

# Agricultural Strategy Consultation

## Overview

Following industry-wide consultation the current Agricultural strategy '[Delivering a Reliable, Sustainable, Self-reliant Manx Agriculture](#)' which introduced the single-farm payment model was introduced in 2008. Delivery has continued through the Countryside Care Scheme (CCS) and latterly the Agricultural Development Scheme (ADS). It is proposed that the strategy for the next ten years (2019-2029) will still be delivered through the ADS. However a diversion of a proportion of the existing budget away from flat-rate payments, together with a proposed increase in budget will provide targeting funding for a variety of environmental and commercial initiatives that will provide a sustainable future for farm businesses and the rural environment.

## Why are we Consulting

The Minister, the Hon. Geoffrey Boot MHK made a commitment following his Department of Environment, Food and Agriculture (DEFA) Ministerial appointment, to change the way agricultural support is delivered. Particularly in relation to supporting active farmers and production, to ensure that economic activity is maximised and the processors, particularly the Meat Plant, are viable. On this topic, his 2016 election manifesto stated:

“Work with farmers to bring back some certainty to the system that will enable young people to continue farming, preserve our landscape and provide viability for our meat processing facilities (exploit post Brexit opportunities)”.

Following almost a year of the Department working on headage and partial-headage models, these were tested with the industry at a Manx National Farmers' Union (MNFU) EGM. The proposals were debated and did not gain the support of the members vote. In parallel, the Department concluded that for practical reasons the proposals would have been hard to deliver.

Subsequently, the Department has worked with the MNFU to deliver the high level Agricultural Strategy proposals that are now being proposed. In addition to delivering for productive agriculture, there is a strong commitment on delivering biodiversity, climate change mitigation, catchment management and Biosphere objectives, which are core objectives of the wider Department and Government.

## What Next?

Following this public consultation process, the Department will further refine the details of the strategy. It will then go through Government approval processes, culminating in the Department seeking approval at Tynwald for the Strategy and the associated funding package required to deliver it.

## **Drivers for Change**

### **1. Farm Funding Trends**

Farm support levels have not increased in over a decade. In inflationary terms this has reduced the value of these payments to farmers.

Whilst farming can still be profitable, especially when carried out at a large scale, many small farms are barely profitable, even after subsidy.

For the purposes of trade, farmers in the Isle of Man have access to the same markets as UK farmers and therefore require similar levels of funding to compete in these markets. The Food Matters strategy is contributing to growth in the Island's food economy and it is important that investment continues in the primary producers that contribute to the quality and provenance of many of the Island's successful food products that are consumed locally and exported.

### **2. Food Security**

Food security remains a valid and increasingly important argument for maintaining a viable industry and processing infrastructure in the Isle of Man. Reliance on globally traded products and logistics that can be impacted by weather and socio-political issues such as Brexit mean that local food production potential should be retained where possible. Future food production requires new generations of farmers. Therefore the industry has to be an attractive place to have a career. Providing a clear message on agricultural support, increasing the budget available for investment in infrastructure and ensuring opportunities exist for new and younger farmers will all improve the viability of the sector for the future.

### **3. Environmental Goods and Services**

Agriculture is the largest land-based activity and therefore has the biggest influence on landscape management, which encompasses some of Government's significant international obligations such as biodiversity, carbon sequestration and water quality/catchment management and delivering for the Island's prestigious Biosphere status.

The island's topography and soil types dictate the type of habitats that exist and farming that can occur. Almost 30% of land is only suitable for grazing and therefore a sustainable livestock sector and a functioning Meat Plant is key to effective landscape and habitat management as well as having a strong influence on the dairy and arable sectors. Farmers, as land managers, can deliver improvements in these areas with correctly targeted policies and financial support. Importantly, public perception of farming and the public funding for the industry will be improved where tangible and demonstrable improvements in the wider environment can be observed.

### **4. Biosphere, Tourism and Culture**

Agriculture's contribution to the landscape and Manx culture played a key role in the Island being awarded UNESCO Biosphere status. Demonstrating progress with initiatives that deliver economic, environmental and social benefits is a key area of ongoing Biosphere delivery. Agriculture is well-placed to deliver all of these targets due to its primarily economic role, balanced with strong traditions and the far-reaching influence of the industry on rural communities, culture and the iconic Manx landscape.

