

## Joint meeting of Joint Committees on the occasion of Europe Day: 9 May 2019

Thank you for the opportunity to present our perspective on the Common Agricultural Policy Reform policy challenge facing the European Union. We very much welcome such a collaborative approach in considering future agricultural policy, as farmers and wider stakeholders should be consulted upon decisions that ultimately impact upon them. Agricultural policy should not be viewed solely through the lens of the interests of the producers but consumers must also be considered as key actors in any agricultural policy formation. Consumers are entitled to have expectations about the safety, quality and price of food supplies.

It is in this stakeholder capacity that we in Ulster University Business School's Food and Drink Business Development Centre present the following views on future agricultural policy reform and believe that any further CAP Reform or Agricultural Framework should be inclusive of the following key priorities:

### 1. Volatile markets - instability of agricultural markets

Primary food production is considered a special case. Agricultural exceptionalism is necessary because of the economic characteristics of food markets, the political and social importance of the food supply; food security concerns; and in recognition of the fact that agriculture is a provider of public goods in respect of its importance in land management, watershed management, and as a driver of rural development.

Any future Agricultural Framework should represent meaningful support to farmers in recognition of their contribution to primary production and cross-compliance without subsidising or supporting any lack of competitiveness or inefficiencies within agriculture. It is entirely appropriate that farmers in less favourable areas or whom experience other natural disadvantages should receive a basic resilience payment with appropriate eligibility conditions attached to the payment. Payments should only be made however where associated conditions are met and this element should not be allowed to become a surrogate for income support, nor as a means of maintaining, indefinitely, uneconomic farming units. Any future Framework should not allow for any regression in terms of any return to a coupling of direct payments with production. Direct payments should be fully decoupled from production to allow the agri-food industry to be more responsive in terms of becoming a more market-oriented and consumer-focused industry.

A lack of collaboration in the farming community and in agri-food more widely is an issue. This has been identified by the Agri-Food Strategy Board (2013) and in various academic studies carried out by researchers in the UUBS Food & Drink Business Development Centre (Quinn et al., 2014; McKitterick et al., 2016). Government intervention to foster greater collaboration is necessary but how this can be achieved needs careful consideration.

Incentivisation through preferential access to support and other means has a role to play. However, our research indicates that intervention tends to work best at a local level, or when advice is tailored to meet specific needs. Consistency of advisors working with farmers is of critical importance in building relationships with farmers. Farmers tend to use and value advice from government agencies more when they trust the advisor. Thus, personal relationship building is key, where the advisor can display strong personal, motivational and empathetic skills in fostering networks and collaboration (Quinn et al., 2018).

A better understanding of market requirements would enable farmers to move from a production to a marketing mindset. The farming community would benefit from greater know-how around marketing aspects (identifying a market need for the product and how to differentiate the product). This would help create diversification and allow farmers to identify possible value-added products with strong market potential. As stated above, the agri-food industry should be empowered to be more responsive in terms of becoming a more market-oriented and consumer-focused industry. In any training initiatives, farmers are possibly more likely to engage if they can see how this approach has proved effective in other cases, for instance through best practices shared by their peers, or examples taken from other countries. The Interreg IVC project LOCFOOD, carried out by UUBS staff (2012-2014) is an example of how transnational best practices can be exchanged.

Given agricultural exceptionalism, some mechanism needs to be in place to ensure that the food system is secure, sustainable and healthy. To achieve this, volatility needs to be avoided to prevent erratic food prices and market distortion. Where any benefits accrue to the agri-food industry, as a matter of principle any costs associated with that should be borne by the industry. It will be important that any solution does

not serve to increase food prices to the consumer, which penalises, disproportionately, families on low or reduced incomes.

## **2. Food security (Continuity of supply, health and food poverty):**

The primary purpose of any agricultural policy must be to produce food to ensure security of supply. This is especially important in the context of the need for increased sustainable production (and consumption) and the need to feed a growing population (estimated to be 9 billion people by 2050) with fewer resources.

**Health:** Any agricultural policy should include ‘health’. The links between diet and health are well established. Any future agricultural framework/policy would be incomplete without regard to the relationship between food, choice, nutrition and health. However, neither is it enough to be producing food which is safe and affordable – we must also be producing the right kind of food whereby agriculture, food production and health policies more closely complement each other. We therefore recommend encouraging the production of food which is consistent with healthy eating and dietary guidelines. This will require food innovation in developing healthy choices that meet simultaneously consumers’/the market’s changing demands and preferences. We believe that these gains cannot be at the expense of environmental sustainability and that the twin objectives of productivity and environmental sustainability should be mutually inclusive. At UUBS we have worked on over 40 food innovation/product development research projects with local companies to develop new product concepts which encourage healthy food choices.

