlier being a problem.

Adrian McGowan: It is now £8.50, going up to £9, so it is not an insignificant wage. They are too busy. I have children too. It has totally changed from our day growing up. We were short of cash, so going out to work on a farm picking potatoes was just money to spend. Cash is not so short in family homes. Going back 25 years, the amount of money spent on food, the total household expenditure was 15% to 20%. It is now, is it, 8%? There is more disposable income. They don't need the cash and they are busy on their iPhones and—

Q256 **Kate Hoey:** People are too well off really?

Adrian McGowan: They are too well off. There is progress but that is the change and there are other things to do and working picking potatoes isn't—



HOUSE OF COMMONS

Q257 **Kate Hoey:** One final question because we are very short of time. Each of you, can you give me one positive thing that you might be thinking of that, when we have left the European Union, will mean X, Y, Z? Is there anything positive that either of you have to say about leaving? I presume you both voted to remain?

Allan Chambers: Yes. Currently, Northern Ireland farming a third of the agriculture land is let out under the conacre system. This is an antiquated system that does not work. Possibly, post-Brexit there is a massive chance to change this and put an incentive into landlords, tax-wise, to let their land out under long-term leases.

Kate Hoey: Thanks. That is very helpful.

Allan Chambers: I believe that this is something that your Northern Ireland Select Committee could take by the scruff of the neck and go to the Treasury.

Just briefly, why the conacre system doesn't work, why would you spend capital and land needs to be looked after? It needs to be improved, continuously drained, fertilised, whatever. Why would you do this on land that you only have a guarantee to secure the use of for less than 12 months? Nobody does it.

Q258 **Kate Hoey:** It is very good that you have raised that because it is an area that we were interested in.

Allan Chambers: I did send you through something James got from me about how it works. Mr Paisley, sorry to mention the Republic of Ireland again but they do have a very sensible incentivisation—

Q259 **Kate Hoey:** Yes. Mr McGowan, do you have anything?

Adrian McGowan: Very easy. I would say a lot of farmers in Northern Ireland voted to leave because they wanted rid of the bureaucracy, so apparently we are going to have no paperwork to do.

Kate Hoey: That is very helpful.

Q260 **John Grogan:** Just very briefly, a personal question. I am fascinated by your own circumstances. Am I right in saying, Mr McGowan, you are going to continue with another generation, your daughter? Mr Chambers, you said you were semi-retired. Is it going to carry on beyond you in the family?

Adrian McGowan: Yes. My daughter tells me so, yes. I always said the love of farming is either in you or it is not. If it is in you, you cannot take it out. If it is not in you, you cannot put it in. She has a desire to get involved in some part of the farm.

Allan Chambers: We have no family of our own. We have a wider family of adopted children and foster children, but none of them are going to continue in the business but I have brought a nephew in on a share farming basis. He is a very capable, top-notch young farmer and all I will



HOUSE OF COMMONS

say is that we all know what my succession plans are. Therefore, my land will continue to be farmed the way I like it being farmed. I am confident about that.

Q261 John Grogan: That is good to hear. Following Mr Paisley's questions in a way, you have talked—particularly Mr Chambers—about the long-term decline in your sector. If nothing changes, if the Common Agricultural Policy had just continued as it would, presumably that decline would have continued, wouldn't it?

Allan Chambers: If there had been no change in the Common Agricultural Policy?

John Grogan: Yes.

Allan Chambers: Yes, I do believe it would.

Q262 John Grogan: I am a Remainer but, looking at it the other way, as Mr Paisley suggests, isn't there an opportunity now for Northern Ireland to get hold of this £300 million and to adjust it?

Allan Chambers: You are saying exactly what I am proposing. We have an environmental lobby and we must take them into account are extremely pro-retention of arable farming in Northern Ireland—

John Grogan: For environmental reasons as well.

Allan Chambers: —because of the benefits they bring to bird life.

Q263 John Grogan: I can see that. Obviously in Yorkshire, where I am from, is very different from farming. It is frustrating in a way. Why should I be here? Isn't it really essential that you get the Northern Ireland Assembly and Executive back as soon as you can, for these sorts of decisions? There is no time to waste, is there, as you say?

Allan Chambers: None whatsoever. But we elect them and, therefore, we should tell them to call another election or dismiss all the local MLAs and go again and try to find somebody who can sit down and work together. It is not beyond the powers of possibility to do that.

Q264 John Grogan: I hear what you say. Just one final question, given the time: on the markets for the future, I have listened carefully to the evidence so far but, in the two sectors you represent, where do exports go at the moment and are there opportunities to adjust that and find new markets and so on in the future?

Adrian McGowan: Horticulture: like mushrooms, is a great export to mainland UK. That is a big market. It is intensive product and controlled environment, so you can step it up. The other, like fruit, tends to be locally produced for the local market, 1.8 million, so it tends to be small. We don't have the land to be producing enough for export, so it tends to be local import substitution rather than—

John Grogan: Export?



Adrian McGowan: Yes.

Allan Chambers: Just to say that my sector and the grain production sector, when we are importing 80% to 85% of our requirements, we do not need to look for other markets. We would like to have added value markets in there, multi barley, milling wheat, protein crops, something like that and we are working on those at the present time.

Chair: Gentlemen, thank you very much indeed. We could probably spend the rest of the morning probing you on all of these issues, but time is short, I very much regret to say. What you have told us is extraordinarily valuable. Thank you very much indeed for being with us this morning.

Examination of witnesses

Witnesses: William Irvine, Thomas Douglas, Malcolm Keys and Peter Gallagher.

Q265 **Chair:** Gentlemen, good morning. Thank you for being with us today. I have spotted you in the audience, so you have been warmed up by our previous session and probably have an idea of the kinds of areas we are particularly interested in.

We are always short of time in these Committees, and particularly so today. What I would ask you very, very briefly if you would, is to give us a short snapshot of where you are coming from in this debate, what your hopes and fears are for your sector after we leave the European Union. Mr Keys, would you like to start?

Malcolm Keys: Okay. I am based in County Tyrone and we have a dairy cow enterprise, a beef enterprise but our main enterprise is pig production. That is why I am here today. We are the second biggest producer in Northern Ireland. What we would like to see soon is clarity of what Brexit is going to mean because, as pig producers, our main market is the UK market, the UK retailer in mainland UK, which is the premier market for us and it must be protected after Brexit.

That is why we would need to see clarity to make sure that in Northern Ireland we see there is no watering down of what we have because of our Red Tractor assurance scheme. We cannot be like a second class British because we are dependent on that. As I say the Red Tractor assurance scheme is what we have here, and this is the standard recognised by the UK retailer. We have to protect that at all costs. It is the exact same scheme that is operated in the UK, so we are producing a very high quality welfare product for the consumer in that market.

