



Northern Ireland
Assembly

Committee for Agriculture and Rural
Development

OFFICIAL REPORT (Hansard)

Single Farm Payment Review: UFU/NIAPA
Briefing

9 October 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Frew (Chairperson)
Mr Joe Byrne (Deputy Chairperson)
Mr Thomas Buchanan
Mrs Jo-Anne Dobson
Mr Chris Hazzard
Mr William Irwin
Mr Declan McAleer
Mr Robin Swann

Witnesses:

Mr Jim Carmichael	Northern Ireland Agricultural Producers Association
Ms Eileen Cassidy	Northern Ireland Agricultural Producers Association
Mr Wesley Aston	Ulster Farmers' Union
Mr Harry Sinclair	Ulster Farmers' Union

The Chairperson: OK, Harry, I am sure you have a presentation or brief comment for us. Jim, you will probably lead off on your side. It does not matter who goes first; whatever you feel comfortable with.

Mr Harry Sinclair (Ulster Farmers' Union): Maybe I will start by congratulating the Committee on the motion it debated in the Assembly yesterday afternoon. It was good to see a lot of Committee members speaking well on behalf of the industry. We welcome the Minister's announcement that there is going to be no funding modulation in 2013. That addresses the problem and highlights where our industry is at the moment. I suppose that the next step is how we follow on from the good work that has been done and address the market situation in Northern Ireland. On behalf of the industry, thank you very much.

The Chairperson: Thank you very much for your very kind comments about all the members of the Committee. I do not want to start a debate on this, but the Ulster Farmers' Union has done a bit of work on the supply chain and retailers. Perhaps, through time, you will want to put a paper to the Committee to advise it of the work that you have done on that with the processors and retailers, and, maybe, give the Committee some suggestions as to what you feel it could be doing. Would that be in order?

Mr Sinclair: Yes; we will follow up on that, Chairman.

We are here to talk about the single farm payments scheme. I suppose the first point is its importance to the agriculture industry. Over the six or seven years since it came into existence as a decoupled

scheme, it has been equal to or slightly above or below the total income for farming in Northern Ireland. Last year was probably one of the first years that it has been over, and I could probably forecast that, this year, it will go back the other way again because of the situation the industry is in. It is a very important part of our whole industry.

The key area for farmers at the moment is cash flow. It is a more difficult scheme to deal with than the old schemes where you had cash flow all year. Now you are basically waiting on D-Day in December — that is not a pun; December just happens to be a month that begins with a "D". If you are lucky and not pulled out for an inspection, all goes well, but if things do not go well, it could be six months before you receive your payment. It leaves businesses with very difficult cash flow problems. The inspection process seems to be very slow. After inspections are carried out, there is an administration process to get the results out and dealt with. There seems to be a long delay after an inspection before farmers receive their payments.

A lot of the issues over the past number of years have been about mapping, and that was mentioned in the previous presentation. Things have changed dramatically since the start of the scheme. There has been a lot of confusion about what is eligible ground and what is ineligible ground. I suppose that we are looking for clarity and, at least, to have maps that allow people to be clear about what they are applying for. We would like to be in a position to have an advance, balanced payment system. We recognise the constraints on the Department of Agriculture and Rural Development (DARD) in the present scheme, but it is still our ambition to get there sooner rather than later. Our neighbours south of the border have been in that position for years. Especially in a year like this, with farms in a bad cash flow position, it would be an advantage to be able to do that.

Completion of the land parcel identification system (LPIS) and the roll-out of the maps will be positive progress. That would lead to the roll-out of remote sensing. A lot of the inspections could be done remotely without having to be done on the ground, and there would be a more focused physical inspection, which would speed up the whole inspection process. We are also looking for a quicker turnaround for the DARD inspections and the Northern Ireland Environment Agency inspections and for work to be done between the two bodies to get those physically done and put through the system at a quicker rate.

An EU agreement allows member states to issue payment after individual validation, rather than complete regional validation. The Agriculture Minister said yesterday that she is pursuing that, and that should allow earlier payments to be made. We would like to see that happen. In the meantime, we want the maximum number of payments to be released at the start of the payment time, which is from 1 December. This year, we will be appealing for as many as possible to be paid as early in December as possible and for inspections to be followed up on to get the payments through the system quicker. Especially this year, a lot of farmers will be in difficulties as the winter progresses. This year, more than any year, it is really relevant that payments are processed very quickly.

Chairman, that is our outline. I did not go into the details of the inspections or the penalty system. I concur with what was said earlier that the proportionality of inspections versus the penalty has been a key issue, although it is a European problem rather than a Northern Ireland problem. We have a role in lobbying as we go forward into the next CAP review to make sure that that is addressed.

Mr Jim Carmichael (Northern Ireland Agricultural Producers Association): On a point of information, I was promoted to chair in the introduction, but I am the development officer.