Tourism is an increasingly important part of the ongoing diversification of agricultural businesses. Visitors are availing of high quality farm accommodation as well as access to rural parts of the island. The importance of local food increases the value of the visitor proposition and the 'farm to fork' aspect of food provenance is seen as an important part of an authentic experience.

## High Level Strategy

This Strategy is intended to build on current policy and provide relevant and timely solution for the industry and the wider Isle of Man public, replacing the previous strategy ([https://www.gov.im/media/725897/developing\\_a\\_reliable\\_sustainable\\_self\\_reliant\\_manx\\_agriculture.pdf](https://www.gov.im/media/725897/developing_a_reliable_sustainable_self_reliant_manx_agriculture.pdf)) introduced in 2008. Current agricultural policy positions that remain relevant are:

- [GD2014/0042](#) Isle of Man Food Security Strategy
- [GD2014/0076](#) Food Matters – A Food Business Development Strategy, 2015-2025

*The strategy also supports a range of other Government strategies and objectives highlighted in the tables below.*

## Vision:

To achieve an agile, sustainable and self-reliant Manx food chain that efficiently and profitably produces a diverse range of high quality foods to feed the Manx nation and export profitably.

In parallel, to steward and enhance the Island's landscape, natural heritage and Biosphere status through protection of biodiversity, carbon sequestration and catchment management.

This industry shall offer opportunities for new entrants and existing businesses and shall allow both co-operative and entrepreneurial behaviour to flourish, underpinned by efficient and reliable infrastructure.

## Key objectives:

1. **The environment** – Providing support for targeted initiatives that produce conserved and cherished landscapes, enhance biodiversity, sequester carbon and, improve water quality and reduce flood risk.
2. **Supporting active farmers** – ensuring that financial support is targeted at businesses producing food, protecting the environment and catchment and landscape management.
3. **Productivity** – supporting marketing, efficiency, knowledge, benchmarking and advice to sustainably improve farm profitability and secure the long-term viability of the industry, post BREXIT.
4. **Investment** – increasing investment through capital grants, business confidence and profitability.

## The support initiatives:

- Flat rate support scheme for active farmers, with reduced rates from current levels
- New stewardship payments for the Uplands and specific highly sensitive sites that deliver enhanced biodiversity, carbon sequestration and catchment management for clean water and reduced flood risk.
- Capital grant scheme
  - Support for modern fixed assets to enhance productivity
  - Support the adoption of new technologies to improve productivity & profitability

- Farm yard manure/Slurry storage and pollution control systems
  - Hedges and dry stone wall repair
  - Diversification and Food processing
  - Discretionary public access improvements
  - Lime, Reseeding, Weed wipers and Soil sampling
- Productivity, environmental and land management advice.
- Ongoing Meatplant support

## Alignment with Government Strategy

The Strategy aligns with the Programme for Government, across a range of targets, which are listed in Table 1. It also takes a lead in delivering multiple environmental and economic Government strategies, which are listed in Table 2. These include the Biodiversity Strategy, UNESCO Biosphere Isle of Man, Food Matters, Food Security, catchment management, “Our Landscape, Our Legacy”, EU Bathing Water Directive 2006/7/EC and the Islands transition through Brexit.

**Table 1:** The Strategy supports the following Programme for Government Themes and targets

<b>P4G Theme</b>	<b>P4G target</b>
Enterprise and Opportunity Island	We have an economy where local entrepreneurship is supported and thriving and more new businesses are choosing to call the Isle of Man home
Enterprise and Opportunity Island	Continue to invest in and support businesses at all stages of growth and work to attract new enterprise
Enterprise and Opportunity Island	Work with our business sectors to understand, support and contribute to the quality and professionalism of our business sectors
Enterprise and Opportunity Island	Focus on sustainable job growth for our Island
Enterprise and Opportunity Island	Partner with business to offer skills, training and accreditations
Sustainable Island	We are an Island where people choose to live and visit
Sustainable Island	Make best use of our Island’s land and seas for leisure and work through food, agriculture and fisheries strategies, plus tourism and recreational use that work together with our environment

**Table 2:** Non-agricultural initiatives that this strategy will support and the associated Programme for Government target that would be delivered.

