

Submission to the Standing Committee from the EU Single Farm Payment Working Group

Background

The Church of Ireland in the Republic of Ireland is a rural church – in the 2006 Census only 60,459 or 48% of its total population of 125,585 lived in towns with a population of 5,000 or more – so policies having an impact upon rural families and communities affect directly the lives of the majority of church members. In Northern Ireland, 65% of the Church of Ireland population is comprised of urban dwellers, but there are still 90,000 church members who live in rural communities and who will be directly affected by changes in rural policy. The Single Farm Payment, which may comprise the entirety of farm income, has an impact upon the lives of more than 150,000 Church of Ireland people, on both sides of the border, whether they be farmers, or members of farming families, or they be business people, or be dependent upon the trade and commerce of rural communities. Cuts in the Single Farm Payment, or changes in its administration, have the potential to affect the lives of 40% of the membership of our church.

But our concern must be with more than defending the interests of our own community, as a church that seeks an ordering of society based on Biblical principles, the Church of Ireland must speak for justice and compassion in the implementation of government policy. At the most local level, the church needs to be sensitive to the pastoral issues raised by reforms; it must understand the changes faced by rural communities; clergy need to be able to understand the situation confronting the people of their own parishes.

The Church of Ireland Working Group on the Single Farm Payment endeavoured to address the issues raised by potential Common Agricultural Policy reforms at the level of practical implementation and at the level of ethical principle.

Data available from government agencies points to the Single Farm Payment as being essential to the well-being of rural families and communities and the group was concerned at the lack of appreciation of the economics of farming in wider society.

The group also considered the philosophy of the Common Agricultural Policy as expressed in the Treaty of Rome of 1957, believing the values expressed in the Treaty to be in accordance with our values as Christians and asked how those values might be expressed in a reformed policy. The Common Agricultural Policy arose from the situation faced by a continent recovering from the worst war in history. It embraced the principles of food security, food quality, conservancy, vitality in rural life and maintenance of the environment; at the heart of CAP was a cheap food policy. The Working Group believed there was little public understanding of how the implementation of CAP had affected the lives of every European citizen as expenditure on food as a proportion of household spending declined over the decades.

Mindful that the Working Group was approaching the question of CAP reform from a Christian perspective, it was felt that discussion should be shaped by a criterion reflecting Christian teaching and, given the emphasis the church places upon the family, it was believed that priority should be given to policy should be shaped in a way that supports family farms and family life in rural communities.

The Single Farm Payment as a vital component of farm income

On 22nd May 2012, Teagasc, the Irish agricultural and food development authority, published the initial results of their National Farm Survey. The survey found that, 'average Farm Income in 2011 reached its highest (nominal) level ever, with average income of €24,861. This was a 32% increase on the 2010 income (€18,789)'. Teagasc urged a note of caution when reading such statistics, 'While 2011 was a very good year (with record income of €24,861), it should be remembered that this information reflects incomes from last year only, and does not capture the effect of price drops and input cost increases that have already occurred in 2012'. The Teagasc report notes that, 'Average Direct Payments were €17,944 or 72% of Average Farm Income'. In the best year ever recorded, direct payments still amounted to almost three-quarters of farm income.

In Northern Ireland, figures provided by the Department of Agriculture and Rural Development for 2010 show the critical place of the Single Farm Payment in farming economics. Total income (profit) from farming in 2010 was £274 million, while the Single Farm Payment in the Province in 2010 was approximately £300 million; the Single Farm Payment exceeded total profit, more than £20 million of it being absorbed into the running cost of farms. Without the Single Farm Payment in Northern Ireland in 2010, the aggregate income from agriculture would have been a negative sum.

Single Farm Payment reform has huge potential impact; it could change the very nature of rural society.

Conflicting values

Farmers do not speak with a single voice; there are those who believe that it should be made on the basis of productivity and those who believe the reformed Single Farm Payment should be made on flat rate basis, according to the hectareage of the farm. The Working Group noted that there are strong ethical and Biblical arguments in support of both positions.

