



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Hardship Payment Scheme for Northern
Ireland Farmers: Ministerial Briefing

16 May 2013

NORTHERN IRELAND ASSEMBLY

Committee for Agriculture and Rural Development

Hardship Payment Scheme for Northern Ireland Farmers: Ministerial Briefing

16 May 2013

Members present for all or part of the proceedings:

Mr Paul Frew (Chairperson)
Mr Joe Byrne (Deputy Chairperson)
Mrs Jo-Anne Dobson
Mr Kieran McCarthy
Mr Oliver McMullan
Mr Robin Swann

Witnesses:

| | |
|----------------------|---|
| Mrs Michelle O'Neill | Minister of Agriculture and Rural Development |
| Mr Bert Houston | Department of Agriculture and Rural Development |
| Mr Noel Lavery | Department of Agriculture and Rural Development |
| Dr John Speers | Department of Agriculture and Rural Development |

The Chairperson: Minister, I know that you have to get away, but would it be in order for your officials to stay a wee bit longer than the 30 minutes?

Mrs Michelle O'Neill (The Minister of Agriculture and Rural Development): Yes; that would be fine. We might get through it, as I am going to be very brief in my introduction to allow more time for questions. I know that we all started fairly early this morning for the Department of Agriculture and Rural Development (DARD) breakfast.

The Chairperson: I welcome you and your officials here today to this very important meeting. I know that you have just come from the Executive. So, without further ado, and in the interests of time and speed for you, please proceed.

Mrs O'Neill: Thank you, Chair. Obviously, I welcome the opportunity to update the Committee on the hardship scheme proposals.

I know that the Committee has been receiving weekly written updates from the Department on progress regarding the backdrop of the severe weather situation. I do not need to tell Committee members about the weekend of 22 to 24 March, as you are all very aware of it. There was an extreme weather event, with the worst conditions experienced for many decades, as we all saw at first hand, particularly in the glens of Antrim and County Down, but not exclusively in those areas.

Following the snowstorm, my Department provided emergency fodder to those most in need. The first phase of DARD assistance to farmers who were cut off by the snow began on Monday 25 March. My immediate priority was to address the impact of the snowstorm on livestock farmers, which included establishment of a disposal scheme, the collection of animals and a hardship payment scheme.

As you are aware, on 28 March, the Executive agreed to hardship funding for the livestock farmers who were most affected by the snowstorm. The funding has two elements. First, the Department is paying for the cost of collection and disposal of the fallen stock that died as a direct result of the snowstorm. That relieves those farmers from a potential cost to their businesses and protects the environment and animal health by encouraging the proper disposal of the fallen stock. The second element of the hardship funding measures for which I have secured Executive agreement this afternoon is, in fact, the hardship payment — the second part of the scheme.

The hardship payment will be specifically for livestock losses. The payments are intended to mitigate the costs of the livestock losses sustained at farm level as a result of the snowstorm and to assist farmers towards the re-establishment of farm livestock.

I am now going to outline the broad principles of the proposed hardship payment scheme. The primary criteria for eligibility to the scheme is that the farmer must have sustained livestock losses arising from the recent snowstorm and have had fallen livestock collected by approved renderers during the period from 2 April to 19 April. There are some exceptional circumstances, and farmers have been considered under the scheme for collections after that period. Such appeals had to be submitted before 5.00 pm on Friday 26 April.

The hardship payment scheme is being framed in light of the information gathered on the extent and nature of the livestock losses, which my Department has been building as farmers have had stock removed and disposed of by the approved renderers. The hardship payments are not intended to be compensation for full losses sustained and will not relate to the pedigree status of any animal. Payments will be made on the basis of loss of animals. At individual farm level, evidence has been verified with reference to the collection and disposal data gathered.

Hardship payments will be at a flat rate based on average replacement costs, which will be attributed to livestock predominantly on the basis of the age of the animal. This approach mitigates the risk of overpayment when calculating hardship payments for the livestock lost and addresses the potential for disproportionately high payments in respect of other livestock compared to sheep.

The overall hardship funding will be done under the EU de minimis rules, and payments will be capped at a maximum of €7,500 per farmer, which is around £6,500 at current exchange rates. That includes the collection and disposal costs of the fallen animals. In order to apply for payments, farmers will be issued with a pre-populated application form indicating losses and the payment that they are entitled to. They will return that form with the appropriate signature, and the form will include a declaration to the effect that the livestock died as a result of the snowstorm and that the farmer did not have insurance for the loss.