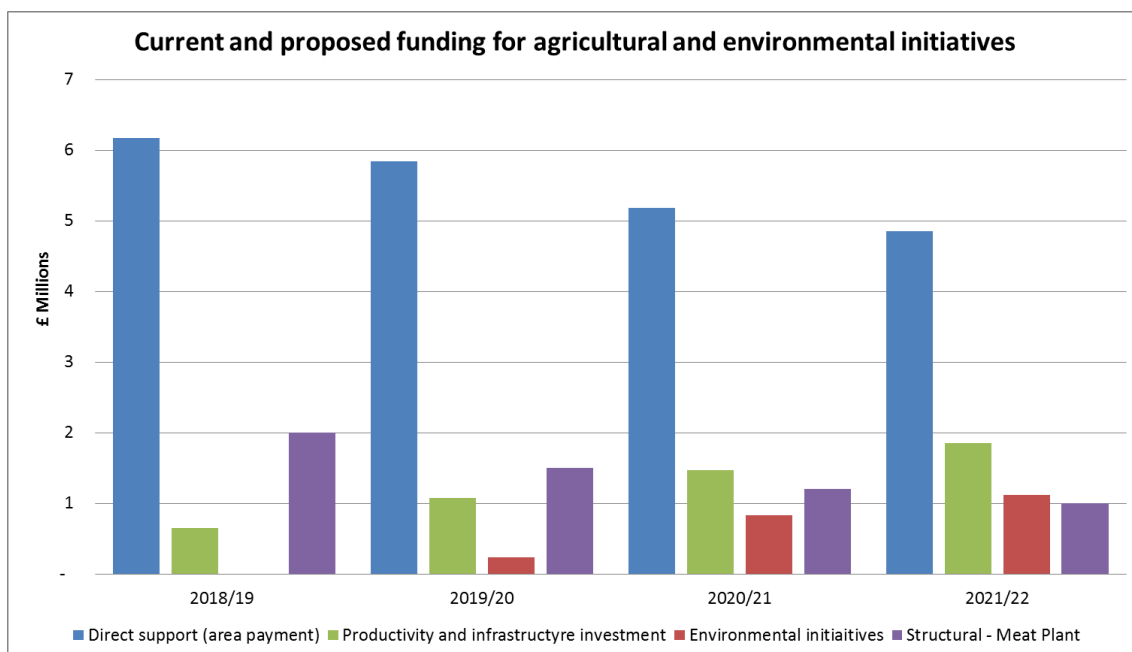
<b>Title</b>	<b>Dept</b>	<b>P4G target</b>
Biodiversity Strategy	DEFA	Take care of nature and wildlife so that our uplands, plantations, glens, and rivers can help us deal with the challenges of a changing climate
Biosphere	DEFA	We are an Island where people choose to live and visit Build on and promote our UNESCO Biosphere accreditation for the benefit of our economy, environment and community Continue to promote and support our national heritage, culture and language at home and around the world Grow the visitor economy in the Isle of Man
Our landscape, our legacy	DEFA	We have a natural and built environment which we conserve and cherish and which is adapted to cope with the threats from climate change
Food Matters	DEFA	We have an economy where local entrepreneurship is supported and thriving and more new businesses are choosing to call the Isle of Man home Ensure Government’s purchasing power is used to spend locally wherever possible
Food Security	DEFA	We have an infrastructure which supports social and economic wellbeing
Bathing Water Directive	DEFA	Provide proper disposal routes for problematic waste Better manage the way we deal with historic and current waste whilst improving environmental management
Catchment management	DEFA	We have a natural and built environment which we conserve and cherish and which is adapted to cope with the threats from climate change

Climate change	DEFA	Deliver against our commitment to reduce our greenhouse gas emissions
Flooding and Coastal Erosion Strategy 2016	DEFA	Manage and reduce the impacts of flooding and coastal erosion on communities, infrastructure and the environment
Vision 2020	DfE	We have a diverse economy where people choose to work and invest

## Funding Policy and Timelines

Funding for the new Strategy has been approved by Tynwald in February 2019 following a DEFA bid to Treasury. The funding approval is based on the following policies:

1. Continue with single-farm payment support, reducing the amount in line with EU and WTO trends.
2. Introduce environmental support – paying farmers as land managers can be an effective way of delivering wider Government initiatives (Biodiversity, Biosphere, bathing water quality, carbon sequestration and catchment management etc). Removing Above Mountain Line (AML) area payments and replacing with a similarly funded uplands Agri-environment scheme has been identified as a way of delivering many of these at a landscape scale.
3. Support for agricultural production – working with processors to ensure farm gate prices are in line with the UK market through direct support and market controls where appropriate.
4. Maintain viable processing infrastructure – in recognition that the industry relies on strategic processing assets and the structural challenges of operating small processing plants in a geographically peripheral location will invariably incur different costs than competitors. Given the restrictions identified, these vital providers of Food Security for the Island should be monitored closely regarding performance and long term sustainability. The success of the Strategy requires a level of continued funding for the Meat Plant since recent work has demonstrated that the Meat Plant cannot be self-sufficient and will always require additional support to operate.
5. Increase business development support – to increase the efficiency and productivity of the sector and increase the multiplier effect through increased economic activity.