We are here to talk about the process as we see it and what can be developed through it. To give you a bit of background, we are wearing two hats in that we represent farmers but have also provided a form-filling service for over 20 years. Eileen and I are here because we are the two people who take the brunt of anything that is going on. Someone talked about farmers' difficulties. Some 18 or 20 years ago, Eileen and I got involved with an organisation across the water called the Farm Crisis Network. It was a precursor to rural support here. I was involved at the start of that, and at the time of the foot-and-mouth outbreak, we had responsibility through the Royal Agricultural Benevolent Institution (RABI) for any funding that came to farmers here. All correspondence from any farmer came through the two of us, and directions for payments were made through us. As well as that, we were the two people who had the first helpline phones installed in our houses for the foot-and-mouth outbreak. It was not counselling; that is done by people who are professionally trained in counselling and do what we cannot do.

The process of the single farm payment is causing problems for farmers. As Harry said, there are cash flow problems. As we say in our briefing paper, over the past two years, there have been delays

in inspections. When the process starts depends on when the inspections are carried out. Last year, in a lot of cases, it was almost exactly three months from the time of inspection to the farmer getting his report. As has been said before, the farmer was given a sheaf of papers to do with his inspection that he did not understand. He had to go to someone else to get it figured out. With retrospective inspections, he just gets a letter back for the years from 2005 telling him that there is a potential penalty, but it does not identify exactly what happens next. Different land can be on forms in various years, and there is a complication there. We are already in discussions with DARD about this. Retrospective payments can go either way, depending on what might happen in the years between then and now.

Last year, one of the difficulties was delays in payments. With the best will in the world, payment could still be six or seven months after inspection. People then had other things, such as TB, on farms, which meant that they could not sell stock. We had people who had additional stock on the farm and could not afford it. As you know, banks were taking a rather dim view of loans, overdrafts, and so on, and have been doing so for a while. There were difficulties in getting funding. Therefore, some people were selling stock that they would otherwise have held for longer, and they were getting bad prices. That was also disturbing income.

We hope that something can be done with the process. At the start of the meeting, the time for filling in single farm payment forms was mentioned. Last year, the first forms were on the farms on about the 15 or 16 March. The difficulty last year was that the maps were not there, so the whole process could not take place. We organised form-filling clinics throughout the Province. We have told DARD on several occasions that, at the time of the integrated administration and control system (IACS), we had a timetable set, and we are now losing the first week or two of our timetable. We have clinics set that we cannot complete because people do not have the information.

Eileen can speak about the online system, because she is involved with it. There could be difficulties there. To cap it all, we can talk about what percentage of farmers receive their payment by Christmas, and we will see that it is quite high. In a way, although the number of farmers who have been paid is relevant, the difficulty lies with the number who have not received money. That is a potential 100% problem for each of those farmers. We talk about other percentages, and it looks good that a large number have been paid, but it is those other people who we are concerned about.

We have suggested two things in the paper to you that might alleviate the problem. We do not know the resources in DARD or the people who deal with this right through the programme. As well as that, we propose that an advance payment could be made, with a date for paying the second part, except to those who have difficult conditions and who have had inspections. I think that is all, because everything else has been covered.

Ms Eileen Cassidy (Northern Ireland Agricultural Producers Association): For a start, I think they could simplify the inspection reports. They could basically ask what land is eligible and what is not. It would be much easier for the farmer, even without going to an intermediary, to see where he has gone wrong.

There should also be a better timescale. A lot of time is wasted. People are ringing me, because I am helping them out. They wonder when they are going to get their payment, and I am wasting time ringing DARD, because I feel it is my job to do that on behalf of my members. I feel that it is my job to look after them and to ask that question. There is a lot of time wasted everywhere. When your telephone call is answered, you are told that it will take another two weeks and that the application is going to be processed. If people knew there would be x amount of weeks from their inspection to when they get their payment, it would solve a few problems. There is a lot of time wasted with DARD staff as well. I find that many farmers start off by phoning, or getting their wife to phone, and they are not getting an answer. Maybe they ring me. I am trying to send e-mails to cut down on the phone calls. Perhaps we then get different responses, which is not really a good way forward either.

The Chairperson: When you ring DARD, are you privy to information on where it is in the process? Does DARD tell you that it is halfway through November's inspection?

Ms Cassidy: Yes, it would say that in many cases. Then someone might say that it has gone to an inspector to allow someone to inspect what is going on, and it can sit there for quite a while. So you really do not know. They talk about validation checks, and we are not sure how long they take.

The Chairperson: Sorry, I interrupted you; carry on.

Ms Cassidy: These inspections are very traumatic for all farmers. If they get any word at all about an inspection, they are on the phone. They do not really know how to cope. They do not know what they should be doing, or if they should be on the farm with the inspector. There is a big fear factor out there. They do not really know the difference between cross-compliance checks, nitrates checks, field checks, etc. There are a lot of grey areas. They are not sure what they need to be doing when this occurs and how it is ultimately going to affect them. With regard to online applications, in 2010, I made a great effort to complete a good percentage of the forms online. In 2011, when the maps were very late, I found it very difficult and did not make any applications online, I am sorry to say. In 2012, we got in a bit more help, made a great effort and have completed quite a few online.

