



Northern Ireland  
Assembly

Committee for Agriculture and Rural  
Development

# OFFICIAL REPORT (Hansard)

Areas of Natural Constraint: DARD Update

12 November 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Agriculture and Rural Development

### Areas of Natural Constraint: DARD Update

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**Members present for all or part of the proceedings:**

Mr Paul Frew (Chairperson)  
Mr Joe Byrne (Deputy Chairperson)  
Mrs Jo-Anne Dobson  
Mr William Irwin  
Mr Trevor Lunn  
Mr Declan McAleer  
Mr Oliver McMullan  
Mr Ian Milne

**Witnesses:**

|                   |   |
|-------------------|---|
| Ms Rosemary Agnew | Department of Agriculture and Rural Development |
| Mr Mark McLean    | Department of Agriculture and Rural Development |

**The Chairperson:** I welcome to the Committee Rosemary Agnew and Mark McLean, both of whom are principal officers in the Department of Agriculture and Rural Development (DARD). You are very welcome, as always. It is good to see you again. Members have already had a chance to read your briefing papers, so I ask you to be brief and concise in addressing the Committee. It would be helpful to outline the main issues or to provide new information that is not in the papers. I will give you five minutes to present, and then we will go straight into questions.

I remind members to keep their two questions short and concise. If there is time, I will do another round of questions. If we do not have time for that, we can give questions to the Committee Clerk to send to the Department. So, without further ado, Rosemary, the floor is yours.

**Ms Rosemary Agnew (Department of Agriculture and Rural Development):** Thank you, Chair. As you said, we want to give you an update on our progress in mapping areas of natural constraint (ANC) or the new less-favoured areas (LFA).

There is a requirement in the CAP agreement to redesignate areas. The Committee received an update from us on 20 November, when we talked about the primary-stage mapping. Since then, there have been key changes in the legislation, which are highlighted in your briefing papers. We have also provided you with a suite of maps, showing you how we are arriving at the final draft map.

Essentially, there are two stages to the process. The first is to map soil, climate and slope criteria, and the maps are then layered on top of each other to produce a cumulative map at the primary stage. That cumulative map is then aggregated up to where 60% of the agricultural land is constrained in the area, meaning that the ward becomes designated as an area of natural constraint. That is where we got to the last time that we updated the Committee.

Since then, we have received fine-tuning guidance, and we are required to fine-tune any area or piece of land where the natural constraint has been overcome by, for example, economic activity. The Commission provided a suite of guidance on how we would do that, and we have examined a number of those options. On map 17, we have fine-tuned the initial primary map using standard output.

Standard output, as you see from your briefing paper, is something that the Commission suggested we use. The Commission also suggested that we use 80% of the regional average of a standard output. The map that we provided you with is done at 100% of the regional average — in fact, the regional average. At this stage, we do not know whether the Commission would accept such a map, and that is something that we will have to look at.

I stress that this is still very much a work in progress. The revised legislation, or the legal texts, allows us the opportunity to explore the use of alternative administrative units towards, for example, townlands, and we will continue to explore alternative fine-tuning methods.

As outlined in the briefing paper, our reason for coming at this stage is to illustrate the area that is likely to be constrained in the designation and to try to help inform decisions on future support to those areas as part of the CAP pillar 1 direct payments consultation. Eventually, any new designation will require approval from the European Commission.

That is all that I would like to say at this stage. I am happy to take your questions.

**The Chairperson:** Thank you very much for being so concise and clear. We understand the work, the seriousness of it and the detail that has to go in, not least when trying to satisfy Europe. We understand the concepts of the less-favoured area compensatory allowance (LFACA) and areas of natural constraint.

Where the fine-tuning element is concerned, the paper states:

*"Those areas in which a constraint has been documented but it has been overcome should be excluded".*

What methods would be used to overcome a constraint?

**Ms R Agnew:** One of the easiest examples to explain to you but that is not applicable in Northern Ireland is where land is drained. One of the reasons why the Commission brought in fine-tuning and is very definite that it has to be applied is to remove slopes in continental Europe where Champagne vines are grown. Obviously, the disadvantage, or the constraint, from that slope has been overcome, because it can be used for wine production. That is the thinking behind the measure.

In a Northern Ireland context, it is really about whether there are investments. We talked about drainage, and we do not have data on drainage. So, applying drainage is not a fine-tuning criterion that we apply. One issue is whether the areas had been overcome by economic activity. For example, with land-management practices, we ask this: is the agricultural output that is produced from that hectare of land greater than could have been expected earlier? That is asking whether the constraint has been overcome in some way. There is a Europe-wide methodology that the Commission has suggested be used for that, and that is clearly in its fine-tuning guidance.

