



Northern Ireland
Assembly

**Committee for Agriculture and Rural
Development**

**OFFICIAL REPORT
(Hansard)**

**Programme for Government, Anti-Poverty
and Social Exclusion**

14 February 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Frew (Chairperson)
Mrs Dolores Kelly (Deputy Chairperson)
Ms Michaela Boyle
Mr Trevor Clarke
Mr Willie Clarke
Mrs Jo-Anne Dobson
Mr William Irwin
Mr Kieran McCarthy
Mr Oliver McMullan
Mr Robin Swann

Witnesses:

Mrs Michelle O'Neill	The Minister of Agriculture and Rural Development
Mr Gerry Lavery	Department of Agriculture and Rural Development
Mr Graeme Wilkinson	Department of Agriculture and Rural Development

The Chairperson: I welcome the Minister of Agriculture and Rural Development, Michelle O'Neill, MLA. I also welcome Mr Gerry Lavery, the permanent secretary of the Department of Agriculture and Rural Development (DARD) and Mr Graeme Wilkinson, the finance director. You are all very welcome.

Minister, you know the format. Please brief us, and we will then ask some questions.

Mrs O'Neill (The Minister of Agriculture and Rural Development): Grand, thank you. I welcome the opportunity to come along to speak to you today about the Department's input into the draft Programme for Government. I would also like to take the opportunity to comment on the rising incidence of crime in rural areas. I know that the Committee has taken a particular interest in that issue. I want to deal particularly with the increase in thefts from farms and the concern that this is causing in the farming community.

By way of an update, I held meetings recently with the Minister of Justice and the Chief Constable of the PSNI, Matt Baggott, to highlight the issue and to call for steps to be taken to tackle rural crime and to support rural communities. The Chief Constable has since written to me to notify me of a recent intelligence-led investigation that has led to the recovery of stolen items. The police feel that this was a very significant piece of work. Although I will continue to work with the Minister of Justice in raising issues of crime in rural areas, I also welcome the initiatives that have been brought forward by community safety partnerships to prevent rural crime, such as the marking of trailers and the forensic

marking of sheep. I also welcome the work that is being developed between the PSNI and an Garda Síochána under the cross-border strategy to prevent rural crime. I am encouraging farmers to participate in those initiatives and to continue to ensure that they secure their properties and take steps to minimise the risk of theft from their farms. I told Matt Baggott and his team that the Committee has a particular interest in this area, and they will forward a detailed brief of what they are doing to tackle rural crime and the areas on which they are focusing. Maybe the Committee will be interested to receive that. You should receive it shortly.

I will now outline the Department's input into the draft Programme for Government. As the Committee is aware, the draft programme was agreed by the Executive, and a statement was made to the Assembly on 17 November 2011 by the First Minister and the deputy First Minister. It is out for public consultation until 22 February 2012.

DARD's four key commitments in the programme are: to introduce a £13 million package to tackle rural poverty and isolation in the next three years; to eradicate brucellosis in cattle by March 2014; to develop, in conjunction with the Department of Enterprise, Trade and Invest (DETI), a strategic plan for the agrifood sector; and to advance the relocation of DARD headquarters (HQ) to a rural area by 2015.

I will pick up on a wee bit of detail on each of the targets. The first commitment is to introduce a range of measures that seeks to tackle rural poverty and isolation. It will build on the successful work that we did under the last Programme for Government to address the real poverty and social exclusion issues faced by rural communities. A key element of the package will be to work in partnership with other key stakeholders and agencies to deliver positive outcomes for people living in the rural community. By working in that way, it is obvious that we want to maximise the impact and the amount of funding available, so we always aim to lever in funding from other sources where we can.

In the next week or so, I intend to launch a framework and action plan covering the remaining period of the Programme for Government. I plan to continue, or extend, some of our successful programmes; for example, supporting rural community development, assisting with rural transport needs, and ensuring that rural dwellers have access to benefits and other support and advice.

However, just to inform Committee members, I also plan to put in place new initiatives in the following areas: addressing rural fuel poverty; providing households that have no access to mains water with boreholes and wells; carrying out a health checks programme in conjunction with the Public Health Agency; a youth employment programme; looking at support services for older people in rural areas; and a further phase of our very successful rural challenge programme, which provides small grants for community and voluntary organisations.

I want the framework and action plan to be flexible enough to address the emerging challenges as we work our way through — and hopefully, out of — these challenging economic times. I believe in bringing forward an exciting range of actions that will deliver real benefits for rural communities. I have asked my officials to brief the Committee in more detail on that in the coming weeks.

The next target is to eradicate brucellosis by 2014. The combined efforts of the farming community in the North and my Department have clearly achieved significant progress during these difficult times. I thank the vast majority of farmers, who are working positively and constructively with my veterinary staff to help to eradicate the disease. We are on track to achieve the target set out in the draft Programme for Government, which is to bring down the annual herd incidence to zero by 2014.

We know that brucellosis can persist silently in cattle for months or even years, and can also flare up and spread explosively. I and my veterinary enforcement colleagues are still concerned that brucellosis-infected material could still be in the country. Of the small number of outbreaks that we face, the source of each is thoroughly investigated. The strain type of brucella bacteria is compared to every other outbreak, going back to the year 2000, and DNA material is gathered from cattle at every point in the process. Anyone found to be engaged in deliberately introducing the disease to herds or any other illegal activity will have their compensation cut and be prosecuted to the full extent of the law. It is of paramount importance that farmers continue to report every cattle abortion to their local office and to monitor bulk milk and cattle at abattoirs. The combination of all these actions should enable us to find the last remnants of the disease. When we achieve eradication, it will be possible to

scale down the brucellosis scheme. Pre-movement testing will be phased out and herd-testing will be significantly reduced. Obviously, that will benefit the entire industry, and I hope that we are positioned so that that day will come sooner rather than later.

It is important to note that there have been no confirmed cases of brucellosis here since 14 July 2011. I hope that that date will mark the start of the three-year qualifying period for brucellosis-free status. However, we are very mindful that we could suffer a setback at any time.

I now turn to the agrifood strategy. Continuing the theme of working in partnership with others, my Department is working closely with the Department of Enterprise, Trade and Investment and Invest NI to develop a strategic plan for the agrifood sector. That is vital to the growth of the local economy, as agriculture can have a positive influence, with great opportunities for employment in wider society. So, I am delighted that the potential of the sector has been recognised in the draft Programme for Government and in the draft economic strategy. Both documents rightly identify the agrifood sector as a key sector for growth.

I am keen to see the development of the current 'Focus on Food' document into a long-term strategic vision for the sector covering the period to 2020. I foresee that piece of work being led by the sector, and I want the new vision to identify the challenges facing the various parts of the sector and any barriers to growth or development. Most importantly, I want it to make recommendations for action, for government and industry. That will help us to realise the potential growth in the sector, and I want to see challenging growth targets set in which all parts of the sector and supply chain can play a part. In short, we want a detailed route map identifying where we want to get to and how we will get there.

A first step to shape and develop the strategy is to establish the food strategy board. That will comprise industry and government representatives, with an independent chair. With Arlene Foster, I intend to announce the appointment of that chairperson very shortly, maybe even later this week if possible. The process to appoint the board members is also well under way and it is our intention to have the board operational in the coming months.

The fourth issue and target is the relocation of DARD HQ and to advance the programme to relocate DARD to a rural area. As members will be aware, the relocation of public sector jobs had its genesis in the Bain report. However, there is also an operational imperative as the existing accommodation in Dundonald House is nearing the end of its useful life, and we obviously need a suitable alternative to be identified.

That appraisal process is under way and the strategic outline case has been approved by the Department of Finance and Personnel (DFP). The next stage is to complete the outline business case, which will consider the options as well as the location of the new HQ. That process is being closely monitored by a programme board chaired by the senior director of finance.

Those are the four main targets in the draft Programme for Government. The monitoring of progress against those commitments will be key. The targets will, of course, be included in the Department's business plan for 2012-13, which the Committee will have an opportunity to consider in due course.

Departments will also be required to comply with a Programme for Government delivery framework agreed by the Executive. That framework will be based on standard project management arrangements and will be monitored at three levels. Those include the programme board, chaired by the Office of the First Minister and deputy First Minister, which has the function of approving the strategic direction of the programme and managing the programme. There is then the delivery oversight group, chaired by the head of the Civil Service, and at operational level through Departments, senior responsible officers and partner organisations with the function of tactical delivery of outputs and achievement of targets. A quarterly progress report will be submitted to the Committee for Agriculture and Rural Development for consideration.

The first stage of that process for Departments entails the development of detailed delivery agreements for each commitment. Those agreements, which are being developed in the Department, will incorporate detail on baselines, performance indicators, key actions and risks.

Although specific issues have been highlighted as key commitments in the draft Programme for Government, that does not distract from the ongoing challenges that DARD faces. I suppose you could call that the normal business that continues to be taken forward by the Department; for example, the processing of single farm payments, the roll-out of the rural development programme, flood protection and the work of the Forest Service.

Although I have a long list of issues that I would have liked to have seen in the draft Programme for Government, issues are, obviously, brought to the table and it is then necessary to prioritise them. I want to make it clear, however, that just because something is not in the draft Programme for Government does not mean that it is not a priority nor make it any less important to the Department. Animal health and welfare, for example, is a continuing priority.

In providing input to the draft Programme for Government, other key deliverables were identified by DARD. It is my intention that the milestones in relation to those commitments will also be incorporated into the business plan for next year and following years. Again, that gives an opportunity to ensure that progress is closely monitored and reported to the Committee.

Those additional commitments include: under the EU rural development and European fisheries programme, we will support projects that improve competitiveness, encourage diversification of the rural economy, improve quality of life in rural areas and protect and enhance the environment; we will argue for a well-funded, flexible and simplified common agricultural policy and common fisheries policy; we will create an integrated programme of support for rural border communities; we will implement the rural White Paper, ensuring that rural issues are included in decision-making across all Departments; and we will modernise the controls for area-based schemes to provide a stable mapping system that is compliant with EU requirements in time for the implementation of CAP reform in 2014.

I will pick up very briefly on CAP reform. I am aware that the Committee recognises the importance of the ongoing CAP reform process, and I want to assure you that this is obviously a key priority for me and for the Department. There is no doubt that tough negotiations lie ahead, but the benefits of achieving a good outcome are considerable. At present, I am listening to the views of stakeholders, and I am taking every opportunity to put our case across in Brussels. However, I am sure that the Committee is aware that the main issues are particularly around the Budget; greening; transition to a flat-rate payment system; the definition of an "active farmer"; and the overall complexity that is weaved throughout the CAP reform proposals. It is going to require a major effort by all of us to ensure a satisfactory outcome. I am grateful for the Committee's efforts to date in support of this area.

I am approaching the end of my presentation, as I am conscious that I am going through a lot of detail, but the Committee may be interested in tranche 3 of the farm modernisation programme. Another priority issue for me is to ensure that we get support to our farms in order to improve their competitiveness and efficiency. You will be aware that the farm modernisation programme provides financial support for a list of eligible modernising items of plant, machinery and equipment across the range of farming sectors. By March 2012, it is expected that approximately £8.5 million in funding will have been paid to more than 2,900 farm businesses under the previous two tranches of the programme. That level of funding has a positive spin-off into the local economy through local purchase of machinery.

The scheme has proved to be extremely popular and beneficial to the farming community, and I know that news of a third tranche of the programme has been very much anticipated. I have just received approval from the European Commission to make changes to the rural development programme, which allows me to make funding available for the third tranche. That will bring the total funding available for this tranche up to £5.5 million, which is £1.4 million more than originally planned. It will provide significant economic support and a much-needed boost to farmers and the wider economy in the current difficult economic climate.

I am keen that the scheme should open as soon as possible, and to that end, I hope to launch the consultation on the equality impact assessment (EQIA) on Thursday. That will run until 18 April, and the scheme will open very soon after that date. While we are carrying out the EQIA, we will be doing some work on the lists of machinery and pricing so that we will be ready to hit the ground running after the assessment has been carried out.

That is an overview of the challenges ahead, picking up on the four key targets. The draft Programme for Government is out for consultation, and I am happy to listen to the views of the Committee. Go raibh maith agat.

The Chairperson: Thank you very much for your briefing, Minister. I have a number of questions and several members have indicated that they also have questions. You mentioned normal business, the day-to-day running of the Department and everything that goes with that, and you spoke about the draft Programme for Government and your four key targets. Have you done any sums on how those four key targets will lead the Department, and whether they will lead it in a different direction? Have you measured the amount of funding that it will require to tackle those four key targets? The Department is going in a separate, or different, direction slightly with regard to the amounts of funding as well as the amounts of resource. Is the Department having to channel resources in a different direction from where it was going before? That is my first question.

My second question concerns the targets. You have a target for the eradication of brucellosis in cattle. Why are there no targets for the reduction if not the eradication of bovine TB? That is very important, and the Committee has a lot of sympathy with the Department on animal health and welfare and problems or issues around diseases. I think that it would be good to have a target for the reduction of bovine TB. We would certainly try to reach that target, if we cannot have eradication. I know that one of your key targets is to develop the strategic plan for the agrifood sector. Will you give us more detail on how that will bring food production and food security into play in the draft Programme for Government? The Committee shares the view that these are very important issues, not only intertwined with CAP reform but in the day-to-day running of the country and the agrifood sector.

I have thrown a number of questions at you, Minister. Would you like to answer those before we open up the meeting?

Mrs O'Neill: I will pick up on the agrifood strategy. Arlene and I are hoping to announce the new chairperson by the end of this week. That will be key to driving forward the strategy that we envisage. It is fair to say that she and I intend to be very hands-on in that, because although the strategy needs to be industry-led, we are very committed to it and can see the potential in the agrifood sector. When I speak to the industry, there is no doubt that there is a bit of consultation fatigue. There has been report after report, but where is the action? We now have a great opportunity to identify the challenges and targets, which will identify those issues of production and food security that you mentioned.

It is about looking at the challenges for the industry, and some of those issues will be picked up. It could be about the export market that we are targeting and could outline what the industry needs to do, what government needs to do, and how we can work together to achieve that. We are now in such a good position in CAP reform and the shape of the new rural development programme. If the industry, at the end of this year, has a clear, identified road map of where we want to be with the agrifood food strategy, we would have a great opportunity, with the rural development programme, to shape funding to meet those needs. All issues of food security are integral to all of this and will be picked up as we move forward.

As for brucellosis and TB, Committee members do not need me to tell them that TB is such a complex issue and that there is no simple solution or quick fix, or we would have moved in that direction. I will pick up on the issue of why it is not in the draft Programme for Government. The Programme for Government has to include realisable targets, and I cannot say that we will be in a position to eradicate TB by 2014, within the lifetime of this Programme for Government. That is the reality of the situation. Programme for Government commitments must be realisable and achievable, and reaching TB-free status by the end of this Programme for Government period is not realisable or achievable. That is not to say that we are not committed to eradication. Some £4 million has been set aside for studies. I listen to the industry all the time and to farmers who are frustrated and want to see action. I am committed to working with them. We are talking to the industry about how we can best use the £4 million that has been set aside for research. The industry is coming to me with initiatives and ideas that we can explore.

We carefully monitor what happens in England and Wales because the issue of the badger cull there is going through the courts. We have to watch what happens there to see whether they withstand a legal challenge.

The Chairperson: I want to push you on the issue of reducing bovine TB. Could that be implanted into the draft Programme for Government at this stage?

Mrs O'Neill: I do not think that we have the research or science to back up a figure. There is no point in picking an arbitrary figure and saying that this is what we are going to go for. The Programme for Government is about having achievable aims and targets for Departments. It is my intention to be in a better position regarding TB, but there is no science or evidence that will enable me to put a figure on that, apart from saying that it is a big issue in the Department. I am very aware of it, and the industry raises it with me frequently. We just have to keep it under control, keep monitoring it and try to use the £4 million to the best of our ability. Remember that the £4 million that we have set aside is to fund our strategy, which has been approved by the European Commission. It has endorsed what we are trying to do. I understand that there is a lot of frustration in the industry, but this is about how we can work together to try to improve things as quickly as possible.

Mr Gerry Lavery (Department of Agriculture and Rural Development): As the Minister said, we have a target to maintain our standing with the Commission and to maintain its approval. That is important, not just in funding the TB eradication programme but in giving reassurance that we are absolutely regarded as valid by Europe and as being within the mainstream of the way in which countries are tackling TB.

Mrs O'Neill: There is sufficient funding in the budget to resource the targets set out in the draft Programme for Government.

The Chairperson: Do you have a figure or percentage for the total amount?

Mrs O'Neill: I do not have the figures. However, we are confident that what has been set out in the budget will enable us to meet the targets in the draft Programme for Government.

Mrs D Kelly: Chairperson, I join you in welcoming the Minister to the Committee. I am sure that she will appreciate that she gave us a very detailed submission, so it would be very helpful if we could get a written copy of it, if possible.

I want to pick up on a few points. I wonder whether you can give us a wee bit more detail on the rural fuel poverty initiative. I have been involved in such initiatives in the past, and there is obviously an opportunity, through them, not only to assist people living in fuel poverty but to create employment through the work required to bring homes up to a better standard.

What specific measures are in place to deal with rural youth and employment opportunities? I think that addressing those issues is fairly critical, because, as you will be aware, there are high numbers of young people in certain areas.

On your announcement about the £1 million for flagship projects through local councils in the rural development programme, is it the case that permission has not yet been received from Europe to allow those projects to advance? It is my understanding that the money has not yet been approved. If that is the case, how does that impact on the spend?

Can you indicate what impact modiolus infraction proceedings in Europe would have on the budget? I understand that proceedings may have been initiated. Given that the cost of such proceedings starts at £8 million, what do you, alongside the Minister of the Environment, hope to achieve to ensure that we do not face such difficulties?

The milk quota is to be lifted in 2015. Do you hope to meet the dairy industry? You talked about trying to assist exports. Why is it that meat inspections and export certificates are to be passed on to farmers and producers in the North but will not be in the South. That will place us at a disadvantage on this small island.

Mrs O'Neill: You got plenty in there, Dolores.

Mrs D Kelly: I did my best.

Mrs O'Neill: I am happy to send you the written copy.

Mrs D Kelly: Thank you. I appreciate it.

Mrs O'Neill: I welcome your interest in the rural fuel poverty initiative, which is a really good opportunity. Hopefully, officials will come along to talk to the Committee about that in more detail in a couple of weeks' time. Therefore, I will just give you a broad outline of what I am trying to do.

We are looking at two measures. The first is an insulation scheme. We are hoping to provide loft and cavity wall insulation for around 640 vulnerable rural dwellers. Such people can be hard to reach. We are taking that project forward with Power NI because it already provides some support. The first measure will top up that support and help us to get to harder-to-reach people.

We are also doing some work with the Department for Social Development (DSD) on the hard-to-heat homes scheme. You will be aware that DSD has a grant limit of £4,500, which was increased to £6,500 for the warm homes plus scheme. That has provided a bit of additional support and reached more people. However, the money needed for a number of properties, particularly older properties with stone walls, exceeds the maximum grant level, because the insulation measures are not sufficient. Again, that measure is a bit of an add-on to what is already being done. We hope to be able to provide energy efficiency measures to additional households in rural areas. The funding up to the end of March is £23,000. However, we are in discussions with DSD about putting in place a more extensive programme from next year onwards. Officials will deal with that in more detail when they come in a few weeks' time.

Mrs D Kelly: Some time ago, I was involved, from a community perspective, in the Home is where the Heat is scheme, with Eleanor Gill and the health action zone. Your officials might want to look at the report on that. It was very successful in tackling fuel poverty, and some of the good practices used may be useful to your officials when setting up your programme.

Mrs O'Neill: Thank you for that. We can feed that in.

We have a youth employability programme, which helps young people to gain what industry considers to be nine core skills. They receive an accreditation for taking part in workshops and enhancing their skills. We are aiming to support 1,460 unemployed young people in rural areas through the programme, and it will be good if we can reach that number of young people. The programme will give them a wee step up. They may have been out of work for some time, and it will help to build their confidence and for them to gain some skills. I think that the fact that they get a industry-endorsed certificate at the end is positive, and, hopefully, it will make them want to go back into training or seek employment. We hope that the programme will be successful. The Advantage Foundation Ltd will run it for us over the next number of years.

Mrs D Kelly: Minister, you are aware that we will receive a presentation later from Professor Elliott that will particularly look at innovation in technology and some of the niche markets. In an earlier presentation that the Committee received on a visit to Queen's University, we were told that there is only one place for every seven applicants. We had hoped to lobby you and the Minister for Employment and Learning to put additional resources into the colleges and the universities. There are jobs to be had, and everyone who qualifies at college and university level is getting a job in the agrifood sector.

Mrs O'Neill: I am happy to hear more about that.

Mrs D Kelly: Perhaps we can write to you, Minister.

Mrs O'Neill: Yes; that would be good.

As you said, the Minister of the Environment and I are jointly working on the modiolus restoration plan. We have submitted our plan to Europe and await its formal response. We will see what we need to do after that.

We gave the local action groups (LAG) until the end of January to submit their plans for the £1 million that is available under the rural development programme. However, because of the Christmas holidays and suchlike, we had to allow them a wee bit of extra time to get those plans in. All the plans are now in, and we are sifting through them. We will have an opportunity in April to talk formally to Europe, but we are broadly content that approval will not be an issue. We would not move in that direction if we did not think that Europe would be amenable to it.

Mrs D Kelly: I know that when setting the rates, some councils had to put money into the rates system and that there were questions about whether the projects would go ahead. As I understand it, there are shovel-ready projects that could be given the green light if you have an underspend.

Mrs O'Neill: That is why we asked for areas with projects to come forward. We know that LAG areas have projects that would be ready to go if they had funding. We knew that we would probably have plenty of people knocking on the door who want to get projects in. Hopefully, those behind those projects can spend quickly. The intention is to increase spend.

You also asked about milk quotas, which is a big issue. If milk quotas go, there will be potential for the market. That will form part of the agrifood strategy, which will look at the challenges and opportunities. That is very much how I see that working. Sectoral issues will be examined by the food strategy board (FSB). Dairy is one of those areas, and I am sure that milk quotas will be a key area for that sector when it is developing its plans. I think that I have covered your five or six issues.

The Chairperson: That you very much. I will now open it up to the rest of the Committee members. The Minister's time is limited, so I ask members to be brief and succinct.

Mr Swann: The Chairperson and the Deputy Chairperson covered quite a bit, but I have a couple of points to make. You have talked about giving support to the agrifood industry. What end will you concentrate on? Will it be producers, processors, those who bring added value or exporters? Potatoes have been the staple of Northern Ireland homes for many years, and the potato industry has been the staple of the Northern Ireland agrieconomy for a long time. However, in the past three or four years, prices have hit rock bottom, and many potato producers are finding it difficult to sustain or even to find markets this year. They face competition from Europe, where prices are £26 per ton, whereas their production costs are £100 per ton. Will the strategy take into consideration specific production areas, or are we looking only at the higher end of the finished producers?

Although I welcome the additional moneys that are going into the farm modernisation scheme, I would like some reassurance from you and the Department that it will be a properly targeted scheme that will help the farmers who are in need of it and that it will not be like tranche 1, where individuals had to queue overnight. I declare an interest as one of those who had to stand in the middle of night to get an application form, which was not accepted. I will not hold that against you, Minister.

Mrs O'Neill: It was before my time.

Mr Swann: We moved into tranche 2, which seemed specifically targeted to groups — hill farmers and those in less-favoured areas — and there was a perception that there was almost an exclusion policy in place. More money should be put into tranche 3 to make sure that it is as wide and open as possible.

The Deputy Chairperson talked about tackling rural poverty and isolation: in the next three years, £4 million, £4 million and £5 million will be spent in that area. Minister, you listed a raft of schemes, including ones to address insulation, rural fuel poverty, drilling boreholes, health checks and youth employment. There seem to be an awful lot of very good projects, and what financial inputs have been weighted against each of those areas? In the absence of the proper resources, are you spreading the money too thinly by trying to do too much?

You mentioned a White Paper a number of times, and I am concerned that there will be duplication or confusion between your rural White Paper action plan and the targets that you are setting yourself under the draft Programme for Government. Would it not be better fitted with a real rural White Paper rather than the White Paper action plan that the Department has produced?

I have not asked as many questions as the Deputy Chairperson.

Mrs O'Neill: You got four in, so you did well. I will take your questions in reverse order, starting with your concern about duplication in the rural White Paper. It has taken a bit of time to get the rural White Paper together. When I started in my role as Minister, I wanted to go back around Departments to firm up their commitments, because there is no point in producing a rural White Paper that is not a real rural White Paper, as you said. It is about getting Departments to firm up their commitment and about ensuring that they do what they put in the paper and that it is not a tick-box exercise for something that they were going to do anyway. It is about having real initiatives and protecting the rights of rural communities, and the wider rural community eagerly awaits the outcome of the rural White Paper. It does not involve duplication. If a Department has included something in its rural White Paper that it wants to deliver as part of the anti-poverty measures, I am happy to proceed in that direction.

All the schemes that are part of the anti-poverty fund are valuable, but remember that I said that it is about leveraged funding. It is about using a relatively small pot of money to attract other money in from other Departments and other areas. That is key to the success of the strategy. The borehole scheme is a really good example of leveraged funding. It involves DARD and the Department for Regional Development (DRD) working together. Some people cannot get access to water mains supply because it is too costly — it is a very expensive system — so we will be able to carry out this new type of innovative scheme, which would not have happened if we were not able to work in conjunction with DRD. That is the positive nature of using the relatively small pot of money to leverage in additional funding.

In tranche 3, we hope to focus on young farmers, and the industry will welcome that. The Ulster Farmers' Union has stated that in some of its correspondence. We are targeting young farmers, and they will be more weighted in the processing of the applications, and that is positive. On Thursday, I hope to be able to announce that that is going to an equality impact assessment, and while that is happening, I will be pricing the equipment and getting the list ready so that we are ready to hit the ground running on 18 April. The industry has been calling for that, so I am sure that it will be pleased to see that we are moving forward.

Your first point was on the agrifood strategy. All sectors — dairy, beef, poultry and veg — will be part of the wider FSB and will all have their own interests, challenges and targets. There is no point in targeting one sector; it is about the success of the whole industry and how to help the whole industry to move forward.

Mr Swann: The concern in the agrifood sector is over whether it will be focused on the export process or more so on the producer.

Mrs O'Neill: No, it is about the whole system, and that is why it is a DARD and DETI project. I am coming at it from the angle of the farmer, and Arlene Foster is coming at it from the angle of the processor. It is about the whole supply chain working together from start to finish, with value added along the way.

Mr W Clarke: I have a couple of points. Will you outline your initiative on rural broadband?

Can you say a few words about the proposed decommissioning scheme in the fishing industry? I met the fishing sector last week, and it wants clarity on this issue to see how it will go forward. My understanding is that it is a Department of Finance and Personnel issue, but perhaps you can clarify that. I am conscious that the Chairperson talked to Alan McCulla as well. There is a need to stabilise the price of prawns, and my phone has not been hot with fishermen or fisherwomen calling to say that they are not getting good prices. At the minute, they are getting excellent prices, and that takes the rationale for a decommissioning scheme away, because people are quite happy with the prices. However, there is a need to stabilise that price and to hedge prices so that, when times are good, we

work with the processor to ensure that so much money is put into a fund and can be used when times are not so good to get an equal price or even an agreed price for produce. That is a very important measure. As we said, money might be put towards buying bulk fuel for our whole fishing industry and stabilising the price of fuel. Those are the two main elements, and if possible, we should direct money to them.

There is a lot of discussion in the fishing industry about funds for training and about building up a skills base for crews. At the minute, the vessel owner has to pay for that, but is there a means of allowing some money to go towards qualifications and then to build up a database of the skills of all crews and vessels and a database of medical conditions? The industry is looking for that type of initiative. If possible, Minister, will you look at that? Maybe that is not an issue for today; maybe you will come back on that. I will not even get into the issue of selective gear.

InterTradelreland released a report on the agrifood sector, and the Chairperson said earlier that he attended a joint meeting with the Committee for Enterprise, Trade and Investment. One opportunity that clearly stood out from the report was the branding of Irish produce on an all-island basis. Not to take anything away from either jurisdiction, but we could brand produce in a way that is similar to how Tourism Ireland brands the tourism product. The development and the selling of the product, particularly in Asia, could be done on an all-island basis, and there are big opportunities to expand our export markets, particularly, as I have just said, in Asia. That is a very good point that came out of the document.

I will leave it at that. I will not get into modiolus reefs either.

Mrs O'Neill: I think that you are all in competition to see how many questions you can get in.

The Tourism Ireland-type approach is a very good example. That should be seriously considered. We should not compete against each other. It is about targeting the wider export market. You use Asia as an example. If we were to secure a contract with one town in China, that in itself would be a massive boost to the economy. If we were able to do that, it would be worth more than the entire British market. Therefore, we need to look at that type of thing. I have requested a meeting with Bord Bia to pick up on those very issues. I am happy to keep the Committee up to date with any developments. I know that Arlene Foster is having a similar meeting with Bord Bia. It is about thinking outside the box, targeting the export market and deciding how best to do that as a food island.

You mentioned rural broadband. Obviously, you will be aware that we are now targeting the £5 million from the rural development programme at rural broadband. We want to do some good work with DETI. Last week, I had a meeting with BT Ireland to drive home the issues exercising rural communities and to convey their frustration at not being able to get access or, where there is access, getting speeds that are totally insignificant and, therefore, worthless. I know what my plan is: to use that £5 million to target properly rural areas that lack broadband services.

Other initiatives that we need to look at include some sort of assistance for people in rural areas. Quite often, if someone lives in a very rural area, the only service that that person gets is a satellite service. People do not always have faith in that. They also have to pay more money to be connected to a satellite service. I want to explore whether there is some way in which we can take forward work on that.

You mentioned fisheries and the decommissioning scheme. The business plan for the scheme is now with DFP. We await some response to that. It is fair to say that we want to have a fleet that is fit for purpose. The fleet has significant overcapacity. Industry called for the decommissioning scheme, which addresses that issue. There has been delay in moving forward with the scheme because it was proposed by fishermen originally, and processors were concerned that it would impact on prices. We had to consider that issue when we developed the business case.

I suppose that the price of prawns —

Mr W Clarke: It is a matter of hedging and stabilising the price.

Mrs O'Neill: Yes, stabilising it.

Mr W Clarke: That is key to the industry.

Mrs O'Neill: It is very much a market-led approach that determines the price of prawns. Have you anything to add to that, Gerry? The common fisheries policy (CFP) review is a big issue. It will pick up pace over the next number of months. The European Commission's plan is to bring the new CFP regulation into effect from January 2013. Therefore, obviously, the pace of the review will pick up significantly. It will deal with phasing out discards. Our issues are decentralisation and taking a flexible approach to assist our local market. You mentioned education and training. They could be part of where we go with that. I assume, although I am not 100% sure, that the approach that we could take to education would be through the European Fisheries Fund.

Mr Lavery: The European Fisheries Fund would allow for measures on training. I would be surprised if it allowed for bulk purchase of fuel. However, the industry can address that issue. We can look at facilitating that dialogue. Hedging the price of prawns is, again, an issue for the market. However, the common theme, whether you are talking about potatoes or prawns, is the need for producers to talk to processors and to align themselves, because if they have forward contracts, that gives them reassurance. For instance, at present, the people who do best in the potato sector are those who have contracts. Those who do least well are those who waited to take advantage of market opportunity. The links with the fishing industry are there and are deep. I am reluctant to be drawn into trying to over-manage those links. Industry watches the price well. As you said, the price is high at the moment, which is good news for people. I have always found that the industry wants freedom to take advantage of price volatility and, indeed, supply volatility.

Mr W Clarke: I think that it would be better to have a medium price and sustainable fishing and processing industries, especially when you are building a business case to reinvest in your vessels, and so on. It is good to go to the bank manager with a degree of certainty. Discussions between the processing sector and the catch sector are taking place, but a bit of facilitating along the way would not go amiss.

Mr Irwin: Thank you for your presentation. First, I welcome the fact that you now have a target for the eradication of brucellosis. Minister, you said that there is suspicion of self-inducement. I declare an interest as a farmer. Is there any evidence of self-inducement? Was anyone ever found guilty of it? It sends out a bad message to the general public to say that if it is not a fact.

I welcome the strategic plans for the agrifood sector. Minister, do you accept that the only way for the agrifood sector to grow is for primary producers to produce more? I read recently that the number of cattle going for slaughter in the Irish Republic will be reduced. I am sure that you are aware of that. It is reckoned that the figure will be down by some 150,000 a year, or 3,000 cattle per week. That being the case, I reckon that a number of companies in Northern Ireland that import cattle from the Irish Republic will find difficulty sourcing cattle. If there are 3,000 fewer cattle a week, that could create a problem for farmers who import. It is very important that we look from the bottom up in the strategy. At the end of the day, the primary producer must produce the goods for the agrifood sector to grow.

My third point concerns tranche 3, on which Mr Swann touched. We believe that quite a number of farmers were excluded from tranche 2. I want an assurance that no farmer will be excluded from tranche 3. Moreover, how much was the underspend in tranche 2? Can that money be carried over to tranche 3?

Mrs O'Neill: As I said, eradication of brucellosis has been delayed by the disease outbreaks in Lislea and Keady, of which the Committee will be well aware. Those outbreaks can most definitely be attributed to reckless or fraudulent activity. People were very aware of that at the time. A joined-up approach was taken to try to tackle it in the area. Michelle Gildernew held public meetings, and the PSNI was involved. There was very much a joined-up approach at the time. I stress that the majority — I do mean the vast bulk — of farmers carry out their activity without undertaking fraudulent activity. I stress that only a very small number of farmers would ever be involved in fraudulent activity. That is why I said what I said. Hopefully that clarifies the situation for you.

You said that producers are key if the agrifood sector is to grow, and, obviously, that is right. That is why the agrifood strategy involves DETI, DARD and everybody else in the process, from the farmer producing the product to its reaching the shelf. When I say that the FSB should be industry-led, I mean it, and by industry, I mean not only processors but primary producers. That will be key to the success of the strategy. If producers do not feel as though their views are being reflected or that they are part of the decision, they will not have any faith in the strategy, and it would be doomed before it started. That is not the intention. The growing demand for food is a worldwide growing demand for food. We have an opportunity to meet a small part of that demand. We must seize that opportunity in the time ahead.

There is no intention to exclude anyone from tranche 3. I will ask my officials to provide a figure for any underspend in tranche 2. It is very positive that we were able to announce £1.4 million more for tranche 3 than we thought we would be able to.

Mr Graeme Wilkinson (Department of Agriculture and Rural Development): As regards tranche 2, we have paid out £4.6 million to date, and expect to spend £5 million.

Mr Irwin: What was the underspend?

Mr Wilkinson: To date, we have paid £4.6 million, so, potentially, it could be £0.4 million.

Mrs O'Neill: It runs to March, so the figure could be lower.

Mrs Dobson: Minister, thank you for your briefing. You responded to my letter about capital grants recently, so I thank you for such a speedy response. The issue was, as you know, that we do not have parity with Scotland. You said that your officials would investigate the Scottish system. Are you worried that without a similar scheme for Northern Ireland, our farmers will be at a competitive disadvantage?

Will I ask you all my questions now?

Mrs O'Neill: Yes, go on ahead.

Mrs Dobson: OK.

Do you plan to introduce a scheme that will enable farmers to modernise their farms? That would encourage young farmers to return to the industry, which is what we need. It would also be beneficial to the industry. You spoke about a youth employment programme, which is very welcome, but we need to help farmers with sons and relatives. A scheme to modernise their farms would encourage them to return to the industry. It is important that that is not overlooked.

I will mention a point that Willie Clarke was going to touch on, namely, selective gear. With July as the deadline for the local fishing industry to come up with the appropriate selective gear, what assistance are you giving it and what is your intention if no appropriate gear is found before July? What is DARD doing about that? Will you also ensure that the Swedish nets are not imposed on the industry by the EU, with all the associated health and safety concerns?

My final point is about rural crime. You said that you met Matt Baggott recently and that he is producing a detailed brief, which is very welcome. There is a significant worrying rise in rural crime, which the Committee discussed in great detail last week. Did you discuss farmers being placed on the wrong side of the law as a result of protecting their families and property from burglary? There is a major concern in my constituency and, I am sure, in other constituencies that farmers feel very vulnerable. If they have a firearm, I would be concerned that they would try to protect their families and property.

Mrs O'Neill: OK, thank you. There is plenty in there. I will pick up on the issue of selective gear first because it is important to clarify something. At the end of November 2011, the European Commission decided that it would close down fishing fleets in areas that did not have selective gear in place. That was the reality with which we were faced.

You will remember that I was due to take part in Question Time, but had to go to Brussels that day to deal with the issue. Before I went, I engaged with the key stakeholders in the industry, and they agreed with me the approach that we took in Europe, which was to say to the Commission: "Our industry will work towards having selective gear in place by July 2012." I went to the Commission with that proposal, which removed us from the days-at-sea argument, which was very beneficial because it meant that we were in a good position when we went to the December negotiations.

We were very proactive and removed ourselves from the days-at-sea argument, which the industry had agreed was the way to go. I have no doubt, given that the industry and I came up with that proposal, that the industry will be able to deliver on selective gear. It is very aware that I have no intention of imposing any Swedish grid on any fleet or boat.

The Commission was of the view of imposing Swedish grid but is now open to the idea that if our industry comes up with something that is acceptable to the Scientific, Technical and Economic Committee for Fisheries, it will accept that and fast-track approval of any initiatives that the industry comes up with.

Mrs Dobson: Are you working with the industry? Are you assisting it at the moment?

Mrs O'Neill: Absolutely. We are providing assistance and there are ongoing discussions. We will trial a number of initiatives. There is also funding available through the fisheries fund. That is a work in progress but I am confident that, with the ingenuity in the industry, we will be able to get to a position that is acceptable to the Commission.

Gerry is going to pick up on the issue of the capital grants and the work that we are doing to explore what the Scottish system is doing. Obviously we do not want the industry to be disadvantaged competitively or otherwise.

Mr Lavery: When we started consulting on farm modernisation, the demand in Northern Ireland was for small-scale grants being made widely available. We have been assisting farmers progressively and as Mr Irwin pointed out, there is now an issue concerning the uptake. We are quite optimistic that tranche 3 of the farm modernisation programme will soak up most of the rest of the demand for that type of grant.

Mrs Dobson: It is only a very small amount.

Mr Lavery: That would open the door to look at a scheme targeting larger projects. If somebody is going to put in a robotic milking parlour, a grant of £4,000, however welcome, is not going to be definitive. That gives us a problem, because it has to pass an economic appraisal, and it is very hard in an economic appraisal to say that a grant of that scale is actually good value for money when it is not the pivot of the decision to invest. We will be looking at the need for a scheme of that type, the affordability within the rest of the rural development programme and whether demand for that type of scheme comes out of the discussions that the Minister is embarking on through the agrifood strategy. There, we will be looking to different sectoral groups to say what is going to really change the face of the industry in Northern Ireland and allow it to expand.

Mrs Dobson: I could show you a big demand even in my constituency of Upper Bann, so I am sure that the demand is great throughout Northern Ireland.

Mr Lavery: As I said, it is a case that we are willing to look at and, hopefully, come up with, essentially, a farm modernisation programme tranche 4, which may be different from what there has been to date.

Mrs Dobson: Will you try to prioritise or fast-track that? We do not have parity with Scotland at the moment.

Mr Lavery: We will look at what we can do. Obviously, this week, the focus is on getting out tranche 3

Mrs O'Neill: It picks up on the issue that you raised of appealing to young farmers. It is a good initiative, given that we are going to give more weight to young farmers who apply. It is a positive thing

for young farmers. You have to keep learning lessons as you go through each tranche, and we are continuing to do that.

Mrs Dobson: I think the Scottish model is a good example.

Mrs O'Neill: Learning from best practice and good examples is part and parcel of moving forward and making it better each time. As I said at the start, the rural development programme gives us a good opportunity, when we identify the needs — and this could be a need that is identified — to actually shape that programme to fit those needs.

Mrs Dobson: Earlier, you spoke about ticking boxes. It encourages young people into the industry and more production. It is a win-win situation, so I urge you to explore it quickly.

Mrs O'Neill: OK. We picked up on rural crime generally and spoke about the different types of rural crime, organised crime, opportunism and rurality. I have agreed to hold a follow-up meeting with Matt Baggott in three months' time. If the Committee is following rural crime and has an interest I am happy to relay the issues that the Committee is aware of to Matt Baggott. The particular issue of a farmer being on the wrong side of crime is not a discussion that I have had with him, but if you want to —

Mrs Dobson: It is a big concern that I am hearing.

Mrs O'Neill: I am happy to raise that at the next opportunity I have.

The Chairperson: For your information, Minister, we have agreed as a Committee to seek a meeting with Matt Baggott and the Policing Board on that matter.

Mrs O'Neill: Hopefully, the information that we will be able to pass on will be a good starting point, because then you can analyse what they are doing and have an opportunity to go back to them on it.

The Chairperson: Minister, if you would indulge us with three more speakers I will ask them to be as brief and succinct as possible.

Mr McCarthy: I will be brief. Thank you for your presentation, Minister. You seemed to skip over the modiolus issue, which affects Strangford lough in my constituency. Will you elaborate on that? Did you have any discussions with Brussels on how to take that forward? Is this a joint effort between DARD and DOE? Where are we on the matter?

Mrs O'Neill: You will be aware that the Queen's University group reported. DARD and DOE then put together an action plan of how to take the matter forward. Recently, possibly only a few weeks ago, we put that to the Commission and are awaiting its formal response. Once we have that, I will be able to talk to you more fully.

Mr McCarthy: Can you give us any indication as to whether you have supported the DOE on its slight extension of where that operation may be carried out? All I want to hear you say is that you are not asking for a blanket ban.

Mrs O'Neill: At this stage, the plan we have put to the Commission is just that. There is no blanket ban involved. We are waiting for the Commission to respond to us and let us know its views on the way forward. Then we must explore it. To date, the Commission has not formally responded to us. I will keep you posted.

Mr McCarthy: I await that with interest.

Mr McMullan: Thank you for your presentation, Minister. I will be brief. The proposed cuts will harm everyone. However, the rural dweller will be harshly hit in particular, especially on transport, etc. I am sure you agree that the role of the voluntary and community organisations in rural areas is pivotal to any scheme that you roll out. How do we congratulate them on their work and keep that level of work going? Those two sorts of organisations are the unsung heroes of a lot of the programmes that

operate in rural areas. I do not believe that the larger bodies give the community and voluntary workers the credit due to them and to which they are entitled. Can we get that message out to them?

I am very heartened to hear about those two things you are doing for people in rural areas, especially for those who cannot avail of mains water. At the present time, even with the money given in grant aid, it is still financially prohibitive to make a borehole.

Can we look at some way of asking the Departments to cut through the red tape and allow more rural post offices to offer road tax services? At present, the Post Office is very selective about which rural post offices qualify for offering that service. If the service were offered by more rural post offices, they would have more business and might stay in business longer.

Mrs O'Neill: I will take up that issue with the Post Office. It is a valid issue. I have met the Post Office, but this is not something that I discussed with it. We talked about sustainability in rural communities and how the Post Office can be creative and try to maintain a presence in rural communities. However, I am happy to take up this issue. All of us who live in rural communities could do with this; taxing your car can take some handling.

As to the provision of boreholes, it is a good initiative. That small pot of money has been able to lever in funding from the DRD. Thanks for that.

As to getting the message of thanks out, you are absolutely right. A lot of those projects are run by volunteers; I see that all the time when I visit projects. Those who volunteer their time, because they are committed to an area or to an issue, should be thanked. I will take any opportunity I have to make sure that I get that message across.

Mr T Clarke: Minister, I apologise for having missed the start of the session. You are welcome here today.

Someone may already have touched on this issue. We have been talking about things that we can do in the future. In the short term, the Minister must be congratulated on the single farm payment. You met the target set in December, and the early payments were out. That is welcome. However, a small number of farmers were outside that. Only yesterday, I looked at a case in which an inspection was carried out in July last year but is only now being worked on in Orchard House. You will appreciate that there have been quite a number of inspections since July. In one of the constituency cases that I am working on, the farm was inspected in November. On that basis, the farmer will not be paid until June or July.

Given that many farmers are dependent on that income — it is their lifeblood — what is the possibility of you giving more resources to try to speed up the process?

Mrs O'Neill: As you said, it is a matter of inspections. Just over 90% of farmers have been paid already, which I note you welcomed. There is just a small number, but I know that it is very stressful for individuals who are waiting on their single farm payment. However, the inspections have to take place because of whatever has been flagged up as an issue.

Mr T Clarke: Sorry, Minister, I have no issue with that. I appreciate that there are routine inspections and then ad hoc inspections when an issue arises. However, an inspector did an inspection in July 2011, and the payment is only working its way through the system now. Whatever the system is, it seems very protracted that it takes seven months between the farm inspection and the payment being processed in Orchard House. Farmers will probably suggest that they do not want any inspections, but we know that that is not realistic. Why is the Department only processing payments seven months after inspections that took place in July, August, September, October or November?

Andrew Elliott has been more than helpful, and he was here last week. I spoke to him about a case two weeks ago. A farm inspection took place on 14 November 2011. After the inspector had finished, it was not uploaded onto the system until 16 January 2012. Therefore, it took two months. I cannot comprehend the reason for that. I want to talk generally rather than about that specific case, but that was a routine inspection with no issues, yet it took two months for it to be uploaded to the

system. That was a normal inspection without any issues, so what about cases in which there are issues? What can you do, as Minister, to try to speed up that process so that farmers are not waiting on their payment seven months after an inspection?

Mrs O'Neill: That is a fair point. I agree that it is too long to wait. We have gone out to recruitment for inspectors. How many?

Mr Lavery: Up to 20 additional inspectors.

Mrs O'Neill: Hopefully, that will speed up the process.

Mr T Clarke: Sorry to harp back to the point. However, if an inspection takes place in July, I do not know why it takes seven months to go through the administration system and be uploaded. I do not know the system inside out, but that does not sound to me like an issue with farm inspections. It seems to me that there is an administrative problem between the farm inspection and the case going through whichever office is involved before it gets to Orchard House for the payment to be processed.

Mrs O'Neill: I accept criticism where criticism is due. I do not know the circumstances of the case. Unless Gerry has anything to say, what I will say is that we will look into it.

Mr Lavery: I am happy to look at that individual case. I will make two points. First, in the period that we are talking about, the priority was to commence all inspections so that the vast majority of people not subject to inspection could be paid. The priority was to commence every inspection. The second point is about where we go from here. We have started a project to look at remote sensing and the use of satellite imagery, which will vastly speed up the process of commencing and completing all inspections. We are trying to address the systems issue. As the Minister said, we are trying to keep the bulk of people up to date with payment. This case may have slipped through the net. I am happy to look at that individual case and see what lessons we can learn.

Mr T Clarke: I am not trying to revisit it. I am not talking about that specific case but the general theme. If you ring Orchard House today and ask about your payment, they will tell you that they are only working on inspections that took place in July 2011. That suggests that they are working seven months behind. There will be hundreds of those. I appreciate that you have paid around 91% of farmers against a target of 90% or 85% or whatever it was, and you have to be congratulated on that. However, there is still a vast amount of money to be paid to the other 10% of people. My point, Gerry, is that the phone call was made yesterday, and the information that Orchard House is giving farmers is that they are working on the July inspections. It does not sound acceptable to me that they are only working on payments for inspections that took place seven months ago.

The Chairperson: I do not want to open this up again. We will not go round again, because the Minister's time is valuable to her. However, Mr Clarke raises a very valid point. All the members could probably mention timeliness issues.

I am not opening this up again, but it is not about the inspection. It is about the processing of that data afterwards. It seems to sit in an office and not move anywhere. On the back of Mr Clarke's question, can you tell us whether there is a set average time for the processing of a single farm payment for an inspected farm? If we could get that information we would have a look at it, because it is a major issue for us all in our constituencies.

Mrs O'Neill: I will look into the issues that you have raised, and I will send something to the Committee before its next meeting.

The Chairperson: OK. I am loath to open this up, Willie.

Mr Irwin: It is just a quick question.

Mrs O'Neill: I am 20 minutes over time, Chairperson.

The Chairperson: I will end it there, Minister. Put your question in writing, Willie. Thank you for your time, Minister. It is good of you to come here, and it is productive if the Committee meets you and your officials as often as possible. We welcome the time that you give us on any subject, and we look forward to working with you in the future.

Mrs O'Neill: Thank you, Chairperson and members.