I just stayed away from the countryside management forms, because inputting the new forms was just too time-consuming and not effective or efficient. With the larger forms, we have had a lot of changes, and the process was quite difficult, long and drawn out. Having said that, I achieved a substantial amount online this year. It is hard. I do not see a lot of farmers taking it on. A lot of them are over 50 years of age and are not au fait with computers. In many cases, they are very nervous about the submission of the form because their whole business relies on it. They are very scared to take that on by themselves.

With regard to the money being late, I know of businesses in my area that are paid for meal, fertiliser, etc, when the single farm payment arrives. It has a big knock-on effect on the local community and on businesses. If, in my community, 10 farmers were unlucky enough to be in that position and they were all buying from one supplier, it could put the supplier out of business.

I think that is all I have to say at the moment.

The Chairperson: OK, thank you very much.

Wesley, I am aware that you are the only one who has not spoken. Do you want to come in?

Mr Wesley Aston (Ulster Farmers' Union): I have nothing to add.

The Chairperson: You are happy enough.

I will raise one issue that has come out of the previous presentation with the Northern Ireland Agricultural Consultants Association, and that is the high percentage of people who have been inspected before. For those farmers, it is almost a continual inspection process. In your experience — I am talking to both organisations — how much of an effect does that have? Once you get into a spiral of inspection, you cannot get out, and you find that your farm is being inspected year in, year out. That has a chain reaction and a knock-on effect.

Mr Sinclair: It seems that some people can relate to that. You can link it to when they get paid, rather than to inspections. It is abnormal for some people to be paid in December. I do not know why, but, for some individuals, payment is late every year. The question is this: how are inspections targeted? A certain number of them are supposed to be done at random, and the rest are targeted at high-risk cases. How those are categorised, I am not sure. From speaking to farmers, I know that a number of them feel that they are being targeted more often than others.

Ms Cassidy: In many cases, when the inspector arrives, he does not say whether it is a random inspection or whether the farm has been targeted. People are in the dark. They wonder whether they are being victimised. Sometimes, they will come back to us to check whether they have been targeted or whether it is just a random inspection. As I said, when someone gets a cross-compliance inspection, a nitrates inspection and a land inspection all in the one year, it is just devastating for them.

The Chairperson: Surely, if there were a thorough inspection, it would solve all the difficulties. That should provide all the information for the Department and the farmer.

Mr Carmichael: This year, we have had one or two cases of ongoing inspections. We had one just this week. That farm was inspected a couple of years ago, and I would have thought that those people would have completed the single farm payment form for this year according to the inspection report of two years ago. So, I think that to go back is a waste of resources if there is an inspection

report from two years ago and if the form submitted this year agrees with it. I am not sure what the purpose of the inspection is if the report is already there.

The Chairperson: How much of a bearing does the Environment Agency have on all of this? What is its percentage input into the inspection process?

Mr Carmichael: The Environment Agency generally deals with nitrates or cross-compliance checks. It has a different process. When the Environment Agency does an inspection, it will then write a report about the compliance of the farm. It then submits its report, and it does not talk about allocating the penalty. However, if you talk to the agency, as we have done recently, you will see that two words generally appear in a report: "negligence" or "intentional". It reports whether the cross-compliance problem is intentional or due to negligence. That can be the difference between 3%, 5% or 40%. The decision on whether it is "intentional" is subjective, and somebody has taken that upon themselves. I would say that, in 99% of cases, people do not intentionally go out to do something. Things can happen on farms, as with anything else, and they can cause problems. That is where the difficulty lies. The Environment Agency then goes back to the Department. To be quite honest, we have seen some penalty letters come through fairly quickly in the past year. However, we would like to see DARD and the Environment Agency working more closely together. DARD gives the advice and the Environment Agency does the inspections. The difficulty is that, when you talk to the Environment Agency, sometimes you are not given advice. It will say that its role is to police the legislation, and there is a difficulty there in relation to the two.

Mr Aston: I do not know how many single farm payment claimants there are — possibly 35,000, although there were 40,000 when I started. It is important to remember that the actual number of people inspected, particularly for cross-compliance, is, off the top of my head, only 1% of that figure. Therefore, that is fewer than 400 people. Yes, there are more land inspections, but I think that the figure for that is about 5%, which equates to fewer than 2,000 people. Most people will not be inspected. Where land inspections come into play, if you were to take that 5%, it would mean one random inspection in 20 years. So, strictly speaking, you would not have that many inspections.