The reward of work and productivity has been something stressed in Church of Ireland teaching. Jesus speaks of the labourer being worthy of his hire, and the Parable of the Talents points to the greatest reward going to those who had produced the most, and the one who is unproductive losing his payment.

A strong lobby argues that administering the Single Farm Payment on the basis of productivity is conducive to food security in an uncertain international environment and to the long-term viability of farming; it would push farms towards greater efficiency, output and profitability. Profitability derived from greater efficiency and greater output would shift agriculture toward the realm of conventional economics and reduce dependence on direct payments. It is contended that the Single Farm Payment

administered without reference to productivity inhibits progress towards efficient and viable farms and does not secure the long-term future of rural communities, nor long-term food security.

While church teaching might be adduced to endorse a policy that rewards productivity, the church believes there is more to life than the material, 'man shall not live by bread alone', says Jesus. The Single Farm Payment has ensured the survival of the social capital of rural communities.

There are farming communities, particularly in the West and South-West of Ireland which have not the capacity for substantial improvements in efficiency, and a Single Farm Payment administered on the basis of productivity would bring a shift of income away from such communities. A specific purpose of the Common Agricultural Policy was to sustain rural life; communities already disadvantaged, and facing the problems of depopulation and rural isolation, cannot afford any loss of income.

That there is a real tension between the desire to use the Single Farm Payment to promote efficiency and profitability, on the one hand, and the desire to use it to support marginal farms and to preserve rural communities in disadvantaged areas, on the other, has often gone unacknowledged, agriculture being perceived by many outside it as a monolithic entity.

The voice of the church

It is not the place of the church to advocate particular policies, but it is the place of the church to call attention to Biblical and ethical principles.

Guided by a concern for family and community, the Working Group believes the Church of Ireland should urge that the Single Farm Payment be administered by the respective Departments of Agriculture in a way that gives priority to family farming and rural development.

Particular concerns expressed by members of the Working Group and by those who made submissions included:

- that there be good stewardship of the various schemes so that monies available be used to optimum effect and to support the most vulnerable;
- that government publications and forms be laid out and written in such a way as to be accessible to all members of the farming community, and that department employees be sensitive to those for whom the need to deal with officials is a difficult and, sometimes, intimidating process;
- that the 'greening' proposals contained within proposed reforms be administered in way that is sensitive to family farms where particular requirements might entail undue costs for smaller farms;
- that the declining number of family farms might prompt initiatives, such as the encouragement of partnerships, that would allow young new entrants to farming and rejuvenate communities;

- that the reference year for the Single Farm Payment be not 2014, which will create an upward speculative pressure on land prices and rents and militate against family farms, but be based on the recent past, perhaps an average of 2010-2011;
- that proposals for change be implemented only after the full likely impact of such proposals has been assessed;
- that change be implemented with sensitivity toward those for whom farming is their life. If farms are deemed no longer viable, what are people and communities to do?

Action

The Working Group believe that persons competent to speak for the Church of Ireland, members of the House of Bishops or the Honorary Secretaries, should make representations to Ms Michelle O'Neill MLA, Minister for Agriculture and Rural Development in Northern Ireland, and to Mr Simon Coveney TD, Minister for Agriculture, Food and the Marine in the Republic of Ireland. Such representations would not be to engage in discussion of the details of policy, but to express the church's concern that matters of principle be addressed and to ask how the respective ministers intend to deal with these issues.

The Group also believes that it is important to create awareness within the church of what changes are proposed and how these would affect people and parishes. Pastoral and practical guidelines should be available. Clergy should be able to understand what is happening in rural communities in order to respond pastorally. At a practical level, clergy and select vestries need to be aware that a substantial reduction in the Single Farm Payment in particular communities would create serious problems for both rural parishes and rural dioceses.