**Food Poverty:** Paradoxically, those consumers who stand to benefit most from a healthy diet are those who can least afford it. Agricultural policy must not typify a two-tier system whereby householders and consumers are disadvantaged by consequences of their income status or rurality either in terms of their ability to access, afford or avail of healthy food that meets their right to food in socially acceptable and socially inclusive ways, without stigma, shame or deficiency. Access to basic services and choice – including food – must not be depleted for our rural dwellers. Furthermore, physical access is compounded for rural dwellers where they may experience the double disincentive of car-lessness and/or problematic access to purposive public transport amenities. At UUBS we are currently developing a Food Risk Indicator which will be used to map and identify the above deficiencies in underserved rural areas. This work is eagerly awaited by the UK/NI governments and third sector to facilitate the monitoring of trends over time and the identification of the population experiencing food poverty. It will inform the design of effectively implemented interventions and strategies with the purpose of alleviating food poverty.

## **3. Food and farming as public goods**

As above, any future Agricultural Framework should represent meaningful support to farmers in recognition of their contribution to primary production and cross-compliance while delivering a supply and choice of safe, wholesome and nutritious food at affordable prices. Any support should be clearly targeted and funded separately whereby costs should not be borne by the consumer in the form of higher food prices. Neither should the Framework nor consumers subsidise or support lack of competitiveness or inefficiencies within agriculture. However, emphasis on the ‘active’ management of land should remain and be rewarded.

**Cross-compliance:** We recommend that the principle of cross compliance **should** be retained. It is our position that farming is more than its principal purpose of primary production and it would be important to continue to make any payment schedule conditional upon certain food safety, food quality, environmental, animal welfare and occupational safety standards (cross-compliance). We support the Polluter Pays principle that calls for the polluter to pay for any environmental damage created.

**Sustainable rural environment:** It is important for farming practices that are beneficial for the climate and environment to continue to be required to promote the maintenance of biodiversity. The pivotal role that farming can play in preserving and enhancing the rural and natural environments should not be diminished. Farming practices should continue to require a robust standard of environmental stewardship and the public good of countryside management.

The farming community also serves as custodians of the natural environment and this is important given the growing recognition of the amenity value of the countryside and the pivotal role that farming can play in preserving and enhancing the rural and natural environment. Consumers have an interest in the countryside and a healthy environment (indeed consumers have an articulated right to a healthy

environment – Internal Organisation of Consumer Unions, 1987), not just in relation to food production and food safety, but in terms of recreational (open farms, food tourism) and other activities.

Any future Agricultural Framework should aim to preserve and enhance the amenity and recreational value of the land and reward landowners for conducting this public good on society's behalf. The Framework should fund this without allowing the associated costs to be passed on to consumers in the form of higher food prices. Payments should only be made however where such cross-compliance is evident and this element should not be allowed to become a surrogate for income support, nor as a means of maintaining, indefinitely, uneconomic farming units.

#### **4. Maintenance of the rural population/rural development**

**Young farmers:** Agriculture requires generational renewal of farmers to secure primary production into the future. There should be some form of financial support for young farmers to ensure a sustainable supply of primary producers into the future. For example, instead of cash payments, financial support could be used to subsidise their participation in educational and skill-based programmes.

Universities have an important role to play in providing access to increasing professional educational attainment and knowledge transfer among the farming community to help farmers grow and diversify into the production of value-added goods that may have export potential. Incentivisation will be important in order to overcome barriers to engagement such as apathy, trust and time commitment. Some consideration could be given to providing funding assistance particularly for those new to training and education. Subsidising CPD courses or higher qualifications (Level 4 and above) would allow for further career progression on a 'life-wide learning' basis.

UUBS research has found that the farming community and small agri-food businesses can be mistrustful of 'scientific' agencies and sources of information for innovation, and that there are significant barriers to collaboration (Quinn et al., 2014; McKitterick et al, 2016). We therefore support the proposal for a multi-actor approach towards science and innovation, between support agencies and research institutions, in order to increase the agricultural community engagement. This would lead to greater knowledge exchange and would maximise the impact and value of research from universities. In collaboration with other institutions (e.g. AFBI, CAFRE and QUB) we at UUBS believe that collectively we can deliver a step-change in the rate of advancement for the Northern Ireland agricultural industry to become world-leading.

By way of conclusion, we believe that further reform of the CAP is to be welcomed and policymakers should continue to aggressively pursue the decoupling of payments from production. In this way, food and farming may be truly market-oriented and exploit evidence-informed, consumer-led opportunities alongside complementary (agri-)food and health policies to contribute to the achievement of the triple bottom line, whereby farmers and private industry may succeed in delivering market-demanded food in an environmentally responsible way, mutually supportive of people, planet and profit.

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