We are all concentrating on the people who do not get paid. To be fair to DARD, the vast majority of people do get paid. However, we have a real concern for those who do not get paid, because of the cash-flow situation, the situation in the farming industry and the effects on other businesses. That is how we can speed up the process for them. If the vast majority get their payment on time, that is fine. If you could bring it forward and give them advances and balances later on, that would be even better, and that is our ultimate aspiration. However, it is about how you speed up the process for those who do not get paid so that the payments are issued on time and as quickly as possible. That is important.

Ms Cassidy: Although only so many farms are inspected, land can appear in two forms, so it can have a knock-on effect. I could be inspected, but a man could be using my land for a less-favoured area or something else. Therefore, if I get an inspection, it has a knock-on effect on his form, and so it holds up his payment as well. So, we could be talking about double the amount of people.

Mr Irwin: Thank you for your presentation. I declare an interest as I am in receipt of a single farm payment, and I have had three inspections in four years as I have different types on the farm at home. Maybe they are picking me out.

Do you not accept that an advance payment will not have the desired effect if those who have had inspections do not get it? Officials from the Department who were here last week said that, even if there was an advance payment, those who have had inspections would not receive it. If that is the case, we are still where we are. If farmers who have had inspections were to get 50% of their payment up front, it would seem logical and sensible for any discrepancies to be taken out of the rest of their payment. That would be logical. If advance payments are brought about and those who have had inspections are not included in that, we are almost back to square one.

Mr Sinclair: Following on from Wesley's point, most of the time we are talking about a small percentage of people who do not run through the system smoothly every year. You are right that an advance payment would not include them. That is where I made the point earlier that we need to get that rule changed at Brussels level to allow a percentage payment to be given to those people in the system. It does not take very long after an inspection to know whether it is a high or low penalty.

Mr Irwin: Fifty percent would be a very high penalty, would it not?

Mr Sinclair: Yes, but you can have a case of 100%. It is possible.

Mr Irwin: The Department still has the ability to take it out of next year's single farm payment. In the end, the farmer is not going to win anyway. If the money has to come off him, it can be taken.

Mr Aston: As the president said, it is really an EU issue. We know that you require validation of claims before payments can be made. At the minute, you have to validate the number of claims that are given for the region before any payment can be made. That is one of the constraints. I know that the Minister said yesterday that she is looking at trying to see whether she can pay on individually validated claims, so, if the other inspections have not taken place, at least you can pay on those that have passed through the system. However, what we are talking about here is going beyond that and saying that if someone does not have a validated claim, they could get a certain percentage of a payment up front, because, for inspection purposes, they have been held back. That is something that has to be changed at EU level.

Mr Irwin: I was told about one farmer who only got his payment at the beginning of September, and it was only £50 out of several thousands of pounds. He did not get his money until September. That is logical enough.

Mr Carmichael: I agree with you. The whole idea of this is for the 2%, or whatever, who we are talking about here at the end of the process who have the cash flow problem. It could be worked out how many people are in a high percentage of penalty, but, as Wesley said, there has to be work done to try to make that happen. To be honest, if you do not do that, you are defeating a lot of the purpose of what we are talking about. It is the people who are not paid and the people who have inspections who are falling back. As I said at the beginning, we can talk about percentages that have been paid by Christmas. That is well and good, but it is the rest of the people that we are really talking about. The process is —

Mr Irwin: Three or four or five percent might seem very small, but it could be 2,500 farmers at the end of the day. The percentages sound very good, but the number of farmers can be quite high, and, in the main, most of the farmers are in receipt of high payments. Out of 38,000 farmers, only 30% of those rent their land, so their payment is reasonably small.

Mr Byrne: I welcome both the Ulster Farmer's Union and the Northern Ireland Agricultural Producers Association. I appreciate your comments, Harry. I am trying to get my head around how strong a case or otherwise is being made with the Department by both organisations in relation to trying to have interim payments or staged payments. My predecessor on this Committee, Dolores Kelly, raised the issue here in the past year about trying to push for these phased payments. How much representation have you made with the Department on this issue?

Mr Sinclair: We have ongoing representation with the Department. This is something we have been lobbying on for some time, and we are encouraged that the Department is now putting remote sensing and the LPIS project into its systems. Those things allow that to happen, but, until those things happened, it was not possible to deliver.

Mr Byrne: Do you accept that we have not created any land or reduced the land mass of the North over the past five years? Therefore, the maps that are prevalent today should not differ that much from the ones that were used previously.

Mr Sinclair: The area of land is still the same, but the difference is what is eligible within that area.

Mr Byrne: I am worried that the Department is going to wait on LPIS, and we will acquiesce, and, in the meantime, people will suffer.

Mr Sinclair: We are led to believe that the LPIS project is coming near a conclusion. We all hope that the next set of maps that farmers will get will be the final maps, and they will solve all our problems. There is a big onus there. I honestly believe that that should be delivered, given the amount of work that has gone into this. We have campaigned all along for a system that allows interim payments, and our friends from the Department will explain that when they come to talk to you. We are disappointed that it could not have been done, especially when we have seen farmers south of the border being

able to get it for quite a number of years. It is unfortunate that our systems have not been there, but we believe we are getting close to it.

Mr Buchanan: The advance payments are fair enough, provided that they are being paid to the people who have the inspections as well. Anybody who gets the single farm payment but does not have an inspection is not knocking on our door to say that there is a problem, because they have already got it; it is the person who has the inspection and is waiting. Do you think there should be a deadline for when the Department should carry out the inspections? For example, should that deadline be the end of August, the end of September or whenever?

The reason I put that to you is that one of my constituents, who is a small farmer in Drumquin, had his farm chosen for inspection some time round October or November. However, the Department did not inspect that farm until the middle of January of this year, and he did not receive his payment until late August or September this year. That man really needed his payment: he is a small hill farmer, but he had to wait for it. Should we be looking for the Department to have a deadline by which the inspections should be carried out so that it has the time to process these and make sure that the payments are made on time rather than hanging on for so long? That is one of the questions.

Ms Cassidy: That is what I was suggesting: there should be a time limit. I would like to see inspections wrapped up before the end of October, but maybe that is not possible. Certainly, once it goes into the second year, it is so frustrating if you are ready to put in your single farm payment form again when you have only just been inspected and there is no sign of your money.

So, if there was a time framework and you had an inspection, it might be easier to go to the likes of the bank and say, "Look, I have had an inspection and DARD takes 10 weeks to process this application." The bank might help you out there, but if you just go in and say, "I have had an inspection, I have no idea when I am going to get my money and nobody is going to tell me when I am going to get my money" — even if a bank manager writes to the Department, there is really no help, because you still do not get any answers. I am not criticising the staff; it is the process that is the problem. If there was something in place where the Department could say that you will have your money in 10 weeks and, if you have an inspection, in five weeks, and you knew where you were at, people would be more willing to extend your overdraft a bit further or give you that bit more credit if you were buying meal or fertiliser or whatever. Knowledge is power for everything.

Mr Aston: It is all about the window during which you can do the inspections: 15 May is your IACS submission deadline, and 31 December is when all the inspections are supposed to be done by. That is why those inspections actually rolled into the following year: because they were done remotely and had to be ground-proofed the following year just to get the inspections done by 31 December and allow any money to be paid out. So, the Department put in a special effort in to make sure that that happened in the past year.

So the actual length of time that the Department has is from 15 May to 31 December. If you move the application deadline earlier than 15 May, that allows them to start earlier in the year, which is what happened in the South where there is an earlier application period. The other thing is that if you can get out and do earlier inspections, that allows that to happen.

Equally, the type of inspections is important. We need to get away from people having to walk round fields and have them do more remotely. That way, when a specific query is raised, the inspectors can go to the farm, focus on the area of concern and clarify it, which will speed up the inspections.

So, a combination of all those things would allow people to be paid earlier, and that is what we are looking to achieve through LPIS, remote sensing and all that type of thing.

Mr Sinclair: We have always asked for as many inspections as possible to be done during the summer period to speed up the whole system. The last thing that farmers want to see is someone arriving at their farms in the month of December for an inspection, because they know that their payment will be delayed by six months.

Mr Buchanan: What about the online applications? I heard you talking about them. Are they too complicated? Do they need to be less complicated, if you like? Can anything be done to make them easier for the farmer?

Ms Cassidy: For someone who is au fait with filling in a single farm payment form and who feels confident with it and is confident in the use of computer applications, the online application is not too bad. The problem I have found is that, if someone has a lot of fields, there are a lot of field data sheets, and it can be a slow and tedious process to make changes, especially where you have to code everything. If a field has four different features you have to enter all those codes, which is quite time-consuming and at the end, maybe, when you press "submit", you may have made about 10 errors and you have to go back and start over. That would be quite a daunting process for a farmer, and he would be pretty worried.

Also, with the introduction of the new countryside management scheme, none of that data was pre-populated in the past on the single farm payment form. So, even though the other field data sheets were pre-populated, you had to enter everything. Even for a small piece of land, you could have quite a lot of codes, so that was really time-consuming as well. In many cases, I found that very off-putting.

I tried to pick the simpler forms and do them online. Some of them had just a couple of pages and very few changes, and they were easy enough, no sweat. In saying that, however, many farmers, perhaps, have not had the training, and, in many cases, they do not have the confidence to go there themselves. Furthermore, broadband is still an issue for a lot of people in different areas, and without that it is not really feasible.

Mr Sinclair: I concur with Eileen. I am one of the fool idiots who have done it online. I must admit that when I pushed the button, the amount of errors that came up was unbelievable and I had to go back and start again. It is a real worry for farmers that when you push that "submit" button at the end, you do not have the confidence that you have actually done it. That is the feeling of a lot of farmers out there. The dependence on the single farm payment means that there is a risk in doing something wrong when you are not confident about doing it and you cannot go back and correct it easily afterwards. That is the problem with the online forms.

Mr Irwin: Inspections were done in August last year, but some farmers did not get paid until the following June. I am told by departmental officials that there were big problems with the IT system. I am not sure that the Department ever admitted to that, but if an inspection is done in August and payments have still not been made by the following June, the Department not only has to get its inspections done early, it needs to make sure that its house is in order internally.

Mr Sinclair: There should be a protocol with a defined timescale from inspection to payment. Unless there is a serious reason behind it, that timescale should be met.

Mr Swann: Thank you for your presentation, folks. It's really in regard to everything that has been covered; the option of advance payment versus getting everybody paid. I think you would all agree that we would rather have everybody paid first before we look to the option of an advance payment system. In her statement yesterday, the Minister said that she was prepared to look at that on an individual claimant basis. You referred to that, Harry. Do you have confidence in her Department to be able to do that?

Mr Sinclair: We hope that the system that has been put in place will allow for that. However, the system still does not get over the problem. People do not mind waiting until December to get paid. However, it is those who have the inspections — that small percentage — and advance payments are not going to help those people unless you can change the rules of the paying agency or the EU to allow advance payments before a claim is totally validated. That is where the nub of the problem arises. We would like advance payments for everybody, and sort out any problems in the final payment. That is where we would like to be at in our system, because that would, at least, put cash flow into all our farms.

Mr Carmichael: I agree with you. The question you asked was about confidence. At the end of the day, we are, in the main, discussing processes today. This is a process that DARD is charged with carrying out. We hope that, with everybody's input, we can develop the process further. Confidence does not really come into it. You have to start somewhere, and, at any stage, you will be starting something that you can all work together on and develop.

Mr Swann: Chair, I have one last question. I do not know whether you have seen the flow chart on single farm payment that the Department has presented to us. As practitioners, are there any steps in that entire process or scheme that are unnecessary?

The Chairperson: Just to clarify, the Assembly's Research and Information Service did that, not the Department.

Mr Swann: It still sets out the — it is the Department's flow chart.

Mr Sinclair: Without seeing it, Robin, I — *[Laughter.]*

Mr Swann: You have talked about the online forms, and you are practitioners in the field. As you sit there, do you think that, for example, a particular bit of a form serves absolutely no purpose? Or does it all say that to you?

Mr Carmichael: Are you talking specifically about single farm payment?

Mr Swann: Earlier, you talked about the processes. Are there any of those processes that could be done away with?

Mr Carmichael: I was talking about the process between completing the form to, if necessary, having an inspection and having the inspection acted on. That is the type of process we are talking about. It is the timescale whereby if somebody has done that, how you circumvent —

The Chairperson: There is the flow chart.

Mr Carmichael: That would be quite normal for government.

Mr Aston: I do not necessarily think that there is a step in the process that should not be there. It is about the timing.

Mr Swann: The timescale —

Mr Carmichael: Yes, exactly.

Mr Swann: I was trying to see whether there is something unnecessary in that process that could be pulled out to speed up payments.

Mr Aston: We will read this tonight.

Mr Sinclair: I assume that the system has been set up to meet the rules of the massive paying agency of Brussels. Without taking the time to go through it all, I hope that our Department has not put in extra steps.

The Chairperson: There is a lot to digest there.

Mr Sinclair: Yes, you could not sit down —

Mr Swann: I think that comes to the crux of it. We often accuse the Department of gold-plating stuff. That is what I am trying to get at. If you get a chance, maybe you will look at that flow chart and see whether there is anything in it.

The Chairperson: You can take it away with you.

Mr Byrne: I want to come back to some of the issues. I think that there is a general theme. There is a concern about getting approval from Europe for earlier or staged payments. I am worried. Have we damaged our reputation in Europe, so that the Department is afraid to go there and seek approval? I am mindful of last year's Public Accounts Committee report on the farm nutrients management system. Was that system such a fiasco that it has impaired the Department's ability to get its house in order and make things happen in relation to staged payments?

Mr Sinclair: I do not believe that the Department is any worse off than any other Department in negotiating with Brussels. Over the past year or two, it has paid a dear price for not having the right

systems in order. I feel that, once those systems are in order, we will be in an equal position to other Departments to being able to deliver the advanced payments. It does not get over the whole — I go back to the European issue. It only goes for those who are not being inspected. It will not cover 100% of claims; it covers those that are not in an inspection process. Every member state in Europe has that problem.

Mr Carmichael: I agree with what Harry said. If problems have been identified and the Department can show that it is working to improve things — which audits, I believe, since these have shown — there should be no real reason for Europe or our representatives to decline to discuss anything that might be of benefit to farmers here.

Mr McAleer: Some of you might not have met me before. I am relatively new to the Committee, so I beg your indulgence. I am sorry that I had to pop out earlier; Question Time was on in the Chamber with the Regional Development Minister.