It is very important that we are not separated from the UK for that point. As I say, if that ever happened, it would leave us with a diluted Red Tractor scheme, which would be disastrous for Northern Ireland farmers and for the processing sector. It would be a disaster for them. They are



HOUSE OF COMMONS

geared to provide product to the UK retailer. That is a big market for us at this time.

The other thing I suppose that takes priority after Brexit is the issue of carcass balance within the pig meat trade. We need to continue to have access to the Asian markets, for example, China at the minute for the fifth quarter. Many of these countries are growing economies and we could further develop market share in these countries.

Q266 **Chair:** What we will do is come on to your colleagues and then we will come back, if that is all right, Mr Douglas.

Thomas Douglas: Hello, I am Thomas Douglas and I am a poultry breeder/producer for the Moy Park Group. I am based in Dungannon. The poultry farmers there their big worry is a number of things: north-south trade, UK trade, European and international trade and labour, and that is the major things that we would be looking at.

Q267 **Chair:** Excellent. Thank you very much indeed. We will come back to each of those very shortly. Mr Gallagher?

Peter Gallagher: I am Peter Gallagher and I live in Fermanagh. I work and farm in Fermanagh also and would be located about seven or eight miles from the border. I have a business on the border, half a mile from the border. We would be very reliant on cross-border trade and would be very concerned about any barriers to free movement of animals' trade or anything of that nature.

Q268 **Chair:** Sure. Mr Irvine?

William Irvine: My name is William Irvine, a dairy farmer. I farm in partnership with my wife and son in County Armagh. We are milking 140 pedigree hosting cows and supplying our milk to Lakeland Dairies, which is a southern based co-op but it has production facilities on both sides of the border. My milk is processed in Kildallan, County Cavan.

Q269 **Chair:** Can I start with a question on competitive advantage or disadvantage in respect of the Republic of Ireland, where a capital grants scheme has operated for some time now and has resulted in agriculture in the Republic of Ireland being, in many respects, more technically advanced than is the case in Northern Ireland? To what extent do you think Government thinking at the moment is geared towards the need to improve that relative position, and what more do you think should be done after 29 March next year? Mr Irvine?

William Irvine: There is a grant scheme currently available in Northern Ireland, but the hard fact of the matter is our own Department is struggling to deliver it. The southern Ireland situation they seem to be more farmer-friendly in how they support their farmers and encourage them to grow and develop.



HOUSE OF COMMONS

Many people have said to me, "The grants there are that complicated we are not going for it". That is all within our own Department itself tying itself up in knots and failing to deliver the European money.

Q270 **Chair:** It is not so much the sums involved, it is the mechanics of spending the money or disbursing the money.

William Irvine: That is the current situation.

Q271 **Chair:** Either way, it has resulted in a competitive disadvantage—as we have heard in the earlier session—for farmers generically I suppose, but I suspect it is sector-specific in relation to southern Ireland. That would be accurate, wouldn't it? Mr Keys?

Malcolm Keys: On that point, the Farm Business Improvement Scheme, which you are probably referring to, I don't think anybody has their application approved to go ahead because it is crazy. It is all to do with ammonia emissions. The big problem is that it is the interpretation of the rules. It is the exact same rules here as in the rest of the UK, England, Scotland and Wales, but the Government here are interpreting it differently. Farmers in England, Scotland and Wales can go ahead and build and get planning permission for new buildings, whereas we cannot.

It is the same rules but they differ in how they interpret it. If I go to build a new pig unit in the morning—I was just talking to the guy I would use, and he says, "I can't tell you what you need to do because they are not telling me what you need to do. If they come out and tell us we need air scrubbers. We need some sort of nitrate strippers for the slurry, I could tell you we could go and pursue that but they won't tell us that. They are totally inconsistent in what they are telling people".

There is an example of a man had 115 cows for 20 years. He wanted to expand, expand through the business increasing the scheme to 150 cows. They came out and they assessed his ammonia levels and they told him, "I am sorry, you are too high and you have to cut back to 100 cows". There is another example of a man who wanted to keep his cow numbers the same but to improve his milking parlour to work more efficiently. He was told he was not able to do that. He could use the parlour he had but he could not spend the money and be more efficient. It is just crazy the way—

Q272 **Chair:** That is a remarkable thing because you mention Scotland, England and Wales. That would also apply to the Republic of Ireland, which at the moment is bound by the same rules and looking forward, if the White Paper is to be believed, we will all come within scope of the common rule book, so nothing much will change, will it? But DAERA will endure and presumably the attitude taken by officials in respect of interpreting the rules will remain the same.

Malcolm Keys: Yes, my consultant can work in Scotland and Wales and he is getting work done there and he cannot do anything in Northern Ireland.



Q273 **Chair:** That is very interesting. That is very telling.

Peter Gallagher: We seem to take on legislation regardless of where it is coming from and gold plate it to a much higher standard, which leaves it unworkable on the ground.

Q274 **Chair:** That is alarming and comforting in equal measure, depending upon your perspective. Mr Douglas?

Thomas Douglas: As Malcolm says, planning permission is very hard to get here. In actual fact, there over 100 farms and businesses with planning applications in, some of them up to two years, and they are no further forward now today than they were when they applied for planning permission 18 months ago. That is the crazy thing in Northern Ireland. We are being held to ransom, if you want to put it, by officials holding up planning.

Chair: I feel sure this is grist to Ian Paisley's mill.

Q275 **Ian Paisley:** Gentlemen, thank you for this evidence. It is about time people got the wakeup call that, if our administrators were more agile and more farmer-friendly—I think, William, as you put it—we would be top of the game. Everything is there. The resource is there. Over the next three years money into agriculture is going to double from 39 million to 79 million, I think, the figures we have into the Department. Yet we have this bureaucracy and this problem preventing you being able to be agile and competitive.

I have a couple of questions for each of you. Malcolm, first of all, could you give the Committee a quick insight into how successful pig production has been, say, over the last four or five years, and what are the prospects for pig production? Because 10 years ago we were having a discussion about pig production and we were talking to bankrupt farmers I think, but now it is a very different story.

Malcolm Keys: Pig production has done well in Northern Ireland recently. Northern Ireland has mainly family farms, which have a very good work ethic and are very efficient. There are great opportunities for Northern Ireland to make up the shortfall in UK numbers at the present. Factories have the capacity to slaughter more pigs. They are looking more at Red Tractor assured pigs. The factories are wanting to grow, so yes there is a big opportunity there.

The way we operate, if breeding sow production was to increase in Northern Ireland it would also help sustain the rural economy because a lot of those pigs would be fattened off site. There would be contract finishers used to finish the pigs but it would also help to sustain smaller beef and sheep farms that had to supplement their income.

Q276 **Ian Paisley:** Pig meat is high protein, so obviously people see a high value in it. I am right to say that our largest market for your pig production is the UK market, is the GB market. The largest market for the southern Irish pig producer would also be the UK market. Would I be



HOUSE OF COMMONS

right in that?