**Figure 1** – Proposed transition of funding the new strategy



## Financial Support Required

Subject to relevant financial approvals, the Department intends to introduce the measures outlined in the Strategy in a phased approach. This will ensure that sufficient time is allowed to develop the new initiatives with stakeholder consultation and to allow for on-farm planning in relation to the change in funding mechanism, particularly the reduction in flat-rate payments (Table 3) and the move away from area payments in the uplands (AML payments).

**Table 3:** Potential changes to flat rate payments and anticipated value of environmental and business development funding expressed in per acre terms.

	2018/19	19/20	20/21	21/22
BML flat rate	£78.20	£73.64	£69.08	£64.52
Value of other strategy support	£8.90	£18.01	£31.57	£40.69
Total support per BML acre	£87.10	£91.65	£100.65	£105.19

## Detailed Expenditure Plan (round figures)

Whilst some of the initiatives can be implemented rapidly, others will take time to develop and scale up. Table 4a and detail the proposed activities and suggested allocation of budget. Following consultation feedback, the detail of these initiatives will be developed in consultation with the industry and relevant stakeholders.

**Table 4a – outline of proposed initiatives**

<b>Area payments</b>	Will be retained on BML land at reduced levels and will still require adherence to cross-compliance standards
<b>Uplands Agri-environment scheme</b>	AML land will no longer be paid only on an area basis. It is envisaged that payments will include a small element of flat rate to cover cross compliance, with the majority of the budget used to create an uplands agri-environment scheme where payments will be based on the delivery of environmental outcomes, such as good habitat condition, peatland restoration (for carbon capture) and management of water courses for flood alleviation.
<b>Advisory service</b>	To reintroduce an advisory service to provide on-farm advice and training on best-practice and innovation to improve efficiency, profitability and environmental management.
<b>AFGS Food Grants</b>	To maintain the support to businesses processing and adding value to primary production
<b>AFGS Agriculture and Horticulture capital grants</b>	To increase investment in upgrading on-farm infrastructure to improve efficiency, adopt advances in technology and diversify farm income.
<b>Hedge/wall repair and tree planting</b>	Farm boundaries provide important habitat for wildlife and contribute significantly to the wider landscape. Repairing and creating new boundary features, including woodland buffers along water courses benefit farm management and the environment.

<b>Slurry control systems</b>	Higher water quality standards will increase focus on upstream discharges, including agriculture. Increased funding to support improvements to slurry storage and management will ensure that opportunities for farm pollution incidents are minimized.
<b>AFGS - knowledge and innovation</b>	Increasing the availability for grant-aiding off-island research and on-island visits of industry experts will increase the opportunity for farmers to adopt and refine ideas that benefit their farm business.
<b>Pig premium scheme</b>	In line with the current Scheme, the funding to support the structural requirements of a local pig production will continue.
<b>Food Marketing</b>	Increasing the budget to further promote Isle of Man produce will result in increased demand and better returns for producers.
<b>Plastic disposal support</b>	Increasing public support for plastic reduction in the wider environment requires all businesses to rationalize their plastics use and disposal. Continued Government support for coordinated disposal of big-bale silage wrap will continue acknowledging the benefits to the industry and environment.
<b>Public access</b>	A fund will be established to provide a compensatory payment and a contribution towards the fencing and other infrastructure required to provide voluntary public access across farmland should there be an agreed need between the farmer and those wishing to establish a new route, or link between current publicly accessible routes.
<b>Land improvements</b>	Funding to support land improvements that increase productivity such as liming and weed wiping. Works would not be funded on any habitats without a Works Approval.
<b>Lowland Habitat Protection</b>	Areas of sensitive habitat can require positive management to maintain features of interest. Similar to the expired pilot Agri-Environment scheme and payments made under Section 27 of the Wildlife Act, annual management payments and one-off capital grants may be awarded to carry out specific management interventions at the mutual agreement of the Department and the farmer.