As a Committee, we received quite a comprehensive briefing last week from the officials on the single farm payment, and I am still reading my way into that. We learned that LPIS has come on very well since 2009, when it was mostly paper-based, to 2011, when it is virtually all electronics-based. We learned that the officials in the field are equipped with ruggedised laptops and that the Minister is piloting remote sensing on 250 farms to check that out. We learned from research carried out by people up here that Wales and the South of Ireland felt that the remote sensing was more efficient and speeded things up, particularly the eligibility stuff, and freed up officials to make the payments faster. Of course, the Minister is on record as wanting to make the payments faster. What more can we do, as a Committee, to help push that on? What more can be done to help speed it up? I have picked up that one reason why staged payments cannot be made is because of the bureaucracy and issues with mapping and one thing and another, which, based on the notes, are being addressed. What more can we do to push this on? Is there anything missing?

Mr Sinclair: In the meantime, until something can be done in Europe to address the problem for those in the inspection system, we need resources to get those inspection reports through the system quicker. That is probably what farmers on the ground would like to see. Six months seems an awfully long time to get a report turned round and payments made.

Ms Cassidy: You asked about eligibility of land. Fair enough, the new orthophotos are much better, and it is easier to identify what is eligible and what is not, such as hard features, scrub, etc. However, as the previous group said, because the rules on eligibility have changed, it is still hard for the form-filler or the farmer to decide what is eligible and what is not, because things have changed with regard to heather and that type of land. There is so much of that in our uplands here, and so many farmers are farming that even though somebody from Brussels would probably think that our heads are cut farming there. That land had previously been eligible, and it is very hard for farmers to determine the percentage that is eligible. It still is open to personal interpretation regardless of how many computers you have on the ground. That decision still has to be made, and the onus is on the farmer to make it. In many cases, it could cost him his payment if he makes the wrong call.

There maybe needs to be a bit more direction. Farmers would like a bit more direction from DARD on eligibility, and they would accept it. However, if it is just a case of making up your own mind, it is difficult, and then somebody comes out and makes up their mind. It is, unfortunately, a grey area. As I say, hard features, scrub and lanes are not eligible. If there is a house, you take it off because it is not eligible, and it is the same with a lane or a lump of rock. However, with heather and stuff like that, there are a lot of grey areas such as how high or low a hill is and whether it is grazed or not grazed. DARD should maybe be more proactive and say that certain fields are not eligible. It is too late by the time that it says that. You are waiting until the inspection.

Mr McAleer: That is very helpful.

Mrs Dobson: I apologise for missing the your presentation; I was supporting Minister Kennedy in the Chamber. My question may already have been covered. The Committee has been told by DARD that farmers should start from the standpoint that their maps are incorrect and then tell DARD what is wrong with them. That seems farcical. What is your view on that?

Mr Sinclair: For years, farmers — it goes back to the age group of a large percentage of our farmers — more or less took the maps produced by DARD as gospel and worked from them. It is hard to get a lot of those people to change that mindset and to accept that the maps are not right and that they have

to go out and more or less remap the land. That is why we welcome this move to get LPIS maps out there. It should provide clarity. It goes back to the situation that the map might show you the area, but it does not show you the eligible area of a field. Once LPIS is finalised, it should be at the stage of doing that. Again, they might not be totally accurate, because there is always overshadow, and things like that, that cannot be easily seen from above. As Eileen mentioned, the length of heather is not easily measured from an eye in the sky. The onus is still — it has moved from a payment that was for farming to a payment for land. Before this, we were producing animals, crops and products, but now we are moving to a situation in which the payment is for the land. It is a completely different mindset, but it is just getting farmers moved over to that. Quite a number of them are there now, but there is still the problem of people not understanding.

Mr Aston: We certainly hope that whatever DARD provides will be much more accurate. There has been an ongoing process through the LPIS project to do that. Hopefully, the one that will come out this time round will be better than the last one. Hopefully, it is almost there, if not there. The onus still rests with the farmer — the claimant — to make sure that he is satisfied. The Department does not fill in the form for you; it gives you the information that allows you to fill in the form. So the onus rests with you. With common agricultural policy reform coming forward in the not too distant future, this could be a completely irrelevant issue, if ineligible features become eligible again.

Mrs Dobson: Many farmers have asked me why their payments should be held under the presumption that they have got it wrong, when it could just as easily be DARD that is at fault. Do you agree with those farmers?

Mr Sinclair: I have sympathy with them.

Mrs Dobson: I think they are looking for more than sympathy

Mr Sinclair: I can understand exactly where they are coming from.

Ms Cassidy: I think farmers think that DARD is right in so many aspects, and that it proclaims that it is always right. Then, when it comes to the most important things, it says that it has got it wrong and that the farmer has to get it right. There is a bit of a contradiction in terms there. That frustrates them in many cases.

Mrs Dobson: It is farcical that DARD is openly admitting that its systems are failing farmers.

Mr Carmichael: It also relates back to the previous presentation, when the discussion went back to 2005 and what was eligible then. People from that stage now find it hard to believe. That is one of the difficulties with looking at new maps. You talk to farmers. Last year, for example, a lot of what were declared as potentially ineligible features were hatched in purple. When you presented that to a farmer, he looked at it and said, well, you know, this was eligible before. People have based payment on that land. Farmers are like anybody else. They are very reluctant to accept it when somebody says that something is now ineligible and that he could potentially lose x amount. Do you know what I mean? That is why the retrospective look to 2005 can be looked at in two ways, because you can get historical and recalculated. Retrospective is a totally different issue. As everybody has said, farmers always believed that DARD was a supreme being and that everything that came from it was 100%. Unfortunately, we are now finding that it should not be relied on.

The Chairperson: You talked there about the supreme being and the all-seeing eye. That brings me to remote sensing. It is the next great hope. DARD did the inspections quicker this year; it started quicker. There were 250 inspections done through remote sensing. I stand to be corrected on this, but I think that there were about 400 inspections more this year than last year. Was the Department too cautious? It will tell you that it has dipped its toe into the water with regard to remote sensing. Are you frustrated that it did only 250? Or, do you see the wisdom in that, given everything that Europe would bring down on top of us if we got it wrong? Where are you with regard to remote sensing? Was 250 enough?

Mr Sinclair: We spoke to the Department about it through the whole period, before it took place. We were keen enough to see it growing but, at the same time, we were cautious and wanted to see the results. It is a positive step, but I do not think that the industry was ready to accept a vast change overnight, without it being proven. We have not seen any results from the inspections that were done remotely, but I hope that confidence will build out of what has been done this year.

The Chairperson: I represent North Antrim. Will remote sensing and heather mix?

Mr Sinclair: No. Remote sensing will pick up what it can. If there is a problem, and the remote sensing cannot see it, the inspection will take in only that part of the farm where remote sensing did not work. The Department has to go out and inspect the part that is the problem. That takes only half an hour or an hour to do that, compared to doing a two-day or three-day inspection of the whole farm.

The Chairperson: Are you confident that this is the way forward?

Mr Carmichael: We support the concept. However, the numbers at the start are important because you have to get the balance right, to see how many farms you have to go out and inspect. As Harry says, it takes less time, but it gives you an idea of what you might be facing. We support it.

The Chairperson: In the previous presentation, the representatives were critical of the DARD Direct offices, and they said that the personnel were not sufficiently expert on single farm payment procedures and the forms. Do you identify that as a problem?

Ms Cassidy: In most cases, the DARD Direct staff are most helpful and pretty up to speed with what is going on. Certainly, not everyone can be trained in everything; staff members are moving about and others are off work, etc. In most cases, though, they are helpful. Often, you have to try to explain your case pretty well to try to find out a bit of information. I deal with all the DARD Direct offices because we have members and clients everywhere. Generally, the staff are pretty helpful.

Farmers who telephone the offices may be like me; they are maybe not too articulate. They may not really understand what questions they should be asking. It is a two-way process. If they have an intermediary like us, we will know the business number, the fee number and what the issue is. Generally, if the person you first encounter cannot answer the question, they will certainly try to get you someone who will answer the question or who can help.

With data protection, to get information in most cases you have to be a signed agent.

The Chairperson: Should DARD Direct be the place to go, or should there be a dedicated helpline?

Mr Sinclair: The idea of DARD Direct is that there are supposed to be specialists in all areas in the one office. That system should work throughout Northern Ireland. There are only 12 DARD Direct offices, and there should be 12 people there to cover all those areas in Northern Ireland. We have not been dealing directly with DARD Direct, but we have not had any complaints coming through from our members about not getting information.

Mr McAleer: Is it fair to say, then, that you would not need the personnel there all year? They would only need to be there at certain times of year. The cut-off date for single farm payment is 15 May. Is that right?

Ms Cassidy: There are queries ongoing all the time, and there are inspections.

Mr McAleer: Would it be good if additional people were assigned to or trained in the single farm payment eligibility checks, and who would speak plain English in answer to queries? As you say, some farmers might be bamboozled or lack confidence, or whatever, when they bring casual enquiries.

Ms Cassidy: I think if the reports were simplified, it would make them simpler for everyone. Then we would understand, and the farmer would have a better grasp of it, and so would the person working at in the DARD office. Obviously, people in DARD Direct may have nothing to do with the compilation of those reports. It is hard for them to answer when a farmer asks a question about that. Maybe if the process were simplified, it would make it easier for everyone to get a handle on things.

Mr McAleer: That is something we could perhaps bring forward through the Committee.

The Chairperson: If members have no other questions, I thank both organisations for being present and answering questions. I am sure that we will be seeing you again very soon.