Malcolm Keys: Yes, but at less of a premium.

Q277 **Ian Paisley:** Yes, they would do the cheaper cut of—

Malcolm Keys: Yes, so less of a premium for it.¹

Q278 **Ian Paisley:** Post-Brexit that gives you the whip hand if this is handled correctly. If the Government manage the border issue and make sure that you, as the internal UK market, are front of the queue, to coin a phrase, you have the whip hand in this market. Isn't that right? Isn't that why pig production is increasing in Northern Ireland?

Malcolm Keys: Yes, absolutely. There are serious opportunities there.

Q279 **Ian Paisley:** It is absolutely essential that Theresa May and the Government understand that protecting that internal UK market for you is crucial.

Malcolm Keys: Absolutely. It is key. If it is not protected—

Q280 **Ian Paisley:** Am I right to say pig production grew about 12% last year?

Malcolm Keys: Yes, that is correct. Yes.

Q281 **Ian Paisley:** It could grow another 12% if we get that market right.

Malcolm Keys: Absolutely, yes.

Q282 **Ian Paisley:** That is very significant. It is something that, as a Committee, we need to get our heads around how important it is for production. If you are successful, grain then is successful. Infrastructure development, because you need a lot of infrastructure to make it successful. Yes.

Thomas, something similar for poultry: you have mentioned the issue in terms of planning permission, which is one side of it and, again, is a bureaucracy thing. These things should be fast-tracked if this is about developing our most successful industry. Let us fast-track it. We need something like that. Again, your largest market: where is that?

Thomas Douglas: Our largest market is the UK market. This is part of our problem. The UK consumer likes white meat, so the likes of Moy Park or all poultry companies in the UK still need access to China, Eastern Europe and Africa for the dark meat. In fact, the chicken's feet go to Hong Kong.

Q283 **Ian Paisley:** Then they go through what is called the grey channel into mainland China. Is that right?

¹ Mr Keys later clarified to the Committee: "The reason that Republic of Ireland farmers receive less of a premium for their produce is that it is not produced under the Red Tractor assurance scheme."



HOUSE OF COMMONS

Thomas Douglas: Yes. We also need, depending on how the north-south border works, something in the area of broiler-breeders and free-range broilers, because our litter goes to an AD plant in the south. Now, how that will work after Brexit nobody knows, so that is very important.

The biggest thing—I think all of us would agree—is we need to know what is going to happen in Brexit. Let us know what: good, bad or indifferent. Let us know so that we can organise Northern Ireland agriculture to deal with it.

Q284 **Ian Paisley:** The internal market in that scenario should not be a problem. There are no border dynamics, correct?

Thomas Douglas: Yes.

Q285 **Ian Paisley:** What you are really saying to me—and I am picking up—is you want to know what the outside trade arrangements are going to be. Are we going to get more opportunities with Asia? Are we going to get more opportunities with Taiwan? Are we going to get those?

Thomas Douglas: At the present minute, on hatching eggs, grandparent eggs, the biggest customer for grandparent eggs coming out of Northern Ireland is actually Turkey. At certain times of the year, I am on parent stock. We would be putting eggs into the likes of Saudi Arabia because they would be going into companies that do not celebrate Christmas. They have a three-week window in October where there is a surplus of hatching eggs because of Christmas, and we need access to non-Christmas countries to take that product for three weeks.

Q286 **Ian Paisley:** If we get that balance right, it would be Christmas for us every day. Is that right?

Thomas Douglas: Correct.

Q287 **Ian Paisley:** Absolutely. Peter, you are unique here because you are one of the youngest farmers I think our Committee has probably ever spoken to. You are still in your 30s.

Peter Gallagher: I will take it as a compliment.

Q288 **Ian Paisley:** No, it is a compliment. One of the things we have always heard—when I was Chairman of the Agriculture Committee—is about new-generation farming. Stand up, take a bow. You are the living embodiment of new-generation farming, which is great to see, and it obviously shows that there is a future in this. You farm right on the border. The thing that always bothers me about the border is: how come the south of Ireland has cured TB? All the badgers in the south of Ireland know not to come north. They recognise the hard border, but our badgers do not. What is the secret?

Peter Gallagher: The TB controls. That is a mystery. There are more intelligent people than me who have spent a lot of hours trying to sort that one out. It is a problem. It seems to be a problem throughout



HOUSE OF COMMONS

wildlife. The solution: I do not know how they have managed to control it better in the south than we have.

Q289 **Ian Paisley:** Are they turning a blind eye to it?

Peter Gallagher: I do not honestly know. I do not honestly know.

Q290 **Ian Paisley:** William—if I can quote you the way you would probably say it if you were not in this room with your suit on—the civil service needs to get its finger out. Is that right?

William Irvine: There is room for improvement, so there is. On the TB thing, if it is okay, I will comment on that.

Q291 **Ian Paisley:** Yes, that will affect you. Yes.

William Irvine: In my opinion, the reason southern Ireland is ahead of the game compared to us, in hotspot areas where there are numerous breakdowns, they are light enough on their feet to go in and remove diseased badgers. Once you—

Q292 **Ian Paisley:** Shoot them?

William Irvine: Trap them. It is humanely done under supervision. It is not a free-for-all. The TB test is not an accurate test in cattle, but right around the world it has delivered results everywhere that it has dealt with the wildlife. We can remove cattle off our farms. It causes a huge amount of pain, grief and cost, but if you put them straight back out to wildlife that are still diseased, you are only going around in circles.

Q293 **Ian Paisley:** You mentioned Lakeland, a fantastic business. It is an all-Ireland business on both sides of the border. Did I pick up something recently that it has expanded its operations in Northern Ireland to try to make sure that it is able to take advantage of whatever Brexit brings?

William Irvine: In recent years, it has bought over what was the Fane Valley milk business. It was a small, 250-million-litres-per-year business. Just recently then, LacPatrick, another cross-border co-operative, with I think 600 million litres, it bought in the north of Ireland, and there has been a merger come there, too. It gives Lakeland a processing plant, Newtownards, doing a lot of UHT and added-value products like that. With this latest merger with LacPatrick, it also has a state-of-the-art dryer now at Strabane and Artigarvan.

Q294 **Ian Paisley:** That is really taking the game to other co-ops like Dale Farm and others, that there is going to be good competition here and that.

William Irvine: Hopefully. I am slightly nervous that it removes a player from the market. In Northern Ireland dairy now you have Dale Farm and Lakeland, who are the two big players. Glanbia Cheese is significant but smaller-scale than—

Q295 **Ian Paisley:** Can I say as a North Antrim man that Dale Farm is very,



HOUSE OF COMMONS

very good? I am going to put that on the record.

William Irvine: Dale Farm in recent years has changed its production away from bigger commodities and that and has majored in cheese production. Probably, in a difficult Brexit situation, it is the most secure because mainland UK can consume all its cheese.

Q296 **Ian Paisley:** There are opportunities there.

William Irvine: There are, yes.

Q297 **Ian Paisley:** Again, the sensible thing for you is: anything that damages your links and your trade with GB is a nightmare.

William Irvine: Yes.

Ian Paisley: Thank you.

Q298 **Kate Hoey:** William, you said that you represent the UK unions on the EU civil dialogue group. What is that, and are you going to miss it?

William Irvine: The civil dialogue group is industry representatives from all over Europe and from all ends of the dairy sector, from farmers like myself, processors, and even environmentalists, to Friends of the Earth type people, and we are all in a room, and all the European dairy issues are discussed and everybody has their chance to voice their opinion on it.

Q299 **Kate Hoey:** Is it just on the dairy issues?

William Irvine: Yes.

Q300 **Kate Hoey:** Are you going to miss it?

William Irvine: No.

Q301 **Kate Hoey:** At least you have something positive.

William Irvine: They are very good at talking in Europe, but it is hard to get actual conclusions.

Q302 **Kate Hoey:** Listen, I just want to talk a little bit about the north-south trade because that is the problem that everyone has been going on about and the border and so on. Realistically, all of you I think send products over and back, and the border is not an issue at the moment, is it? You send a lot of your milk and so on. Why? Why will there be a problem, if you do not want it to be a problem and the people you are selling it to do not want it to be a problem?

Peter Gallagher: The problem is we do not know whether there is going to be a problem or not, and that is the concern. It is the uncertainty around that.

Q303 **Kate Hoey:** Have you looked at some of the technological ways in which, because you are someone going back and forward, a trusted trader, people would know there is no problem, just like we can tell who is coming over the border at the moment?



HOUSE OF COMMONS

William Irvine: Almost 30% of Northern Ireland milk is processed in southern Ireland. Probably the issue is actually with the EU, if the border becomes hard. It depends what hoops we have to jump through to get our product down there.

Q304 **Kate Hoey:** Obviously you do not want a hard border, a border that is going to slow it up.

William Irvine: The other issue ongoing from that for dairy is that the dairy powders and that are exported all around the world, and all of those exports are under EU trade agreements. On day one of Brexit, we would like a bit of clarity on how that is all going to work.

Q305 **Kate Hoey:** The people that you work with in the Republic of Ireland obviously feel similar to you, that they do not want any of this to end with things being slowed down or tariffs and so on. Is that right?

Thomas Douglas: That is correct, and it is not just tariffs. It is environmental legislation. In the poultry industry, as I said earlier, a lot of the litter goes south to Donegal. A lot of the hatchery waste goes to Dublin. Then it all depends on the legal reading of the environmental licensing for those products to move. If the litter cannot go south or the hatchery waste cannot go south, there is nowhere for it to go, so the whole poultry industry just grinds to a standstill.

Q306 **Kate Hoey:** The only way this would need change is if the European Union decides that it does not want to work with us and sees the Republic of Ireland and Northern Ireland as a special—

Thomas Douglas: That is correct, and that is the clarification that everybody in agriculture wants. The poultry industry and probably the pig industry are looking for the same clarification as quickly as possible so we know what we are doing.

Q307 **Kate Hoey:** If you were a politician in the Republic of Ireland or indeed a politician in the UK, you would be seeing that as something that could be sorted or should be sorted.

Thomas Douglas: If you were a politician in the south, you would not really want it to be sorted because you would increase the poultry production in the south. At the end of the day, Moy Park puts a lot of poultry products into the south, so they can defend their poultry industry, grow their poultry industry, and they could cripple the Northern Ireland poultry industry with the stroke of a pen. We are in a real Catch-22 situation. That is where we need clarification.

Q308 **Kate Hoey:** When you say clarification, do you think certain people in the UK Government are being too nice to the Republic?

Thomas Douglas: I think certain people in the UK are being too nice to Europe as a whole. Europe is playing a game. Let us be quite honest. Europe is playing a political game using the Northern Ireland border as the football, and it is using the Republic of Ireland as one team and the



HOUSE OF COMMONS

UK as the other team, to put it in a football perspective, and letting them take the ball back and forwards. That is certainly Europe at the minute on the European negotiators. It is time that people in the UK Parliament tell the European negotiators, "Wait up here". They are putting the fear and the uncertainty into Northern Ireland because they are using it, as I say, as a football.

Q309 **Kate Hoey:** If it were left to you all and the people you work with in the Republic of Ireland, in terms of the actual farmers, this could be worked out easily? Goodwill.

Thomas Douglas: It could be worked out. Trade and everything would keep going. As I say, it is just being used as an argument in the negotiations.

Q310 **Kate Hoey:** It is being used by some people who have never been to Northern Ireland or cared much about it over the years.

Thomas Douglas: Correct.

Q311 **Kate Hoey:** Can I just finally ask you all again, because understandably the media picks up on the negatives of everything to do with Brexit. Maybe not understandably, but it does. Do each of you have something that you are thinking, "This is uncertain and we are still very worried, but when we leave, this will definitely happen and we will feel that something is really positive"?

William Irvine: From the dairy point of view, the big opportunities for export are all outside the EU, so it could possibly free us up to go further into the China markets and the rest of the world markets.

Q312 **Kate Hoey:** Peter, you are the only one with not your photograph here.

Peter Gallagher: Probably from a beef and sheep point of view, again, something similar along the lines of William here, but at the same time I would like to emphasise that while we need to protect the UK market, we cannot afford to lose the European or southern Ireland market. That would be detrimental to us here in Northern Ireland.

Thomas Douglas: The UK market is the main market for the Northern Ireland poultry, whether it is broiler production or commercial egg production. The one thing that would scare us, and it actually could be an advantage, is if we left the EU and there were no tariffs on grain imports. When you think back to pre-EU Northern Ireland, that is where the pig and poultry industry grew in Northern Ireland, because we had access to North American grain. We were the first port on the European side for grain ships to come to, and if we could get back to that—at the end of the day grain and feed prices are our biggest costs, both in eggs and poultry.

Malcolm Keys: I think there are wonderful opportunities for Northern Ireland here, provided that, as you say, the UK market remains our main market, but we also need to explore other markets throughout the world. Our cull sows are ending up in the EU, mostly all going to Germany, but



HOUSE OF COMMONS

we need to explore the Asian market as well for the fifth quarter products, so it is important we have access to those markets.

Going back to the border issue, I run a haulage business as well, and if there is a hard border, we cannot afford lorries stopping at the border for even 15 or 20 minutes to half an hour because we are so much under pressure with the Working Time Directive. All that is going to do is add more cost to the job.

Q313 Kate Hoey: I think to most people looking at it factually from outside and seeing that you are sending stuff back and forwards, 15 miles or 20 miles or even 50 miles, every day, that is not possible to just simply have a system where it is automatic that you would be going through because you are a trusted trader.

