Strategic Planning and Corporate Services Group
Strategic Support Division

Your reference
Our reference ACP/26/143

Department of
Agriculture, Environment and Rural Affairs
An Roinn
Talmhaíochta, Comhshaoil agus Gnóthaí Tuaithe
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7 July 2026

Dear Janice,

Areas with Natural Constraints (Payments) Bill

Thank you for your letter of 2 June 2026, in which the Committee has requested that the Department complete the Call for Views on Citizen Space. A written response is attached at Annex A.

I hope this information is of assistance but should you require anything further please contact me directly.

Yours sincerely,

[redacted]

Paul McGranaghan
Departmental Assembly Liaison Officer

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NORTHERN IRELAND
ASSEMBLY

Committee for Agriculture, Environment & Rural Affairs

Areas with Natural Constraints (Payments) Bill Survey

Introduction:

What is your Name?	
What is your email address?	**agriculturalpolicy@daera-ni.gov.uk**
If you are providing a submission on behalf of an organisation or business, please state its name:	**Department for Agriculture, Environment and Rural Affairs**

Consent:

You can view the NI Assembly's Private Policy by visiting:
https://www.niassembly.gov.uk/assembly-business/committees/privacy-notice/

Please confirm that you have read the Northern Ireland Assembly Committee's Privacy Notice by ticking the box below:

☒ Yes

How would you like your submission to be published?

☐ Publish in full

☒ Publish but with my personal information and any content that could be used to identify me redacted.

The Areas with Natural Constraints (ANC) (Payments) Bill will require the Department of Agriculture, Environment and Rural Affairs to make regulations under the Agriculture Act 2020 as to payments for areas with natural constraints.

Clause 1 - Regulations on payments for areas with natural constraints

Clause 1 (1) requires DAERA to make regulations under powers it has under Part 1 of Schedule 6 of the Agriculture Act 2020 in respect of payments for Areas of Natural Constraint (ANC) payments to farmers.

Clause 1 (2) requires DAERA to make the specified Regulations within 12 months of the coming into operation of the Act.

Clause 1 (3) establishes that the Regulations must ensure the following: (a) persons receive payment in no less generous terms than the payment rates to which persons were entitled to be paid under the Areas of Natural Constraint Regulations (Northern Ireland) 2018;

(b) those payment rates are increased annually, by at least the percentage increase in the prices index for that year.

(c) the prices index means an index or figures published by the Statistics Board (a body corporate established under section 1 of the Statistics and Registration Service Act 2007), for the year in question.

Clause 1 (4) defines "areas with natural constraints" as having the same meaning as in Part 1 of Schedule 6 to the Agriculture Act 2020.

Q1. At this point in time, the Bill does not have any guaranteed financial support measures. What is your view on this?

Concerned ☐
Not Concerned ☐
Unsure ☐

Please provide your reasoning for your answer:

A scheme of the nature proposed in the Bill has not been provided for in the Finance Minister's Draft Budget. Therefore, if the Bill receives Royal Assent and if additional funding is not provided by the Executive, any funding for the scheme proposed will have to be drawn from the Executive earmarked budget for Agriculture, Agri environment, Fisheries and Rural Development over the next budget period and will therefore require Farm Sustainability Payment (FSP) funds to be redirected, thereby reducing overall FSP Payments.

Q2. Do you agree that financial support should be provided by the Department to farmers operating in Areas with Natural Constraints (ANC)?

Yes ☐
No ☐

Please provide information to support your answer:

As part of the Sustainable Agriculture Programme (SAP) implementation, the Farm Sustainability Payment (FSP) was introduced in 2026, replacing the Farm Sustainability Transition Payment (FSTP) which delivered £247 million in 2025, including approximately £100 million to farms in the SDA and £68 million to farms in the DA.
Although ANC payments ceased in 2018, the redistribution of CAP Pillar I monies from lowland to the SDA over the period 2015 - 2019 compensated this loss.
Within the SAP, SDA farmers also have access to additional support through the Beef Sustainability Package, including the Suckler Cow Scheme, and the Farming with Nature (FwN) Package.
Work has commenced in conjunction with stakeholders to explore the need for sheep sector support as part of the SAP.

Q3. Would you be content for ANC payments to be allocated from the Farm Sustainability Payment fund?

Yes ☐
No ☐

Please provide information to support your answer:

A scheme of the nature proposed in the Bill has not been provided for in the Finance Minister's Draft Budget. Therefore, if the Bill receives Royal Assent and if additional funding is not provided by the Executive, any funding for the scheme proposed will have to be drawn from the Executive earmarked budget for Agriculture, Agri environment, Fisheries and Rural Development over the next budget period and will therefore require FSP funds to be redirected, thereby reducing overall Farm Sustainability Payments.

Q4. Do you think the current lack of financial support measures in the Bill will affect how effective it is in practice?

Significantly ☐
To Some Extent ☐
Not Significantly ☐
Not at All ☐

Please provide information to support your answer:

The Bill imposes a statutory obligation on the Department to establish a new ANC scheme, irrespective of affordability or competing priorities

Q5. Do you agree that these payments are important for maintaining agricultural activity in ANC areas?

The FSP scheme forms part of the SAP. It replaced the Farm Sustainability Transition Payment (FSTP), which paid out just over £247 million to eligible farm businesses, including £100 million to farm businesses located in the SDA, £68 million to DA and £79 million to lowland, and will act as a balance between providing a safety net which will help a farm business withstand 'shocks' that are beyond its ability to manage effectively and encouraging farm businesses to become more environmentally sustainable, efficient and resilient.
With upwards of 74% of suckler cows located in the DA and SDA, these farm businesses can avail of the Suckler Cow Scheme and obtain the productivity and environmental benefits that it brings. In Year 1 of the scheme (2025/26) the SDA received £6.23 million in payments, nearly half of the total scheme spend.
Work has commenced on exploring the need for sheep sector support through the Sustainable Agriculture Programme (SAP). Elements of the Farming with Nature package will deliver targeted support for farmland located within designated areas, priority habitats, and species. Approximately 44% of SDA land falls within a priority habitat designation.

Yes ☐
No ☐

Please provide information to support your answer

Q6. Do you agree that reintroducing an ANC payment would significantly help alleviate production costs for farmers in these areas?

Yes ☐
No ☐

Please provide information to support your answer

As per response to Question 5.

Q7. If ANC payments are provided – do you feel there should be different levels depending on the severity of natural constraints (for example, disadvantaged vs severely disadvantaged land)?

Yes ☐
No ☐

Please provide information to support your answer

Clause 1(3) stipulates that persons receive payment in no less generous terms than the payment rates to which persons were entitled to be paid under the Areas of Natural Constraint Regulations (Northern Ireland) 2018. Under the 2018 ANC Scheme payment rates only applied to SDA and claimants had to maintain breeding herds of either suckler cows, sheep, deer or goats.

Q8. If applicable to you - how important are ANC payments to the financial viability of your farm/business or one that you work for?

Very Important ☐
Important ☐
Not Important ☐
Not Applicable ☐

Please provide information to support your answer:

N/A

Q9. If applicable to you - what proportion of the agricultural land you own or work on is currently classified as an ANC?

None (0%)	☐
Less than 25%	☐
25 – 49%	☐
50 – 74%	☐
75 – 99%	☐
All Land (100%)	☐
Don't Know / Unsure	☐

Please provide information to support your answer:

N/A

Q10. If applicable to you - what environmental impact (if any) has the cessation of ANC payments had on your farm, or a farm you work for?

Significant	☐
Moderate	☐
None	☐

Please provide further comment to support your response

N/A

Q11. Are there alternative measures that you feel should be considered, either instead of or alongside an ANC payment scheme?

Yes ☐
No ☐

Please provide information to support your answer

As per Q5.

Q12. Do you believe that the introduction of an ANC payment scheme would limit access to other farming or environmental support schemes?

Yes ☐
No ☐

Please provide information to support your answer

This will require consideration should the PMB be enacted by the Assembly as part of the development of a separate Statutory Rule to introduce a subsequent ANC Scheme.

Clause 1 (2)

Clause 1 (2) *requires DAERA to make the specified Regulations within 12 months of the coming into operation of the Act.*

Q13. The Department must introduce the regulations within 12 months of the Act coming into operation. Do you consider this time limit appropriate?

Yes ☐
No ☐

Please provide information to support your answer

Given current staff resource constraints, it is likely that the staff resource presently developing and work for sheep sector support and FwN Priority Habitats would need to be diverted to develop an ANC Scheme, should this become a statutory requirement.

Clause 1 (3)

Clause 1 (3) *establishes that the Regulations must ensure the following:*

a. *persons receive payment in no less generous terms than the payment rates to which persons were entitled to be paid under the Areas of Natural Constraint Regulations (Northern Ireland) 2018;*
b. *those payment rates are increased annually, by at least the percentage increase in the prices index for that year.*
c. *the prices index means an index or figures published by the Statistics Board (a body corporate established under section 1 of the Statistics and Registration Service Act 2007), for the year in question.*

Q14. Do you agree with payment levels starting as per those paid under the Areas of Natural Constraint Regulations (Northern Ireland) 2018?

Yes ☐
No ☐

Please provide information to support your answer

A scheme of the nature proposed in the Bill has not been provided for in the Finance Minister's Draft Budget. Therefore, if the Bill receives Royal Assent and if additional funding is not provided by the Executive, any funding for the scheme proposed will have to be drawn from the Executive earmarked budget for Agriculture, Agri environment, Fisheries and Rural Development over the next budget period and will therefore require FSP funds to be redirected, thereby reducing overall Farm Sustainability Payments.

Q15. Do you agree that payment rates should be increased annually, by at least the percentage increase in the prices index for that year?

Yes ☐
No ☐

Please provide information to support your answer

Based on the rate of payment for the 2018 ANC scheme, and with the Retail Price Index for 2025, any scheme under the proposals would cost approximately £11.4m Resource DEL per annum.
Increasing the payment rate annually, by at least the percentage increase in the prices index for that year will have the effect that, over time, more and more funding will d be redirected from FSP and potentially other Sustainable Agriculture Programme schemes towards the scheme proposed.
With inflation-linked increases being mandated, the funding requirement for ANC will grow year-on-year, unlike any other agriculture support schemes.

Q16. Do you agree that the eligibility provisions (relating to size of holding, qualifying forage area) as set out in the 2018 Regulations should apply to the proposed ANC Bill?

Yes ☐
No ☐

Please provide information to support your answer

This will require consideration should the PMB be enacted by the Assembly as part of the development of a separate Statutory Rule to implement a subsequent ANC scheme.

Clause 1 (4)

Clause 1 (4) *defines "areas with natural constraints" as having the same meaning as in Part 1 of Schedule 6 to the Agriculture Act 2020.*

Q17. Do you think the current definition of Areas with Natural Constraints remains appropriate?

Yes ☐
No ☐

Please provide information to support your answer

Clause 1(4) states "areas of natural constraint" will have the same meaning as in Part 1 of Schedule 6 of the Agriculture Act 2020. Schedule 6 does not provide a definition for this term so the wording in the Bill will require amendment.

Q18. Are there areas currently designated or not designated as ANC that you believe should be reviewed or reconsidered?

Yes ☐
No ☐

Please provide information to support your answer

As per Q17, Clause 1(4) states "areas of natural constraint" will have the same meaning as in Part 1 of Schedule 6 of the Agriculture Act 2020. Schedule 6 does not provide a definition for this term so the wording in the Bill will require amendment.

Clause 2 (1)

__Clause 2 (1)__ confirms that the Act comes into operation on the day after receiving Royal assent.

Q19. Are you content with the commencement of the Act on the day after receiving Royal assent?

Yes ☐
No ☐

Please provide information to support your answer

Q20. Please provide any additional information or comments on any aspect of the Bill that you feel is relevant.

The Bill as introduced requires amendment to ensure it is not defective and can be enacted if passed in the Assembly.
A scheme of the nature proposed in the Bill has not been provided for in the Finance Minister's Draft Budget. Therefore, if the Bill receives Royal Assent and if additional funding is not provided by the Executive, any funding for the scheme proposed will have to be drawn from the Executive Earmarked budget for Agriculture, Agri environment, Fisheries and Rural Development over the next budget period and will therefore require FSP funds to be redirected, thereby reducing overall Farm Sustainability Payments.
Based on the rate of payment for the 2018 ANC scheme, and with the Retail Price Index for 2025, any scheme under the proposals would cost approximately £11.4m Resource DEL per annum.
Increasing the payment rate annually, by at least the percentage increase in the prices index for that year will have the effect that, over time, more and more funding will be redirected from FSP and potentially other Sustainable Agriculture Programme schemes towards the scheme proposed.
With inflation-linked increases being mandated, funding will grow year-on-year, unlike any other agriculture support schemes.
Given current staff resource constraints, it is likely that the staff resource presently developing and work for sheep sector support and FwN Priority Habitats will need to be diverted to develop an ANC Scheme, should this become a statutory requirement.

Q21. Please provide information on any potential amendments that you feel would enhance the Bill and the rationale for those.

Disclaimer:

By submitting this response, you give NI Assembly Committee for Agriculture, Environment and Rural Affairs permission to analyse your answers and include them in the overall results. Please note that once submitted, your response cannot be changed.