Following this afternoon's Executive meeting, the details of the scheme and how to apply are being made public by way of a press release and through the DARD website. The estimated budget requirement for both of the hardship funding elements will be in the order of approximately £3 million, which includes the collection costs. The estimate will be refined once we have received the confirmed claims from farmers. A bid will be included in the June monitoring round for the additional funding required to fund the hardship measures.

As the Committee will be aware, my officials are scheduled to bring the necessary draft hardship payment scheme legislation to the Committee on 21 May, which is next week. Subject to the Committee's consideration of the draft legislation next Tuesday, we intend to issue letters of offer to farmers by the end of May, with a view to completing the majority of payments by the end of June. I would welcome your support for this emergency legislation so that it can be introduced without delay and so that payments can be made to farmers at the earliest opportunity.

Perhaps very briefly, Chairperson, I can update you on discussions I had at the Executive today. Although I cannot go into more detail at this stage, I can say that I secured approximately £1 million to deal with the fodder crisis. You will know that over the past few days, we have had a number of industry meetings in which everybody has come together to discuss the way forward, and we have established a fodder task force. The money that I have secured today and received Executive agreement for will go towards mitigating the extreme situation that seems to have developed recently. It is about trying to get support out there. I wanted to provide the detail of what we secured from the Executive today, but we are still discussing with industry how we can get that physical support out on the ground. However, I wanted to give the Committee assurance that we have secured funding from the Executive today to back that up.

Perhaps that is enough by way of introduction. I am happy to take questions. I am not sure whether it has been given out, but I have a breakdown of the costs of the hardship payment that we are talking about. It will be given to all Committee members.

The Chairperson: Thank you, Minister. I ask members to remember that we want one concise question, please: no statements; just questions. The Minister has just relayed a lot of facts that we have to go through, so please be concise.

I will ask one question, although I could ask many. We might get round them all, even in your absence, Minister. I want to clear this up, because I think we need a lot of clarification: you said that the EU de minimis level is £6,500, which we understand, but are you saying that the carcass collection scheme will be taken out of each individual farmer's offer of £6,500?

Mrs O'Neill: The overall scheme cost is approximately £3 million, and the disposal costs are around £300,000 of that, so that has to be removed from the overall figure.

The Chairperson: So, that will be removed from the overall figure, but it comes out of the individual farm. If one farmer lost 100 livestock, that bill will be more for him —

Mrs O'Neill: I will give you a practical example. We are talking in the region of a hardship payment of £30 for a lamb. The collection costs for a lamb are in the region of £1, depending on the weight. I think the figure was around £1.15; so, if you take that out of the £30, then we are talking about £28.85. We are talking about an average cost of around £30 per lamb.

The Chairperson: OK. I understand. Thank you.

Mr Byrne: Thanks. I welcome the presentation. I am a bit concerned about levels of compensation for the farmer who has suffered in this weather. The expectation was that £5 million had been set aside for this particular scheme, whereas it looks like it will be £2.7 million, which I think will be disappointing. Secondly, is the £1 million for fodder a guesstimate that is likely to decrease again? It is no good giving us these figures if they are going to be reined back to less than what was expected. Thirdly, when will farmers get a cash cheque and when will fodder be delivered to farmers who need it most?

Mrs O'Neill: I will deal with the issue of the £5 million figure first. I went to the Executive initially to get an agreement for an approximate amount of money. I said that the final figure would be determined by the number of livestock that we lifted.

We lifted 43,558 sheep, over 30,000 of which were lambs, and we lifted 1,143 cattle. That represented an average loss for most farmers of about 24 sheep, or 17% of their flock. The £5 million figure came about because I wanted to make sure that we made a bid to the Executive that was sufficient to cover the cost of providing a hardship payment.

Having quantified the losses over the past number of weeks since the stock was lifted, we do not need the whole £5 million, but as it turns out, after the discussions that I had at the Executive today, we have been able to bid for an additional £1 million for fodder. I will come back to that in a moment. That £1 million allows us to get something on the ground as quickly as possible, but, as I said, I will not go into any more detail about it now because I am engaged in discussions with the industry about how best to do it and how we can roll something out as quickly as possible.

The average payments that we have arrived at are based on DARD economists studying the market and taking the market value into account. As soon as we have more detail on the fodder scheme, I will be happy for officials to make sure that the Committee is fully updated on it. Those discussions have been ongoing with the industry over the past number of days.

Mr Swann: Thank you for your presentation, Minister. I want to expand on the Deputy Chairperson's question. You made an original bid for £5 million, of which £3 million was for the fallen livestock scheme and £1 million was for the fodder scheme. Did you think about bidding for the other £1 million for the spud men and the cereal men — men who are also suffering due to the weather crisis? They did not, perhaps, suffer because of the snow, but they are in the same league as the men who are suffering because of the fodder crisis.