Malcolm Keys: Do you think it is possible?

Kate Hoey: Yes, I think it is possible if there is goodwill. People do not want to look at that because they want to have a—

Q314 Ian Paisley: We took evidence from the Swiss. There are over 1 billion movements of trade a year without stops. I wish our market were 1 billion movements a year.

Malcolm Keys: There is enough paperwork going on via the paper trail already. What more do you need?

Ian Paisley: Exactly, as you are driving off the edge.

Q315 Jim Shannon: Thank you, gentlemen. It is good to see you. Thanks for your comments so far. I am quite keen and encouraged by what you have said now about the pig sector, probably at its strongest for many, many years, and, as Ian said, probably another 12% growth in the market at home. Do you see potential for a market outside of that whenever we leave the EU?

Malcolm Keys: I still think our main market is going to remain in the UK, but you never know what happens in the future, absolutely. You never know when markets change. I still see our main market remaining the UK retailer.

Q316 Jim Shannon: In the past, the niche pork market was always very strong, and the UK mainland and the UK as a whole seemed to receive a lot of the product from Denmark and from Holland as well. Has that diminished? If so, why?

Malcolm Keys: It has, because the UK retailer has decided to sell UK produce because it is produced to a higher standard of production, a higher welfare standard than everything else. That is what it has decided. It seems to sit well with the consumer. The consumer wants to buy, they want to support British. That seems to be the message at the minute.

Q317 Jim Shannon: I see you have been quite confident about leaving the EU, then, how the business is at this moment in time and how it could



potentially go as well.

Malcolm Keys: Absolutely. There is good potential, yes.

Q318 **Jim Shannon:** Thomas, the poultry sector: I am very encouraged also by what you have said so far. That has been very positive. Do you have any fear of the white meat probably coming from the States, when we have a different method of doing it, different method of producing it? I have to say this now. I would travel to the States probably at least every year for a holiday purpose, and particularly for the chicken. I have to say this. Is there that big a difference?

Thomas Douglas: On welfare grounds there is a difference in their farming production. Their disease control is different. When the chicken goes into the factories, because their disease control on the whole is not as good on the farms as it is here in the UK, they then cover that up by chlorinating the chicken. The fear is that if we exit Europe, as we are going to do, the UK Government stands by their word that they will maintain the welfare on the products that are here. If, to keep costs down or the costs of living down, they let in the North American chicken, that is a different ball game.

Q319 **Ian Paisley:** Did you not put your finger on where the trade opportunity is with them? The trade opportunity is with grain, something we are short on. The opportunity the other way—we could not make enough chicken to sell to America, so that is not a threat to them.

Thomas Douglas: Yes. The threat is if the UK lets American chicken in. The big driver behind any Government, whether Conservative or Labour, is the cost of living to the consumer. If, after Brexit, the cost of living is going up, the Government, no matter which Government they are, will look at ways to reduce the cost of living. If that is importing cheaper chicken from America that is chlorinated, that is what they will do to keep the consumer happy.

Q320 **Jim Shannon:** It is not like for like.

Thomas Douglas: It is not like for like. No, it is not like for like. That is the thing.

Q321 **Jim Shannon:** You are absolutely right, it is not like for like, but it is possible, I would have thought, after we leave the EU, to have a product that is within the process but is separate in how it is managed. From your own product, which is of a very high quality and at a high level—

Thomas Douglas: How do you do that? If you remember back to mad cow disease, mad cow disease came in, and that is when the supermarkets really took control. They have their own-label products. If you are a housewife in Birmingham, Manchester, wherever, and there are two products, whether it is pork or chicken, on the shelf, and one of them is in, dare I say, a Tesco's own name and one is high-end value, that lady—and it is no fault of hers, she has her 2.2 children, she has her limited spend on shopping—will take the cheaper product. It does not



HOUSE OF COMMONS

matter whether it is higher value, lower value. It is cost to her because she has her family to feed on a certain budget.

Malcolm Keys: A lot of times they do not understand the labelling anyway. They do not understand.

- Q322 **Ian Paisley:** The key thing for us, big style, is to make sure that the consumer is educated about quality, about taste, about where it comes from, the traceability. People should know if they are buying 10 burgers for a fiver, they are buying rubbish. That is where we have to get the market to. I appreciate the point you are making, Thomas, but that is a harsh thing to say. Food is a luxury and it will be charged.

Thomas Douglas: It is a very hard thing to prove because for the average consumer it does not matter whether it is a Moy Park chicken, a Malcolm Keys pig, a Joe Bloggs chicken. It is a Tesco chicken. It is in a Tesco bag. It is a Tesco chicken. Tesco is delivering the standards, and that is what the housewife trusts: it is Tesco.

- Q323 **Jim Shannon:** You have field to fork and therefore you know what the product is when it comes through. Yes, maybe they do not look at the label in the way that they should and there is an education process, but I suspect that more people are. I would have thought there would be nothing to fear from whatever product may come from elsewhere in the world because our product is so good that people will still want to consume it.

Malcolm Keys: I think it is a dangerous lane to go down because really the consumers do not understand the labelling.

Thomas Douglas: No, they do not understand the labelling, and as far as they are concerned—

- Q324 **Jim Shannon:** They do trust the supermarket. That is what the public trust.

Malcolm Keys: I think that is the point I made. They do trust the supermarket.

Peter Gallagher: My concern with that line of operation would be we are effectively turning our prime produce into a niche product. Therefore, we need to create a niche market product for something that we want to mass-produce, and that will not work together.

- Q325 **Jim Shannon:** The other end of that is: why are Lidl and Iceland and all doing well? Why are they capturing more of the market? Probably people will say that is because of their price, and that goes back to probably the point that you made, Thomas. The likes of Asda, Tesco, Morrisons and all the other ones—Sainsbury's and Marks and Sparks—are still large and holding their market. I think if you put in a good product and market and promote it well, they can hold that.

I would like to ask you a question, if I could, to you, Peter, and also to



HOUSE OF COMMONS

William. William, we have had long discussions and we understand that Lakeland Dairies in my constituency is one of the largest agri-food employers. If ever you wanted an example of how a milk product crosses the border on three occasions to end on the final article that we have, and then it is sold on all around the world, not just to the UK mainland but indeed further afield. You mentioned about the Chinese market. We are all well aware of that one. We are in discussions with the Department in relation to a question I put down to the Minister the week before last in relation to trying to open that market in China or at least Asia in a better way.

At this moment in time, the product—milk powder—and the finished product goes back to Newtonards to be finished off and then sold across the world and is very successful. What sort of a border would you wish to see in relation to where we are now, and where we will be post-Brexit?

William Irvine: At the minute, the goods travel freely back and forward across. Post-Brexit, however it is done, by technology or whatever other way, that needs to remain the case.

Q326 **Jim Shannon:** Administratively is where you see the process?

William Irvine: I think the key phrase earlier on was goodwill on both sides.

Q327 **Jim Shannon:** Going back to Thomas's comments and in response to Ian's questioning, it would be clear that there are some in the public environment who in that sector would be perhaps not unduly worried if there is a hard border. For Lakeland Dairies, which has factories in the north and the south, and the product traverses the border, at least to the Newtownards factory in my constituency just down the road three times, it is very important that we have a soft border.

William Irvine: No, it is essential. It is essential. The thing about dairy and indeed all the sectors apart from sheep: the UK as a whole is a net importer. Pigs I think is 40% self-sufficient. Dairy is 60%-odd self-sufficient. It is only sheep that we are a net exporter of.

If the thing can be made to work, it will actually work for Europe, too. It takes that goodwill and the will to make it happen.

Q328 **Jim Shannon:** Peter, the issue of lamb and sheep and the fact that it crosses the border, and most of the sales, I understand, from Northern Ireland for lamb go towards the Republic and vice versa. How do you see the border? I watched the article that happened to be on Countryfile on a Sunday night on the seven wonders of Wales, and one of those wonders was its lamb trade, and it has made it a niche, which goes back to the point you made earlier on. Is there something more that we can do after Brexit that can make our lamb even more attractive and try to build upon it?

Peter Gallagher: Our lamb would be a very high quality product and there probably is room to get into niche markets, but the problem with



HOUSE OF COMMONS

niche markets is you are asking the consumer for a premium, and that premium is not available in a lot of cases. You end up competing on the world market with a niche premium product, and you are into problems then with getting a return on it.

My other concern would be that 45% of all those small cattle and sheep farmers would be in the SDA region, and I would have a major concern that we have a drive here in Northern Ireland for an increase in production regardless of cost. That does not work in the SDA region. We have 9,200 small farms in the SDA, all of which employ about 17,000 people. I would feel that they are largely being overlooked in the terms of the production capacity and ability. The production that they are carrying out at the present time, while it may not seem significant, is very sustainable. It is environmentally friendly. There are a lot of merits that need to be protected here and kept together. Those 17,000 people are producing that work ethic that Malcolm talked about earlier. They are the ones that have been growing up on these farms and coming out and going on to do other things, maybe managing units for the likes of these men. If we lose that entire network of people by this drive to increase farm size, we are losing a very valuable asset for the Northern Ireland wider economy.

Also, on the environmental tourism side of things, they are all very small holdings, but it means we effectively have 17,000 environmental managers there looking after the more disadvantaged areas of Northern Ireland and keeping them in a condition where it is of use to tourism. Barren, overgrown land is of very little tourism value. Conifer forestry also has major problems.

I would be afraid that post-Brexit and without some of the protection that Europe currently gives to those regions, we will see a massive shift in concentration of all production and everything into isolated pockets of Northern Ireland, with 60% of the land mass more or less forgotten about and abandoned. That is where I think we need to be careful in how we develop our policy. Maybe, like Malcolm said, get some of these units away from that area and let them support the smaller beef and sheep farms.

Q329 Jim Shannon: The environmental schemes, then, Peter, that are subsidised and EU grant-aided are tremendous schemes. I am aware of some of them, and I am aware of the direct benefits that they have for the land but also for the person who manages it. It is critical, then, that we have some sort of a system that continues that process after Brexit.

Peter Gallagher: It certainly is. We had a Going for Growth Strategy there that suggested that we had to lose a lot of farms. Again, without any real detail being provided, I would fear that those small farms were coming out of the SDA.

Jim Shannon: The problem for us in Northern Ireland, of course, is that we are, by our very natures, a nation of small farmers. I know there are



HOUSE OF COMMONS

many that have grown over the last bit of time, probably in the dairy sector more than anything else, but you are right. I think that is important.

Q330 **John Grogan:** You have touched on it, but could you say a little bit more about labour and how the changes we are going to undertake as regards the EU will affect labour?

Thomas Douglas: Labour in the intensive sector is very important, and the access to outside-UK labour, wherever it comes from after Brexit. You would have foreign labour on farms. The hauler-transporters that move my birds, 90% of them are foreign labour. The factories, the hatcheries, the whole processing end in Northern Ireland relies to a very big extent on foreign labour. If we did not have access to foreign labour, wherever it is from, then again there would be a complete snarl-up because the processing plants will not be fit to operate because they cannot get the labour.

Kate asked a question earlier about school kids. Over the last 20 years, Government thinking has been driving schoolchildren more towards third-level education, and that has been a major factor. Everybody wants a degree. Whether it is of any use or not is another question, but everybody wants a degree. You have people coming out of universities with degrees that really are not worth a big pile. There are not the jobs there for people with degrees. In the wider community alone, not just in agriculture but in building, plumbing, electricians, they are not there because in the last 20 years they have been driven towards third-level education. That is part of the labour problem.

Q331 **John Grogan:** Is there already a change in attitudes? Presumably, people come back year after year. What are you finding? Where do they come from at the moment?

Thomas Douglas: A lot of them are from Eastern Europe. They are here, staying, living in the local community. In fact, I think my local town has the highest percentage population of foreign labour anywhere in the UK.

The problem is, when we leave Brexit—and it is already starting even before Brexit—the economies in Eastern Europe are improving. Their living standards are improving. Currency has changed. There is already a slight shift of people back to their own countries because it is just not as lucrative to come and work in the UK. If there is an acceleration in that, the whole process in Northern Ireland is under severe pressure.

Q332 **John Grogan:** Just on a wider point as well, we have referred to this “Health and Harmony” document and so on. Have you had a chance to read it or read summaries of it and so on?

Thomas Douglas: To be quite honest with you, I have not read it.

Q333 **John Grogan:** No. Does that go for everyone on the panel here? Presumably, you want a very Northern Ireland-specific solution to this.



HOUSE OF COMMONS

Some of that may better suit Yorkshire than Northern Ireland, do you think?

Thomas Douglas: You have to remember, and I am not being political here, the Conservatives are in power, and then you have Labour. They are not one bit worried about Northern Ireland. They are an electorate as UK mainland, and they will say and do what suits the UK mainland to get re-elected. Northern Ireland, out there, there are only about 16 or 18 MPs, and they do not make a big pile of difference. "We won't worry about it."

Q334 **John Grogan:** Is it frustrating, then, that there is not an assembly and executive here working with you to try to get that in Northern Ireland? As you say, in the end, when I wake up in the morning, I worry about Keighley, which is where I represent. I am always going to be second-best, I imagine.

Thomas Douglas: It is definitely true. There was an incinerator passed by the Department here. It was taken to court. The planning permission was cancelled because it has to be passed by a Minister. There is enough stuff sitting in Northern Ireland that needs ministerial sign-off. We need Ministers here that are sitting in Westminster, as part of the Ministers from Scotland, Wales, England and Northern Ireland, to fight in our corner. At the end of the day, we are relying on the Secretary of State to fight in our corner, but she is a mainland UK MP, so she will toe the party line no matter what party she is in. We need the assembly up and running. We need an assembly that, if things do not go the way you want it, you throw the toys out of the pram, as some parties do.

John Grogan: Thank you.

Chair: I think you can be assured that Members of Parliament in Northern Ireland, at least those who take their seats, are certainly doughty champions for Northern Ireland. Of that you can be absolutely sure.

Q335 **Kate Hoey:** Just a quick point. Something that always really annoyed me from my own farming family background: slurry going out, the time that slurry can be taken out and the EU rules on that. Do any of you have slurry involved in your business? Yes. Sometimes it seemed ridiculous that it could not be put out until the weather at the time or the way that changed. When we leave the EU, is that the kind of practical thing that you hope we as Northern Ireland or we as the UK would be able to make our own decisions on?

William Irvine: On the slurry issue and what is referred to as the close period, the period through the amount of time, it is very frustrating to try to farm to the calendar when Mother Nature is busy doing her own thing. You could have a dry November when you should be doing it. For me, it is not actually delivering for the environment because an instinct of farmers is to get the tanks emptied before the close period. Sometimes



HOUSE OF COMMONS

we empty those tanks even though the ground is not, strictly speaking, suitable.

Q336 **Kate Hoey:** There is no common sense left for farmers—

William Irvine: No. Common sense does not come into it.

Q337 **Chair:** The issue would be whether the common rulebook, for example, since it is intended that it should cover agri-food as well as other goods, should extend to that kind of process rather than outcome, which was the original preferred option as far as the negotiations with the European Union were concerned, since you would then still be bound by the practice that has just been described.

William Irvine: To me, it is one of the frustrations of Europe. It is hard to make rules in Brussels that suit the countries on the edge of the Mediterranean and suit the west of Ireland. It is just not practical to have one size fitting all there.

Chair: Indeed, but I am not sure that is a prime imperative in this. I think it is perhaps geared towards satisfying the imperatives of southern European farmers in return for other issues that may be perhaps more directly of benefit to the overall UK economy, I think it would be reasonable to suggest.

Kate Hoey: Certainly that is something I shall push.

Q338 **Nigel Mills:** Can I just start by saying I am not a great expert on farming? I will try to ask simple questions and you can tell me where I am going wrong. Am I right that your vision for the industry would be that you want to be making high-quality produce, complying with all of the regulations and meeting all the health and safety rules? Whatever other rules are out there, that is the vision you have. You do not have a vision of trying to weaken those rules and becoming cheap, cheerful and cruel. That is fair, is it not?

Thomas Douglas: Absolutely not. Not a chance.

Peter Gallagher: Absolutely not. We want to be game leaders. The risk is, as has been previously said, if the door is open to cheap imports, it takes the ground from underneath our feet.

Q339 **Nigel Mills:** Yes, but none of you are advocating to say, "Let's have Brexit and let's sweep all these rules away. We can do this cheaper"? That is not what you are after.

Peter Gallagher: Certainly not. If we want to compete in a world market, European market or everything else, we are going to have to be at the similar standards to everybody else. Even for me and for farmers around me, from a simple animal welfare point of view, we would not allow it go on any other way.

Q340 **Nigel Mills:** Is there a particular reason why anybody should fear, even if we were not taking the EU rules, that there would be any demand for us



HOUSE OF COMMONS

to sweep away this stuff and try to be more competitive the wrong way? We want to be high-quality produce and market ourselves that way. That is fair?

Thomas Douglas: High quality, high welfare. It is not just our regulations that we have to adhere to. We also have to adhere to the supermarket regulations, which can be slightly different to the EU regulations.

Nigel Mills: That is where I was going next.

Thomas Douglas: Even if we decided that we were leaving Europe, there is the window, the rulebook goes out through there, it will not be allowed to happen by the supermarkets.

Q341 **Nigel Mills:** Can you just talk us through? How traceable are all your products? If I buy a steak from Tesco and something is wrong with it, can that be traced right back to whoever's farm it was—

Thomas Douglas: I can only speak on the poultry side. If somebody goes into the supermarket in England and buys a chicken, there is a barcode on that chicken. The supermarkets give the Moy Park company two hours to come back to them, and in that two hours it has to say what factory it was killed in, when it was killed, what broiler shed it comes from, when the day-olds come from the hatchery, what breeding farm supplied the hatching eggs, what rearing farm reared them, and what grandparent supplied the hatching eggs to supply it. It has to return that within two hours to the supermarket. It is full traceability right down the line, and even what feed meals they used along the way.

Ian Paisley: They say technology could not solve the border problem.

Q342 **Nigel Mills:** That is the same for chicken, beef, and the milk as well?

William Irvine: Yes. Northern Ireland has a system called NIFAIS, and every animal is recorded from birth to the butcher's counter.

Q343 **Nigel Mills:** In reality, if, heaven forbid, someone tried to sneak a caseload or two across the border without declaring it, and it turned up in a shop somewhere, it could be found where that had come from? The system would not allow you to lose a few tonnes of produce like that.

William Irvine: Those are strict at the factories now. That would not happen.

Q344 **Nigel Mills:** Presumably, if, heaven forbid, a major retailer tried to bring in some unregulated cheap stuff that was not allowed, which did not meet the rules, which would be traceable as well? There would be mysterious stock that did not have the right barcodes and could not be traced back to a farm somewhere.

Thomas Douglas: That would be up really to the supermarket adjudicator because we, as primary producers and as the companies that we supply into, have no control over that. That is where the grocery



HOUSE OF COMMONS

regulator would be coming in and saying to the supermarket, "Where did this come from?" and then to put penalties on the supermarket for doing that. That is where your DNA testing comes in.

Q345 **Nigel Mills:** You do not have customers saying, "Could we have some cheap stuff that is not quite healthy enough?" or something? Nobody in the market is asking for inappropriate stuff to be sold?

Thomas Douglas: No.

Q346 **Chair:** On the issue of animal welfare, I seem to recall a few years ago there was an issue—Malcolm, particularly—with the pig industry in relation to our competitive position, I think particularly in relation to Denmark, where the UK was interpreting the rules more severely than was the case in continental Europe. I recall some of my constituents being concerned about this, since the Danish bacon industry in particular was apparently gaining the upper hand because of its practice of using crates for sows, where those practices have rightly been outlawed in the United Kingdom. Would you not agree that in many respects within the European Union the United Kingdom has taken the lead in relation to animal welfare, and there is absolutely no likelihood that that is going to no longer be the case after we leave in March next year?

Malcolm Keys: That is all down to the Red Tractor. As I was stressing earlier on, the supermarket will not let that happen. We have the highest standard of production in the EU, and it will remain there. We are actually trying to strengthen those links and even make it better to protect the market that we will have.

Q347 **Chair:** Indeed, and through the Red Tractor scheme and others it is more or less part of the DNA of farming within the United Kingdom to produce to the highest animal welfare standards. Would you say that is the case?

Malcolm Keys: Absolutely that would be the case, yes. Absolutely.

Thomas Douglas: If you get a Red Tractor inspection and there is something wrong on the farm, you have a month, I think, to send them in the information that you have fixed that. If after that period of time you are suspended from the scheme, your product can go nowhere. It cannot go into the process and it cannot go into the hatching egg market. It can go nowhere if you are suspended from the Red Tractor scheme.

Q348 **Chair:** Which countries would you say have taken the lead in animal welfare in Brussels, driving up standards in European agriculture?

Thomas Douglas: Probably the UK and Germany, to an extent, but Germany would be more leaning towards the green because it has a lot of Green MPs.

Q349 **Chair:** What do you think will happen in Europe in relation to animal welfare when the United Kingdom leaves? Do you think it is likely to continue to improve, or—



Malcolm Keys: I would say they will try to improve it. Yes.

Q350 **Chair:** What about the rate of that progression, do you think? If we are saying that the United Kingdom is in a leadership position in relation to animal welfare in Europe, with the departure of the United Kingdom, presumably that voice will be somewhat muted.

Malcolm Keys: We have to just keep thinking of new things to try to up our game. We have Food Fortress here in Ireland, which is unique to Northern Ireland, which guarantees the safety of the grain and the feed that is fed to the animals. Nowhere else in the world has that. We can start to sell things like that to try to keep ahead of the game.

Peter Gallagher: With the growth of the likes of veganism and that sort of thing, everywhere is going to have to improve their standards. They are going to have to move along. A few years back, vegetarians were out there. They are now very normal. Vegans are out there. It will not be very long until they are in the more normal category, and I think animal production and all is going to have to move along in that general trend.

Q351 **Chair:** Peter, half your holding is rented and half of it you own. We have been hearing in the earlier panel about the conacre scheme. Have you any particular thoughts on how conacre is advantaging or disadvantaging agriculture in Northern Ireland and how it might change as a result of the undoubted evolution that is about to hit us as a result of Brexit?

Peter Gallagher: Yes. conacre is a very difficult system in the sense of forward planning on your rented land is extremely difficult. You will build relationships with some tenants; others, you will be from year to year and you will not know where you stand until the following March/April, which leaves planning even stuck in numbers. You are sitting in the month of February going, "Should I sell this stock or not? Will I have the ground come April/May to release the animals to, or will I have to go to market with them?" That determines how you treat them and feed them over the winter and everything else.

I would like to see longer-term contracts becoming the norm. It also gives you the opportunity where, if you want to invest or maintain, upgrade or improve land and buildings that you have rented, you can do it with more confidence because you know what your length of time there is going to be. Without that, you cannot really make those investments.

Q352 **Chair:** Why do you think this is a particular feature of agriculture in Northern Ireland? I am not really aware of it in the south-west of England, where I have my seat.

Peter Gallagher: It seems to be very unique to Northern Ireland, and I do not know what the background of it really is.

William Irvine: It is where Northern Ireland is at, but it has passed its sell-by date, the whole system of Conacre. It is how we move on. Peter



HOUSE OF COMMONS

has pretty much summed it all up there but, to me, landlords need tax allowances to encourage them to go to the longer-term arrangements.

Q353 **Chair:** Some fiscal rearrangement. Presumably, you can only expect a rent on a short-hold arrangement of this sort that is pitched at a lower level than you would expect for a five- or 10-year lease. Would that be right?

Peter Gallagher: Generally not.

William Irvine: No. There is competition for land. One of the issues with conacre is that a significant amount of the land in Northern Ireland is underutilised. That is because people are not putting investment in just because it is on a year-to-year thing. If you had it for five years, you would possibly reseed it or spread lime on it or whatever else, and it becomes more productive for everybody then.

Q354 **Chair:** Can I ask about another animal welfare issue, I suppose? It is the provision of veterinary surgeons in Northern Ireland. We have heard in an earlier evidence session that 95% of veterinarians in abattoirs are non-UK nationals, mainly I think from Eastern Europe. To what extent do you think that is going to be an issue after we leave the European Union, given the likely departure of at least some of those veterinarians from the United Kingdom?

William Irvine: In my local practice that I use, there is one foreign national in it. In the local Department of Agriculture veterinary officers, two or three vets operate there, foreign nationals. If a significant number of them leave, it is going to leave a space. Large animal veterinary is struggling to get people. It is much easier doing the household pets than wrestling around with cows and large animals, so there is pressure on that sector.

Thomas Douglas: Mr Chairman, it goes back to my earlier answer about foreign labour. It is the same with the vets. At the end of the day, whether they are out of the EU or whether they are out of the British Commonwealth, as Kate says, we do not mind, but we have to have the availability to get those people or the whole Northern Ireland industry just grinds. If you have not a veterinary inspection on the line, there is nothing that can go down the line.

Q355 **Chair:** Do you anticipate that perhaps the United Kingdom will have to look further afield than simply the European Union? Agriculture is a good case in point because it employs people from those who are working on the fields to those who are working as veterinarians, highly skilled professional people. Do you think we are going to have to look further afield than simply the EU going forward to attract those skill sets?

Thomas Douglas: It probably will. It all depends on what the Government agree, and that is built on labour availability. Again, as I said earlier, we would all love to know exactly what Brexit is going to deliver



or what Brexit is going to do so that we can then work out a way forward for the industry.

Take the nursing homes, for instance. In a lot of the nursing homes, the nurses are actually Filipinos. That industry is already going outside Europe to a third country to get staff. We might have to do the same thing. We just do not know, and that is the biggest problem we have, the "don't know".

Peter Gallagher: Coming back to my earlier point, I would like to see us continuing to support the smaller farm families, especially in the SDA region, so that we have the sons and daughters of those families going forward and entering into the industry as vets, as Department advisers and whatever else, so that we are not outsourcing everything.

Q356 **Kate Hoey:** In other words, we should not be encouraging big, big, big, industrial-type farms?

Peter Gallagher: Yes.

Chair: Gentlemen, thank you very much indeed. That was extremely insightful and has given us a great deal to ponder upon as we come to completing our report on this vital matter. You can be very sure that this Committee will represent the interests and concerns that have been expressed to us by farmers and growers in Northern Ireland to the Government so that despite the fact that Stormont at the moment is in abeyance, at least we are able to do what we can to make sure that this impacts upon those who ultimately make the decisions. Thank you very much indeed.

Thomas Douglas: Thank you very much for giving us the opportunity to appear in front of you.