**Table 4b:** Estimated revenue funding required for ongoing agricultural support incorporating current commitments and new initiatives that support the delivery of the Agricultural Strategy.

Initiative	2018/19	19/20	20/21	21/22	% of budget in 21/22
BML - area payment	£ 5,710,000	£ 5,377,000	£ 5,044,000	£ 4,711,000	60%
AML - area payment	£ 324,000	£ 324,000	£ -	£ -	0%
Uplands Agri-environment scheme	£ -	£ -	£ 330,000	£ 330,000	4%
Advisory service	£ 50,000	£ 150,000	£ 200,000	£ 200,000	3%
AFGS - Food grants	£ 300,000	£ 300,000	£ 300,000	£ 300,000	4%
AFGS - Agric and Horti capital gran	£ 200,000	£ 400,000	£ 700,000	£ 900,000	11%
Hedge and wall repair/tree planting	£ -	£ 50,000	£ 100,000	£ 150,000	2%
Slurry control systems	£ -	£ 100,000	£ 250,000	£ 400,000	5%
AFGS - Knowledge and Innovation	£ 50,000	£ 100,000	£ 100,000	£ 100,000	1%
Pig premium scheme	£ 120,000	£ 120,000	£ 120,000	£ 120,000	2%
Food marketing	£ 50,000	£ 75,000	£ 75,000	£ 80,000	1%
Plastic disposal support	£ 40,000	£ 40,000	£ 40,000	£ 40,000	1%
Public access	£ -	£ 40,000	£ 80,000	£ 100,000	1%
Land improvements (e.g. lime)	£ -	£ 50,000	£ 75,000	£ 150,000	2%
Lowland habitat protection	£ -	£ 50,000	£ 100,000	£ 250,000	3%
Total	£ 6,844,000	£ 7,176,000	£ 7,514,000	£ 7,831,000	

[Future strategy funding proposal.xlsx](#)

## **Meat Plant funding**

Meat Plant funding did not form part of the strategy funding bid to Treasury and Tynwald, but acknowledging that this strategy cannot be delivered without such a processing facility.

There is a growing awareness that the Meat Plant is fundamental not just to the commercial livestock sector, but also in the growth of home-kill, business kill and artisanal meat production. The dairy and cereal industries are also integrated with the Fatstock sector and therefore the Meat Plant indirectly has an influence on the entire farmed landscape and environment. Without a local Meat Plant, there would be no pig sector and the opportunity to lock in supply of the local market would be lost.

Ongoing Meat Plant support levels have been clarified as part of the 2019 budget process.

## Introduction

The proposed Strategy will seek to deliver a sustainable and vibrant agricultural industry which is well placed to maintain and enhance the rural environment we all love and cherish

The questions are seeking your feedback on the following:

- Background information
- The Strategy – Vision and Objectives
- Funding
- Island processors
- Delivery
- Wider impacts
- Any final comments

## Background Questions

1. What is your name?

2. What is your email address?

3. May we publish your response?

(Required)

- Yes, you can publish my response in full
- Yes, you may publish my response anonymously
- No, please do not publish my response

4. Are you responding on behalf of an organisation?

Radio button	Yes
Radio button	No

If yes, please tell us which organisation:

5. Are you resident in the Isle of Man?

Radio button	Yes
Radio button	No

If yes, please tell us the first three digits of your postcode:

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6. Have you ever applied for support under the Agricultural Development (or previously Countryside Care) Scheme? (to ascertain farming status)

Radio button	Yes
Radio button	No

If yes, are you a current claimant? (to ascertain current farming status)

Radio button	Yes
Radio button	No

7. If you are/were not in the ADS, do you consider yourself to be any of the following:

Radio button	Farmer	Y/N
Radio button	Landowner	Y/N
Radio button	Land manager	Y/N
Radio button	Other - specify	Y/N

8. Which age bracket do you fall into?

Radio button	<21 years
Radio button	21-45 years
Radio button	46-64 years
Radio button	65+ years

### The Strategy

9. Do you agree with the Vision statement that wants a reliable and profitable food chain, an enhanced environment and opportunities for new and existing businesses to flourish through investment in infrastructure?

Radio button	Yes
Radio button	No

Comments:

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10. Do you agree that the 4 main objectives are important for securing a sustainable agricultural industry?

- a) The environment - Providing support for targeted initiatives that produce conserved and cherished landscapes, enhance biodiversity, sequester carbon and, improve water quality and reduce flood risk.