Mrs O'Neill: I did not bid for £5 million; that is a misconception. I gave the Executive an approximate figure of £5 million because it was hard to quantify the loss at that time. It was better to ask for more at first rather than have to go back to ask for a second payment.

We got that agreement initially and, based on the losses that we have now been able to quantify, we are talking about approximately £3 million. I had the opportunity to say that it might cost up to £5 million for the hardship fund alone. We are now able to go back and ask for £1 million for fodder.

As I said at the start, because of EU state aid de minimis rules, the scheme was about compensating for livestock loss. That is the process that we have been involved in.

Mr Swann: The fodder issue is not directly related to the livestock loss.

Mrs O'Neill: No, but the fodder is a serious issue.

Mr Swann: That is what I am asking about. The potato men and the cereal men are also in a serious position. I am just disappointed. You bid well for the first £5 million but I am disappointed that gave £1 million back so easily. Well, I am sure that you did not give it back easily, but you know what I mean.

Mrs O'Neill: You are actually wrong in your assumption, because I did not give anything back. I had asked for an approximate figure, because I have to bid for this in the June monitoring round. I have Executive agreement to support that bid; that is the difference. I do not have £5 million in my hand from which I can hand anything back. I am sure that you know, Robin, that I would not come before the Committee to say that I have handed money back when I could have had it. I want to make that clear.

Mr Swann: I want to make another quick point. In order to help men who are still suffering, is there a chance of working with them on their farm inspections, either to bring those inspections forward or to get them done more quickly so that farmers can get single farm payment money into their accounts?

Mrs O'Neill: You will be aware that we have brought our inspections forward this year. They were made four weeks earlier than they were last year. We were able to speed up the payments for the people who had been inspected this year and we are going to continue to build on that this year. We are always very mindful of the fact that this has been a really difficult time for farmers, so we are always trying to make sure that the payments are speeded up as quickly as possible. This year will be no different. I have said in the House that we have been able to speed up the claimants who were inspected this year. We hope to make a marked improvement on that again this year.

Mrs Dobson: Thank you, Minister. If you were to put yourself in the shoes of any one of the many farmers who have faced really severe hardship following the weather, would you have expected financial help to come sooner than eight weeks after the crisis? I have written to you about setting up a contingency fund to have quicker access if a similar crisis were to develop in the future. I welcome the fact that you have taken the suggestion on board. Will you be having discussions with your Executive colleagues to set that up?

Mrs O'Neill: The task force that I have established to deal with the fodder crisis shows that I realise that that is going to be a particular problem that we will face year on year because of the changing climate and weather. We need to work in partnership: industry and the Department need to work together to see how we can improve practices, and how we can help farmers to improve their production and make the best value out of everything they have. There are a number of things that we can work more on. We need to get more farmers involved in benchmarking, focus farms, and in looking at successful farms. There are a whole range of issues that we should be exploring for the future. That will obviously help the farmer as we move through these difficult times.

I cannot remember your first question.

Mrs Dobson: If you were one of the farmers who was in that position with the severe weather, would you —

Mrs O'Neill: I am quite content with the process that I have gone through. The first issue was to help people practically. It went to the Executive, and we had the agreement. We had to collect the livestock. We had to quantify the losses. Today, we have had the bid. If the Committee is content on Tuesday, the legislation will move very quickly, and farmers will have their payment by the end of June. That is something that the farming community — certainly the people with whom I have engaged — very much welcome. It also gives them the opportunity to be able to restock in the season, which is probably towards September time.

Mrs Dobson: So, if you were a farmer, you would be content with the timescale?

Mrs O'Neill: Yes, I am content with the process that I have taken forward over the past eight weeks. It has been a very difficult time for the farming community. We have worked and engaged very well with the farming unions in making sure that we had all the supports in place that needed to be there.

Mr McCarthy: Thanks, Minister. My concern is the same as Robin's. I welcome the extra £1 million that you secured for the fodder. Was that simply because of the outcry that was made? Had there been an outcry from horticulturalists or farmers in the potato trade or in vegetable growing, would they have been successful in picking up something to compensate them for their loss? They lost considerably over the same period.

Mrs O'Neill: It is a fair question. We need to look at the difference. We would have had dead animals lying on the hills, which would have potentially caused a disease risk. That gave us the extra impetus to be able to say that that was why we needed to compensate livestock farmers. There is a distinct difference between that and vegetable growers. Having said that, I understand that it is frustrating if you have been in that situation. However, there was a distinction: there was a disease risk as well, which we had to factor in.

Mr McCarthy: You could have possibly squeezed something out. I hear what you say about the £5 million, but, given those other things, could an extra effort have been made on behalf of people who are in hardship and who have lost significantly?

Mrs O'Neill: The scheme was developed around livestock. That was where the major losses occurred. There is certainly a difference. I think that, perhaps as far back as 2010, there were some issues because an Executive bid was not met and people could not be compensated. I think that people, particularly potato farmers, still feel sore about that because they did not get compensation at the time. In this instance, the concentration was certainly on livestock because that was the major loss during the period for which we are providing the hardship payment.

Mr McCarthy: Are you giving the commitment to the Committee that, by the end of June, the people will have their cheque in their hand?

Mrs O'Neill: Absolutely. As soon as we get through the Committee, the letters can go out.

The Chairperson: Can I ask one question, Minister? I just missed what you said at the end of your presentation. You mentioned something about insurance. Will you clarify the position for me again, because I was busy writing as you were speaking. I got most of the bullet points, but I missed the bit on insurance. I have two question marks beside it here.

Mrs O'Neill: I am trying to think what I was saying. When this goes through Committee next week, and you agree to it going forward, a letter will go out to the farmers — roughly in the first week of June — to tell them what their loss is, what their entitlement is, and what they are going to get. Basically, farmers will tick a statement to say that they do not have insurance and that they accept the payment. They will send it back — it will be a very simple form to fill in — and the payment will be issued, hopefully by the end of June.

The Chairperson: Just to be sure, if they have insurance, they do not qualify?

Mrs O'Neill: Yes.

Mr Byrne: Chair, can I just make a suggestion? Obviously, we have not been given the proposed figures for lambs or sheep. Can I just say, on the basis of the —

Mrs O'Neill: Chairperson, those have been passed around. They are at the very bottom of that page.

Mr Byrne: — *[Inaudible.]*

Mrs O'Neill: What did he say?

Mr Byrne: If we had gone for compensation of £20 per lamb, £70 for an adult sheep, and £900 for cattle, that would end up as compensation of £5.16 million. If you then take the de minimis maximum, I have no doubt that we would be well inside the £500. I think that it would have been a more generous payment, and each individual would have got a £2,000 minimum payment. I am not so sure that the hardship scheme is more practical and realistic than the one I have suggested.

Mrs O'Neill: That is more of a comment, but I am happy to address it. It is public money that I am spending, so it has to be spent in a very accountable manner.

Mr Byrne: There is no doubt about that.

Mrs O'Neill: This is about recognition and mitigation of loss. It is not compensation; it is a hardship payment. We have to look at it as clearly as this: I do not think that the hardship payment should be equal if you lose two sheep or 200 sheep. I believe that the person who lost more should receive more, which is commensurate to their loss. The values that we have come up with are based on economists' assessment of the market. They have come up with them in a very fair manner. The average prices that we have come up with are based on market information. For all those reasons, I feel that the scheme that I have put in place is a fair scheme.

Mr Swann: You have obviously done your sums, using those figures and what information you already have. How many farmers' will exceed the de minimis level?

Mrs O'Neill: Roughly 80 farmers out of 1,300.

Mr Swann: Do they exceed it by much?

Dr John Speers (Department of Agriculture and Rural Development): There are varying degrees. There are some who will just exceed it and others who have lost significant livestock.

Mr Swann: So, there will be people who will suffer badly out of that calculation scheme. Farmers are going to receive pre-populated forms to sign and return, so the pressure then goes back on the farmer to go through another stage of paperwork. Why can we not just pay them, since they have already completed everything that was necessary through the collection of the dead stock?

Mrs O'Neill: It is not exactly a series of paperwork, Robin. It is just going to be one form to send back in to state that they do not have insurance and they accept the payment.

Mr Swann: So, it is a declaration that they do not have insurance, rather than —

Mrs O'Neill: We are hoping that it will be one page that is very simple, probably with some guidance to explain it. It is not meant to be a difficult scheme. The reason we went for the EU state aid de minimis scheme was that we were able to get it out quickly and make it simple.

Mr Swann: I am just concerned that there is more paperwork. Just pay them and be done.

Mrs O'Neill: We will certainly keep it as simple as possible. That is the aim. We do not want anybody to think that it is a difficult form to fill in. It will need their signature and a tick in a box.

Mr Swann: Of the 1,800, have you any indication of how many have insurance for livestock?

Mrs O'Neill: We did not ask that question.

Mr Swann: Does the Department have that information?

Dr Speers: We anticipate very few having insurance for livestock.

Mr Swann: I would expect that none would have it, unless they have pedigree stock. Could you not just ask those farmers to sign the form and send it back?

Dr Speers: I will just expand a little bit on the process. We have been in dialogue since the very outset of developing the scheme with the various producer unions and representatives. They asked the Department to make it a simple and straightforward scheme. They asked us to provide the details that we held as a consequence of the collection and disposal scheme to farmers and give them an indication of their entitlement. They asked for that, and that is the thesis of this scheme. What we require back from them within our proposed period of two weeks is a signed acceptance, and that will trigger the payment. Once they send the form back to the Department, the payment can happen very quickly through the banker's automated clearing service (BACS).

Mr Swann: I have one more question with a yes or no answer. If somebody ticks that they do not have insurance, do you chase them to see whether they have?

Mrs O'Neill: I take my responsibility for distributing public money very seriously. Everything is reasonable. If a farmer signs a declaration, I will accept that declaration. I do not have a reason to expect that farmers are involved in fraudulent activity.

Mr Swann: So, there is not going to be somebody landing at the door to see whether the farmer has an insurance certificate.

Mrs O'Neill: No.

Mr Swann: OK, thank you.

Mrs Dobson: When it was known in your Department at the time that you made the announcement about financial assistance for farmers that they would ultimately pick up the tab for the collection of fallen animals, why did you continue to describe them as two different schemes when they were clearly coming out of the same pot? Why then did your departmental officials not think to enter into any negotiations with the collectors to get an economy-of-scale price for lifting the thousands of fallen animals, particularly when you knew that farmers would be paying it out of their compensation?

Mrs O'Neill: Technically, Jo-Anne, they were not, because the Executive might have decided that there would be no hardship payment. Had that been the case, farmers would have had to pay for the collection of their animals or leave them lying on the hills. So, to me, that is the wrong way to look at this. Had I not secured Executive agreement, or actually brought a proposal to the Executive in the first place, farmers would have been out of pocket in getting those animals collected. From the start, I said clearly that there were two linked elements to this — that we would be able to lift the fallen stock and that that would be linked to the hardship payment. I have been very clear from the start that that was the process. It is wrong to say that farmers will be out of pocket, because that is not the case. If the hardship scheme had not been agreed in the first place, farmers would be picking up the cost of collecting their animals.

Mrs Dobson: And on economies of scale?

Mrs O'Neill: Sorry, Bert wants to come in on that one.

Mr Bert Houston (Department of Agriculture and Rural Development): Yes. There is limited rendering capacity in Northern Ireland, Jo-Anne, that is capable of dealing with this scheme, and because of the speed and the need to get the animals off the hills and away as quickly as possible, we agreed with those renderers capable of doing it a rate that is commensurate with the Northern Ireland fallen stock scheme, which includes all the economies of scale to which you referred. So, any advantages that they would have conferred under the fallen stock scheme for multiple collections of animals from one spot were part and parcel of the same deal.

Mrs Dobson: So, were no negotiations ever considered, despite the thousands of animals involved?

Mr Houston: What we did was to act quickly and appropriately to try to get the only two rendering plants with the capacity to deal with this scheme online quickly to allow the scheme to get going.

Mr McCarthy: Michelle, will you remind us what you said about how you are going to tell people? Are you going to do an advertisement or something?

Mrs O'Neill: The information will be available on the website —

Mr McCarthy: As from today?

Mrs O'Neill: As from this evening, after the Executive meeting. After the Committee discusses this next week, we will move straight to getting letters out to farmers to let them know exactly what they will be receiving.

Mr McCarthy: Can you foresee any hiccups along the way?

Mrs O'Neill: No, I think that if the Committee is content next week, we can move quickly, and the legislation will be in place in time to get the payments out by the end of June.

Mr McCarthy: That is the main thing, thanks.

The Chairperson: Am I right in saying that this payment does not relate to pedigree?

Mrs O'Neill: Yes.

The Chairperson: Can you do anything to help farmers get their stock back up to pedigree level? If the aid is to replenish stock, surely some thought must be given to someone who has spent many years building up a pedigree stock on which they have spent a lot of time, care and attention. Can anything be done? Will there be any special dispensation for the pedigree lamb, ewe or other stock that a farmer has lost?

Mrs O'Neill: Not in this scheme. The reason why is that it is not compensation for loss. I know that the pedigree farmers experience more loss because of the investment that they have put in, but it is not a compensation for loss. It is a hardship payment to help farmers restock. Pedigree stock could not be taken into account as that would have opened up a whole different situation. We are trying to make this scheme as simple and straightforward as possible, which is why we have arrived at those rates. We have tried to keep the scheme as simple as possible to get the payments out as quickly as possible. In my opinion, I could not differentiate between general farmers and pedigree farmers. I am hopeful that, in this instance, pedigree farmers will also have insurance.

Mr Swann: Minister, I have just a very quick point. We are going round the table, and there is a lot of talk about money, dead animals and all the rest of it. One thing that has not been mentioned but that we, as elected reps, including you, are all aware of is the mental stress that farmers and farm families are still under. We received a presentation from Rural Support last year, and I declare an interest as a former director of that organisation. Minister, will you look at Rural Support's continued funding? It is at the end of its three-year cycle. It gets £63,000 a year, and, with that, you get 25 volunteers at the end of the phone and two and a half full-time staff. If those Rural Support volunteers and staff had not been there to deal with people and families in this crisis and not just what we are talking about now, we would have been looking at not just dead animals but dead farmers. At one point, it talked a farmer down off the precipice of a bridge. I ask you formally to look at its funding for the next cycle.

Mrs O'Neill: I am happy to take a look at that. I certainly agree that the work that Rural Support does is fantastic. I met its representatives at the Balmoral show today. Even the £300 scheme that it brought out during the snow was fantastic. Rural Support has been a lifeline to some farmers who have been in difficulty.

There is a wider issue about mental health in rural areas. I am working with the Department of Culture, Arts and Leisure and the Health Department on rural issues, including suicide prevention and promoting positive mental health. We are using sports agencies, rural community groups and the whole gamut of people that we can to get advice and support to the wider rural community and

signpost people. I recognise the work that Rural Support does. It has done fantastic work, and I hope to be able to continue to support it in the time ahead.

Mr Swann: Out of the £1 million that you gave back?

Mrs O'Neill: But I did not give anything back, Robin.

Mr McCarthy: You let it slip through your fingers.

The Chairperson: Minister, I know that you have to go. Your officials are OK to stay for a wee while longer. Thank you for your attendance and the information you gave.

Gentlemen, I apologise that you were not formally welcomed or introduced to the Committee, but we all know Noel, John and Bert well. Thank you very much for your attendance. I apologise for the rush at the start, but the time with the Minister was vital. I have another series of questions. Hopefully, you can help us out before the legislation comes before us next Tuesday.

Will you give us some figures for the size and scale of the biggest loss? What are we talking about in the most severe cases? Do you have any figures?

Dr Speers: At farm level, the losses range from single figures to a maximum of 436. Most lost fewer than 34. So, there is a very wide range of losses at individual farm business level.

The Chairperson: Obviously, you have done the sums on the amount of money. You say that most lost fewer than 34. What is the average loss and average cost of the loss?

Dr Speers: We use the example of sheep. The average number of sheep lost was 24. The average farmer is likely to get around £2,000 from the scheme.

The Chairperson: We touched on this issue with the Minister. Even in the midst of the crisis, when it was first intimated about looking at some sort of hardship fund through the Executive, it struck us all that it is a hardship fund and is for the here and now. However, there will be a legacy, and livestock will take years to replenish and get up to levels of the same sustainability, and it will have a major ongoing impact on the farming community. What more can be said today about the long-term strategy of the Department out of the crisis? It is not always necessarily about livestock levels; it can be about sufficient sized barns, age of barns and the need for more modernisation on our farmyards. That will help with all sorts of things, not necessarily just weather conditions. It could help with disease prevention and preventing the spread of disease. What has the Department learnt from the crisis for a long-term strategy and legacy?

Mr Noel Lavery (Department of Agriculture and Rural Development): I have a couple of points, and I will then bring my colleagues in. The Minister said that we will bring industry representatives together for the fodder task force. As part of that, we will want to talk to industry and the representatives. The Minister is conscious of the hardship faced by farmers and very conscious that it has been building up over a number of years. This morning, you were at the launch of the agrifood strategy, and there are challenges with farm modernisation. The Minister will want to look at that in the rural development programme and in CAP and at the flexibilities that may be offered to us there. That is my first thought, but I absolutely agree with the premise of your question. The times they are a-changing, and there are significant challenges ahead for the industry. Bert, do you have any thoughts?

Mr Houston: There are perhaps opportunities in the rural development programme to look at mutual funds and whether that would be helpful in the future so that insurance-type schemes would be possible and affordable for farmers.

Dr Speers: In the provision for the next rural development programme, there are contingency-type insurance schemes. We are interested in hearing the views of industry on whether that is an appropriate measure to include in the next round of the rural development programme.

Mr Swann: With the livestock losses, the Minister referred to anything collected between 2 April and 19 April. Is that right?

Dr Speers: Yes. It was then extended by a further week, and then there was a further week where exceptional circumstances were taken into account.

Mr Swann: Did it apply to any farmer who had livestock picked up in that period no matter in what postcode?

Dr Speers: That is correct.

Mr Lavery: That is part of the way scheme operated.

Dr Speers: If they were accepted into the scheme.

Mr Swann: I wanted to clarify that. When you come to rating dairy cattle and beef cattle by age, how do you gauge that specifically?

Mr Houston: We have that information on the animal and public health information system — APHIS, Robin.

Mr Swann: And the date that it died? Or is it the date that the farmer reported it?

Mr Houston: When an animal is collected, its ear-tag number will tell us that it was collected on such and such a date.

Mr Swann: I just wanted to get the specifics. Dairy cattle is about three months, and there is something there from two months or 28 days, it goes from £45 to £380.

Mr Houston: We just take it off the —

Mr Swann: Straight off APHIS. There is no —

Mr Houston: There is no other way of estimating. It is information provided by the farmer in the first place.

Mr Swann: I have a question on the last point. The last one in the table says less than 96 months with progeny. We are at beef cattle now. To me, that is a cow with a calf at foot, which is £900. Yes?

Mr Houston: Yes. That is what it looks like to me.

Mr Swann: Right. So, they do not get £200 for the calf between nought and three months?

Mr Houston: If the calf is dead, I imagine so.

Dr Speers: That is the expectation, yes.

Mr Houston: I do not have the information to hand about how many cattle fall into that category. I would expect it to be very, very small.

Mr Swann: I am just trying —

Mr Houston: Again, it would be recorded as the progeny of the dam on APHIS.

Mr Swann: That is what I am saying. If the mother was killed but the calf lived, it would be £900?

Mr Houston: Yes. I do not think that implies that that is the cost of the cow plus the calf. I think that —

Mr Swann: That is what I was trying to tease out.

Mr Houston: I do not know, but just reading it from this, that is what it looks like.

Mr Lavery: We will clarify that.

Mr Swann: All right.

Mrs Dobson: I want to take you back to some of the questions that I asked the Minister. I asked her to put herself in the shoes of one of the farmers who was hit by the severe weather. I think that I will agree to disagree with her about the eight weeks. I spoke to many farmers today at the show, and I know that it was a long time to wait, and they still have to wait until the end of June for their money.

I did not get an exact answer from the Minister when I asked her about the contingency fund. She went on to speak solely about the fodder task force. So, the contingency fund for a crisis in the future is not just about the fodder task force, it is so that the farmers can get their money quickly to pay their bills and to stay in business, basically. I mentioned in Committee on Tuesday that my phone has not stopped, and Robin spoke on the mental health aspect. We are in very real danger of losing a lot of farmers as many of them will go to the wall. I feel that the time that they have to wait for the money is totally unacceptable. I do not know what farmers the Minister spoke to, but the farmers that I spoke to find it totally unacceptable. Can you elaborate on what you would like to see happening with the contingency fund in the future? What plans do you envisage putting into place so that, if this happens again, we can get the money to farmers quickly?

Mr Lavery: I am not sure that we can at this stage, and my apologies for that. We need to talk to the industry and get proposals and come back to the Committee on that. The Minister has made the commitment today that she is looking at it.

Mrs Dobson: Farmers were asking me today — I am sure that they were asking other members as well — whether, if this happens again, they will have to wait that length of time. Surely an action plan has to be developed for the next time. Can you come back to us, Noel, as soon —

Mr Lavery: It is something that we are looking at.

Dr Speers: This is a legislative-based scheme. It was based on the verifiable losses. We have only concluded with the collection and disposal team quite recently, so we have only been able to validate the verifiable losses within the past few weeks.

Mrs Dobson: Surely, lessons will be learnt from this disaster.

Dr Speers: In any livestock-loss-related scheme, it would be a similar type of approach. We would have to determine the level of loss in order to make a judgement about the level of hardship payment, and work on that information about the level of loss was only quite recently concluded.

Mr Lavery: I fully understand where you are coming from. Obviously, we want to proceed with any scheme as quickly as we can with proper governance and proper legislation. If we could do this more quickly, we would, given the resources that we have. Again, as accounting officer, I have governance responsibilities and there is the scrutiny by the Committee, but I take the premise of your question that you want to look at how we did it and see whether there are lessons that can be learned. Could we have done it differently? I think —

Mrs Dobson: John has hinted that it will be —

Mr Lavery: No, I think John is saying that we went through a proper process. I can assure you that we have gone through a proper process, and my staff have worked long and hard to do it.

Mrs Dobson: If this were to happen again, would you be able to move more quickly? I think that what you are saying, Noel, is at odds with what John is saying.

Mr Lavery: It is not. I am just saying that we would look at it to see whether lessons could be learned, but we will have to go through a proper process. I am happy with how that was done at this stage.

Mr Byrne: How much preparation has been done on the announcement of the fodder task force? What details are there on it? The reality is that, unless some farmers get fodder within the next two or three days, there will be casualties. That is the situation. Another prolonged illusionary exercise will not achieve the outcome that we want. In other words, if we have a prolonged procrastination over devising a scheme, cattle will die in the meantime.

Mr Lavery: The Minister said that she would be moving very quickly on it.

Mr Byrne: You are the guys who have to work on the nuts and bolts of it. When is action going to happen?

Mr Lavery: I can say to you, Mr Byrne, that I and the Minister have had a number of meetings with the industry, and we will be doing so again tomorrow. We will be moving on this as quickly as we can. Again, there are responsibilities, but we understand the point that you are making. We understand that, if you are going to move, you need to move quickly on this.

Mr McMullan: How many weeks are we from the break of the weather to now? About five or six weeks?

Mr Lavery: I am not sure what you mean by "break"?

Mr McMullan: When the weather started and the crisis —

The Chairperson: It was 22 March.

Mr McMullan: So, that is only about six weeks ago in total. To me, that is not a long process for the work that you have to do. You deserve congratulations for the way that it was done and the fact that it was done very quickly. Gathering it in was not an easy job because of the widespread nature of the crisis and the geographical spread of it. You say that, if it did happen again, God forbid, you would have to go through the same process of processing animals, etc, and getting the right numbers to the right farmer, etc, for payments. There are no short cuts in this.

Mr Lavery: No, there are not. Thank you for your kind comments, which I will pass on to my staff. Looking at the nuts and bolts of it, we have already been through this sort of scheme and looked at a number of options, so we have a basis and background knowledge. So, in answer to you, we probably could shave some time off the process in the future. Again, I emphasise that we have to have proper governance procedures, and we will get this out as quickly and as simply as possible, to pick up on Mr Swann's point.

Mr McMullan: It is also worth noting that all the farming groups that came to the Committee to make their presentations understood that. All the groups that came before us, formally or informally, were happy enough with the procedure and the dates for proposed payments. It is worth noting that it is only a few weeks, about six — do not tie me down to numbers — and we have done very well in reality. We will get the money out to the farmers, and we must now move on from this and learn any necessary lessons.

The Chairperson: I have one last question on the £1 million that is left aside for the fodder crisis. Again, we have already labelled something else as a crisis. There is no doubt that we are days away from some really harsh decisions having to be made. Is the £1 million just a safeguard figure that we might need to spend, or do you have real plans to spend it? If you have, will it be on building a task force or implementing some action, whether that be a haulage scheme or by bringing more in on a DARD official capacity and distributing fodder Province wide? Have you any ideas yet?

Mr Lavery: I cannot say. The Minister said that she was still finalising. First, it is better to bid up to the maximum of what you think you might need. I have been on the other side of that equation, which is not a good place to be.

Secondly, the Minister is planning to implement some action, but she emphasised that she would be working with the industry. We have been talking to the industry, as I said, all this week. So, just to clarify, the Minister has made a point about a task force and bringing people together to look at the current difficulties and those that we know lie ahead.

The Chairperson: I have one more quick question on the procedure for payments drawn down from the hardship fund. You send out a letter of offer, the farmer has to sign to say that they have no insurance before they send it back, and you make the payment. Is the payment made by cheque or direct debit?

Dr Speers: It will be made by BACS, through the Orchard House single farm payment system.

The Chairperson: OK. There could be lags in the single farm payment process because of, for example, banking problems. Is there any contingency there?

Dr Speers: We will be flexible and willing to accommodate those who find themselves in that position.

The Chairperson: OK. There might be very few, but it is something that might hold up the process.

There are no more questions from members. Gentlemen, thank you very much for your time. You stayed longer than the Minister did, and we appreciate the time that you have given us. It has been a busy day for you with the DARD breakfast this morning, all the business at the show and then the Executive, so thank you very much for meeting us.