**The Chairperson:** That brings me to my second question. When there is a change of any nature and when somebody has to draw up lines and borders — call them what you may — whether you are a winner or a loser, or whether you retain what you had before will depend on what side of that line you fall. So, there will be pain with this, and, when you look at the map, you can see that there is a differential in some areas. How do we manage that in the long term so that we lessen the impact on who, for want of a better word, will be the losers? Who is to say that your lines will be drawn differently? Will your lines be as they are throughout the whole CAP programme? The crux of my question concerns the drainage scheme that DARD hopes to implement. Could that have a bearing on this?

**Ms R Agnew:** It is a simple no. We set the boundaries, and whatever they are at the start, they will remain for the period of the rural development programme from 2014 to 2020. In the legal text, the Department and every member state has until 2018 to implement the designation. We can implement it earlier, but we have until 2018 at the latest to implement the designation. The Commission has been very clear that the boundaries have to be contiguous with a local identity and with an economic

or administrative function. The Commission has identified that, across Europe, those should be local administrative unit 2s (LAU 2s), which are equivalent to our wards. For example, if our ward boundaries move during the period, we would not revise our map. Our map is set when the Commission approves it, and it remains that way for the period of the programme and is then revised. I mentioned townlands, and we could, if we so wished, argue for it to be done on a townland basis. However, the map that we provided you with today is the ward map.

**The Chairperson:** There can be no convergence added to the system, even though your lines are drawn, stamped and approved. Is there any historical context of convergence that you can add?

**Ms R Agnew:** Not in what is designated and what is not. You asked about farmers or landowners who are eligible for support but who might not be at a later stage. Given that no decision has been taken on when the Department will implement this, all that it can say at this stage is that it will have to manage that at transition period. Under elements of the rural development regulation, member states and regions can provide a transition-out payment for areas that fall out of designation. That is possible.

**The Chairperson:** Does that mean that there can be a phased approach?

**Ms R Agnew:** There can be a phased approach, but, obviously, none of those decisions has been taken.

**The Chairperson:** You got to what I was asking in the end, and it was my fault for not asking the right question and wording it the right way. Thank you very much, Rosemary.

**Mr McMullan:** You mentioned ward boundaries. Can you elaborate a wee bit on that, please?

**Ms R Agnew:** They are the current ward boundaries.

**Mr McMullan:** Do you mean council wards?

**Ms R Agnew:** Administrative wards.

**Mr McMullan:** Could you explain that one?

**The Chairperson:** I assume that they are the electoral wards.

**Ms R Agnew:** It is not the new ones but the 1992-94 ones. They are the ones that are currently in place.

**The Chairperson:** Those are measured in super-output areas and one thing or another.

**Mr McMullan:** Is that council or Westminster wards?

**Mr Mark McLean (Department of Agriculture and Rural Development):** It is the current ward boundaries, which I think were brought in 1992. They were used for the councils and Westminster up until the election scheduled for 2014. My understanding is that those new ward boundaries do not come into effect until an election has been held under them.

**Mr McMullan:** That is next year.

**Mr McLean:** Yes.

**Mr McMullan:** Does that mean that the boundaries will change next year?

**Ms R Agnew:** There is a possibility that, depending on when the Department decides to implement this designation, the maps would be required to be redone.

**Mr McMullan:** That is the point that I am making.

**Ms R Agnew:** I want to be very clear that they would have to be redone.

**Mr McMullan:** So, they would have to be done from 2014, because the elections are next year, even though you do not go into 2015. Is that right?

**Ms R Agnew:** Yes.

**Mr McMullan:** Will they change again under the new Westminster boundaries in 2015-16?

**Ms R Agnew:** It very much depends on when the Department decides to implement the boundaries from. They would stay in place for the period of the rural development programme. So, if, for example, the Department decided to implement the new ANC designation from 1 January 2015, that would probably be done on the basis of the wards that would be in existence in 2014. That is because the Commission has to approve the maps and then they are fixed. Where 2017 is concerned, any new one would not happen until the next rural development programme. However, but if the Department decided to delay implementation or to implement them at a later date, such as 2018, it would use the more up-to-date ones.

**Mr McMullan:** So, if we implement the ones next year, will we be working with the new council boundaries?

**Ms R Agnew:** More than likely, yes.

**Mr McMullan:** The new parliamentary boundaries, which are due in 2016, would not be used until the end of the rural development programme.

**Ms R Agnew:** They are reset the next time.

**The Chairperson:** As far as I am aware, the electoral wards are the same for every election, but they are just built up differently to form constituencies.

**Mr McMullan:** I will not argue with you, Chair. Some of them are slightly different, and the parliamentary boundaries will change the following year.

**The Chairperson:** That is for constituencies. It will not break up electoral wards.

**Mr McMullan:** Some wards will be broken up in the new Westminster boundaries. That is fine. Either way, they will have to be looked at again.

**Ms R Agnew:** It is very much a work in progress, and it is very much about when the Department takes the decision to implement this from. We will use whatever wards are current at that time. I should also say that there is the option of exploring townlands, which, perhaps, we will come to. Townlands do not change.

**Mr McMullan:** There is a lot of talk with townlands about what is a townland. I am glad that it is coming round this way. Maybe we can finally get that designated, because townlands certainly have got it by far —

**The Chairperson:** I think that we needed that clarification. However, I must disagree with you. I am not 100% sure that the electoral ward, as a unit, changes, but I know that the constituencies change with the bricks of the wards in place. That is something that I think that we need to clarify. Obviously, the wards make up electoral areas, which then become constituencies, but the actual intricacies of wards should not change. However, I think that we need clarification on that, because it is a very valid point.

**Mr McMullan:** The townlands too.

**The Chairperson:** The townlands are completely different.

**Mr McMullan:** If we use the townlands, they will overlap into different boundaries.

**The Chairperson:** Yes, absolutely. It is two different systems.

**Mr McLean:** The townlands are fixed. They are not going to change, in that they are mapped by Land and Property Services (LPS). Mostly, in rural areas, the townland boundary is also the ward boundary, although, in some cases, that is not always the case.

If this is based on wards, as Rosemary said, it would use the wards that are in force at the time that the designation is done. The change in parliamentary constituency boundaries would not affect that, because it would not change the ward boundaries.

**Mr McMullan:** Will postcodes not come into it?

**Ms R Agnew:** No, I do not believe so.

**The Chairperson:** That is a third system; it is completely different. We should try to see what the difference would be in using the two systems. Would it be possible to get that information? I do not know whether you can produce a map or whether we can one, but comparing the numbers of electoral areas with the numbers of townlands would give us some indication of this. I suspect that there are more townlands than there are —

**Ms R Agnew:** Sorry to interrupt, Chair, but yes, there are somewhere around 10,000 townlands.

**The Chairperson:** Yes, exactly. My thinking is that the townlands, built together, created an historical electoral ward that has then been amended throughout the years by, more than anything, changes in population. There are two distinct systems. I think that it would be worthwhile to seek clarification on that.

**Mr Byrne:** Obviously, we are in a slightly unknown position, and I am trying to work it out. If we were to take it that the new ANC's will be based on the criteria in that map, what percentage of LFA areas would be losing out and would no longer be designated as an ANC?

**Ms R Agnew:** The map on slide 17 is what we call our draft initial map.

**Mr Byrne:** Seventeen per cent —

**Ms R Agnew:** No; 500,000 hectares of agricultural land are designated. In our LFAs that currently exist, around 770,000 hectares are designated. So, you are losing around 250,000 to 270,000 hectares. It is predominantly, but not all, disadvantaged area (DA) land.

**Mr Byrne:** What percentage is that?

**Ms R Agnew:** I cannot do the sum in my head.

**Mr Byrne:** Is it about a third?

**Ms R Agnew:** Yes, it is about a third.

**Mr Byrne:** So, about 33%.

Secondly, how many constituent farmers is that likely to affect?

**Ms R Agnew:** We have not explored that yet in any fine detail, because, obviously, these are just initial maps. As an approximation, I can indicate to you that around 5,000 farmers currently receive LFACA payment in the DA. Obviously, that may or may not account for all farms in the DA. A number of claimants claim for the DA, for the severely disadvantaged area (SDA) and also for the farm in the lowland, so it is difficult to break down for that reason.

**Mr Byrne:** Essentially, we are talking about roughly a 33% drop in acreage.

**Ms R Agnew:** Yes.

**Mrs Dobson:** Rosemary, thank you for your briefing. You were previously here last November, when you gave us a briefing.

**Ms R Agnew:** Yes.

**Mrs Dobson:** The Deputy Chair asked what I was going to ask about the number of farmers who will be affected. Can you give us details about the consultation on this? It will need to be done in the next two months so that it can be in place by 2015.

**Ms R Agnew:** As we indicated in the briefing paper, we intend to provide these maps on the CAP consultation web page. At this stage, I am not sure that we can have a formal consultation on them, because we are still awaiting some information from the Commission on fine-tuning.

**Mrs Dobson:** There are too many ifs.

**Ms R Agnew:** There are too many ifs and buts. We want to try to help to inform the pillar 1 consultation as much as we can by saying what the map will look like strategically. There are areas that will, undoubtedly, change as we continue to refine these maps. I am sure that, as you look at the maps, you can ask why an area is out and another area is in. Those are the areas that we wish to explore over the next number of months. Essentially, in many ways, we hope to put some words around the presentation that we provided you with, and perhaps a few additional maps, as we continue to explore this towards the end of November. We will upload that on to the consultation website.

**Mrs Dobson:** So, there is no formal consultation as such.

**Ms R Agnew:** No, but we will welcome any views. It will be publicly available, and we will welcome any views.

**Mrs Dobson:** In our constituencies, we will have a lot of questions asked, because things are still quite up in the air.

**Ms R Agnew:** I think that that is part of the reason. No decision has been made on when the Department will implement this. That will obviously affect the choice of the boundary, as we talked about. We are expecting more information from the Commission during November, and the map could be influenced by that decision. Obviously, we are in a process of pillar 1 consultation, and we are being asked what the new map looks like. We want to try to be as open and as helpful as possible, realising, of course, that it will result in questions being asked. We will try to deal with as many of those questions as we can.

**Mr Milne:** I come from the mid-Ulster area, which seems to be pretty much affected by this. Surely, there are, for want of a better way of describing them, hotspots or soft spots in those districts. Are you saying that those people will or will not be disadvantaged in some way?

**Ms R Agnew:** Remember that this is about designating an area. How they will be supported is the subject of a much wider consultation process. At this time, it appears that the mid-Ulster area would not be designated as we move forward. We have a pillar 1 ongoing consultation process on support, which has lots of questions about how areas would be supported. It is difficult to give you a direct answer, because the movement towards flat rate in pillar 1 will influence many areas. Perhaps Mark would like to comment.

**Mr McLean:** Yes, that is the issue. Designation is one issue, and the support payment for designated areas is another. There are many interchangeable issues, and one impacts on the other. Whether the future ANC support scheme should be in pillar 1 or pillar 2 is in our consultation for pillar 1. Obviously, if it is in pillar 2, it will require money from pillar 2, and that feeds into the issue of a transfer from pillar 1 to pillar 2. There is the question of whether we should be making a transfer from one type of income support payment in pillar 1, taking off a percentage, to supplement a pillar 2 budget to pay out as another income support scheme. Should we use the option in pillar 1 whereby we make a percentage reduction and pay it as an ANC support scheme in pillar 1? There are many issues. Indeed, in some ways, it could be looked at as taking more off the pillar 1 payment for some farmers, who would qualify and be designated under ANC, and they could get less back under the ANC

scheme. That could be the case in some situations, but not all. So there are a lot of complex and interlocking issues that will have to be considered.

**The Chairperson:** Does the Department have a mindset on that? I know that you are out to consultation, and we do not want to pre-empt that, but does the Department have an inkling of where it would like to see the payment? Would the Department like to see it in pillar 1 or pillar 2?

**Ms R Agnew:** Perhaps you will know, Chair, that, a couple of weeks ago, we held an initial stakeholder meeting to discuss future support for ANC areas. We presented the case for both sides. We presented the scheme requirements to stakeholders if it were a pillar 2 payment, recognising that there would be difficulties around how the scheme could be funded. It is an income support payment, and in many ways it seems to make more sense to have it in pillar 1, which is on income support. However, no decision has been made. We left the question open: pillar 1 or pillar 2.

**The Chairperson:** Let me ask that question in a different way. With regard to administration and bureaucracy, where would it be best placed?

**Ms R Agnew:** It would be a much simpler scheme in pillar 1.

**The Chairperson:** OK.

**Mr Milne:** I support what you say: pillar 1 would be the best option. It would be less bureaucratic and more straightforward for the community.

**Mr Byrne:** You have given us the physical maps, which relate to soil, landscape and so on. However, is there a policy objective to sustain farming in hill areas? It can be sustained only if there is some sort of coupled support. Unless there is some financial incentive to keep a suckler cow or a breeding ewe in less-favoured areas, the stocking rates might drop, and there might be less production from those areas. I certainly know one beef processor who is concerned that there might be less of a suckler cow herd in future.

**Mr McLean:** It is quite clear that any future ANC scheme will not be a coupled scheme; it will be decoupled. The principle behind it is that it can be used to support incomes in areas of natural constraint — vulnerable areas — where production is perhaps under threat. The thinking is that supporting incomes is the best way to go about it rather than a linked support to a particular sector.

We are consulting on an option in pillar 1 to have a coupled support scheme whereby we can take up to 8% of the pillar 1 payments and direct them towards a particular scheme or schemes. Obviously, that is not new money; it is coming off people's existing payments. Our economic analysis tends to suggest that, at that level of coupled support, its impact will not be very great in influencing production one way or another. If it does have any influence, it might be a minor move up, with prices moving down very slightly and incomes relatively unchanged or perhaps down very slightly.

I would not overestimate the impact of any coupled support in the scheme, because we are not going back to the pre-2005 system in which everything was coupled; we will have only up to 8% coupled. The option is there in pillar 1, and we are consulting on that, but any future ANC support scheme would very clearly not be linked to production.

**Mr McMullan:** So there really is very little wriggle room to argue pillar 2 as opposed to pillar 1 being less bureaucratic. I am putting you on the spot.

**Ms R Agnew:** I will be very open with you. A pillar 1 scheme will be much easier to administer. In our view, it would be much easier for someone to claim for it. One of the issues that remains unresolved is to whom that support would be directed. In pillar 1, any ANC pillar 1 support payment would go to the claimant who is eligible for the basic payment scheme. That may or may not be the person who is actively farming the land. It is tied up with how we move forward with the definition of an active farmer.

**Mr McMullan:** We talked about active farming at the meeting at the College of Agriculture, Food and Rural Enterprise (CAFRE).

**Mr McLean:** The other issue about pillar 1 is that we are constrained by the amount of support that we can direct. It cannot be any more than 5% of the pillar 1 ceiling, which is around about €16 million and is significantly less than the support that we are giving under the LFACA scheme.

**Mr Byrne:** LFACA is about £20 million at the moment.

**Ms R Agnew:** No. It is about £24 million in total.

**Mr McLean:** You can see a difference there, but, that said, it all depends on the demands on the whole rural development budget. The size of a transfer that you need from pillar 1 to pillar 2 plays into that as well. We have more scope under pillar 2 in the sense that we can maintain the existing designation until the end of 2017 and maintain the existing budget. The issue is how all that can be financed, given the total pillar 2 budget and the size of the transfer that would be needed from pillar 1 to try to fund that.

**Mr McMullan:** Into pillar 2?

**Mr McLean:** Yes, into pillar 2.

**Mr McMullan:** Again, it makes your argument stronger for pillar 1.

**Mr McLean:** If it is about taking money from pillar 1 to put into pillar 2 to pay out on a similar sort of income support scheme, you can see the logic of doing it under pillar 1.

**Mr Irwin:** I am sorry that I missed your presentation; I had to attend another meeting. When you talked about moving funds from pillar 1 to pillar 2, you said that there is a maximum level. There will be some concern in farming circles about the movement of moneys from pillar 1 to pillar 2. It is accepted that that money is ring-fenced for farming. That was not the case in the last rural development programme, and moneys went all over the place. There will be concerns among the agriculture and farming community about moving money from pillar 1 to pillar 2, but that may be accepted if that money is ring-fenced for agriculture. What is the feeling of the Department in that regard?

**Mr McLean:** You are getting into issues about future rural development programmes. It will depend on the issues that are under consideration about what a future rural development programme will look like and the amount of budget that it will require. There are also issues of how it will be funded and how much national money will be available. All those issues will have to be taken into account, brought to a conclusion and total amounts arrived at. We will then see how it will be funded.

I think that it will come down to choices. If you want such and such in pillar 2, decisions will have to be made about how much money will need to be taken from pillar 1. If you do not want that in pillar 2, we will have to see what the impact will be.

**The Chairperson:** Rosemary is coming back to the Committee on 3 December to discuss the first consultation on the rural development programme. She will have all the answers then. *[Laughter.]*

**Mr McMullan:** Are we aiming at the six choices or points if we transfer from pillar 1 to pillar 2? If we take money out, will that affect the rural development programme?

**Ms R Agnew:** That is all under consideration. I am perhaps not that closely involved in it, but I know that those who are involved are looking at all the consultation responses and trying to bring those forward to the Minister.

**The Chairperson:** Declan, I am aware that you wanted to ask a question before you had to leave. Do you want to ask that now?

**Mr McAleer:** Ian may have picked up on it. My concern was about the use of ward levels. If areas are not designated as ANCs, and there are hotspots or soft spots in those areas that are disadvantaged, will the system be robust enough to compensate for that? It is similar to neighbourhood renewal areas in which hotspots in wards or super output areas that are not met because the ward or the super output areas are not designated as being deprived. The same thing

could happen with rural areas. Is there some way of compensating for those hotspots, even if a ward is not considered to be an ANC?

**Ms R Agnew:** That is unlikely. The Commission is quite prescriptive about how it expects the designation process to be done. It has set criteria and thresholds for criteria that are all to be applied to agricultural land and aggregated up to 60% within a ward boundary to designate that ward. ANC support can be directed only to those areas that are designated. That does not necessarily mean that consideration could not be given for something else in a particular area. However, ANC support could certainly be given only to those areas that would be designated.

**Mr McAleer:** There are many wards throughout the North that are in very dispersed rural areas and in which the topography varies greatly.

**The Chairperson:** Yes, because wards are based on population.

**Mr McAleer:** Yes. You could have a ward that takes in lowland and land that is halfway up a mountain. If that was not designated as an ANC, there would be no means of compensating disadvantaged farmers in that area. That needs to be considered very closely.

**Ms R Agnew:** Perhaps I could add something. We are awaiting further information from the Commission, but there is flexibility to bring in an additional 10% of an area at member state level. That would be based on two of the criteria and a 20% variation around the threshold that the Commission has given. If a hotspot such as you have described appeared that is real and actual, there might be the potential to bring that in. However, it would have to be brought in at whatever LAU 2 or administrative ward you choose. You could not just bring in a farm or a number of land parcels. You would have to bring in whatever the administrative boundary is that you have decided to use in the designation. So there is flexibility to bring in some additional land. Again, we are awaiting further information. We do not quite know how to do that in practice.

**The Chairperson:** I have a question that is similar but not quite the same thing. You may have a farm holding that straddles two wards, one that is in the area and one that is not. Would it be based on the ground or the farm unit or business?

**Ms R Agnew:** It would be based on the land parcels. It is all based on the land parcel identification system (LPIS). There is a LPIS layer within it.

**The Chairperson:** So those farmers will still get —

**Ms R Agnew:** On the land parcels that are designated.

**The Chairperson:** You will have the computerised means to do that and break all that down.

**Mr McAleer:** Land parcels are probably not coterminous with wards.

**The Chairperson:** They will not be, but there will be specific land parcels.

**Ms R Agnew:** That is a very valid point. When the time comes, we will have to work out how we are going to deal with those. The Commission is very clear that the boundaries are administrative boundaries. If a boundary runs up the middle of a land parcel, we will need business rules to manage that. However, that is for a later stage.

**The Chairperson:** Will landowners be taken out of the system because their land is less than or more than 50% ANC land?

**Ms R Agnew:** No.

**The Chairperson:** So that landowner will still get the payment for his land.

**Mr McMullan:** Will no land be split up?

**Ms R Agnew:** You could have a field split.

**Mr McLean:** You could have a case of a field that is six hectares and the line runs through it because the ward boundary runs through it. In that field, 3.5 hectares could be designated as ANC and 2.5 hectares are not. We will have to manage that in such a way that the 3.5 hectares get whatever payment there is and the remaining 2.5 hectares do not.

**Mr McMullan:** That would take in your LPIS maps and registration, and it could also affect payments. That will be more bureaucratic and will hardly affect payments to claimants.

**Ms R Agnew:** I do not think so. It is the same as our taking the ward boundaries at a certain point in time, whereby we will take a layer off the LPIS when we do the designation. That is what we are required to do. The Commission has been very clear on that. We are required to take it at a point in time and fix it.

**The Chairperson:** A snapshot?

**Ms R Agnew:** Yes. That would then be reviewed at the end of the rural development programme period.

**Mr McMullan:** That will be interesting.

**The Chairperson:** It certainly will. We do not envy you your task. We know how complicated it is, with all the ins and outs of CAP reform. We wish you all the best and look forward to scrutinising the Department on the issue. Thank you very much for your time, your answers and your presentation.

**Ms R Agnew:** Thank you.