Radio button	Yes
Radio button	No

Comments:

- b) Supporting active farmers - ensuring that financial support is targeted at businesses producing food, protecting the environment and catchment and landscape management.

Radio button	Yes
Radio button	No

Comments:

- c) Productivity - supporting marketing, efficiency, knowledge, benchmarking and advice to sustainably improve farm profitability and secure the long-term viability of the industry, post BREXIT.

Radio button	Yes
Radio button	No

Comments:

- d) Investment - increasing investment through capital grants, business confidence and profitability.

Radio button	Yes
Radio button	No

Comments:

## Funding

11. The funding strategy seeks an additional £1M of financial support for the industry, with an increased focus on on-farm investment and improving the environment. To deliver these investments, Below Mountain Line (BML) area payment levels will be reduced and AML area payments replaced with an agri-environment scheme.

- a) Do you agree that increasing the budget by £1M over three years provides an appropriate funding level for the industry?

Radio button	Yes
Radio button	No

Comments:

- b) Do you agree that increasing the overall budget, but reducing the area payment component to fund specific initiatives focused on paying more to active farmers is an appropriate measure?

Radio button	Yes
Radio button	No

Comments:

- c) Do you agree that removing the Above Mountain Line payment and replacing it with an Uplands Agri-environment scheme can deliver better targeted upland management whilst retaining the viability of farming in the hills?

Radio button	Yes
Radio button	No

Comments:

- d) Do you agree that paying farmers to provide environmental services will improve the Island's environment?

Radio button	Yes
Radio button	No

Comments:

- e) Do you agree that paying farmers to provide environmental services will improve the public perception of funding for farming?

Radio button	Yes
Radio button	No



Comments:

- f) Do you agree that creating a budget to provide voluntary public access will improve access to the countryside and help protect crops and livestock from damage and disturbance?

Radio button	Yes
Radio button	No

Comments:

- g) Do you agree that increasing the amount of agricultural funding towards investment in farm infrastructure to improve efficiency and profitability is an appropriate measure?

Radio button	Yes
Radio button	No

Comments:

- h) Do you agree that increasing investment in farm business advice and education will help deliver improved farm efficiency and profitability?

Radio button	Yes
Radio button	No

Comments:

- i) Do you agree that the farming industry can play an important role in delivering a wide-range of Government objectives e.g. Biodiversity, Biosphere, catchment management, bathing water quality, carbon sequestration?

Radio button	Yes
Radio button	No

Comments:

## Island Processors

12. The strategy recognises that maintaining a functioning Meat Plant is an important part of successfully delivering this strategy, with its impacts reaching far wider than just the livestock sector.

- a) Do you agree that the Meat Plant is a vital part of the islands agriculture industry?

Radio button	Yes
Radio button	No

Comments:

- b) How would your business be impacted if there was no longer a functioning Meat Plant on the Isle of Man

Very Negatively	Negatively	Positively	Very Positively
Radio button	Radio button	Radio button	Radio button

Comments:

## Delivery

13. The proposed 10 year strategy has a phased delivery over the first three years to allow time for the initiatives to be developed in full and for the industry to have time to adjust. How would you rate this transition?

Very Poor	Poor	Good	Very Good
Radio button	Radio button	Radio button	Radio button

## Wider impacts

14. The UK has issued a draft Agricultural Bill to set out its post-Brexit Agricultural strategy.

- a. Do you think it is important that the Isle of Man Agriculture Strategy should broadly follow the UK?

Radio button	Yes
Radio button	No

Comments:

- b. Do you think it is important that average funding for the Agriculture industry in the Isle of Man is broadly equivalent to that received in the UK?

Radio button	Yes
Radio button	No

Comments:

- c. How do you think Brexit will impact on the farming industry in the Isle of Man?

Very Negatively	Negatively	Positively	Very Positively
Radio button	Radio button	Radio button	Radio button

- d. How do you think that this strategy will assist on-farm transition through Brexit?

Very Negatively	Negatively	Positively	Very Positively
Radio button	Radio button	Radio button	Radio button

## Final Questions

15. In general terms, please define how this strategy compares to the current Isle of Man Agricultural strategy.

A lot worse	Worse	Better	A lot Better
Radio button	Radio button	Radio button	Radio button

16. What could be included or amended to improve the delivery of this Strategy?

Comments:

17. Additional comments on the Strategy

Comments: