

**NORTHERN IRELAND FORUM**  
**FOR**  
**POLITICAL DIALOGUE**

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**REVIEW OF THE CURRENT**  
**STATE OF THE**  
**NORTHERN IRELAND**  
**POTATO INDUSTRY**

by

**STANDING COMMITTEE 'D'**  
**(AGRICULTURE AND FISHERIES ISSUES)**

7 March 1997



# **REVIEW OF THE CURRENT STATE OF THE NORTHERN IRELAND POTATO INDUSTRY**

"Some of us are maybe old enough to remember that we had a flax industry in the province. I just mention it as an example. We are afraid that if we are not careful and if action is not taken fairly quickly that the seed potato industry could follow the flax industry."

Mr D L Armstrong  
Seed Potato Promotions Ltd  
Thursday 9 January 1997

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# **REVIEW OF THE CURRENT STATE OF THE NORTHERN IRELAND POTATO INDUSTRY**

## **1. INTRODUCTION**

- 1.1 In the course of its Review of the crisis in the Beef Industry, and as a result of representations made to members about the state of the ware potato sector, the Committee decided to conduct this review of the state of the Potato Industry.
- 1.2 Prior to embarking on this exercise, the Committee examined its Terms of Reference, viz "To examine the problems being faced by farmers and fishermen in Northern Ireland and report to the Forum", and was satisfied that the topic was *intra vires*.
- 1.3 On 7 November 1996, the Committee decided to seek evidence from interested parties, and on 4 December 1996 representatives of the Ulster Farmers' Union visited the Forum and gave evidence to the Committee, evidence which highlighted a deeper decline not only in the ware potato sector but also in the seed potato sector. Evidence sessions were held on 9 January 1997 at which officials of the Department of Agriculture for Northern Ireland, and representatives of Seed Potato Promotions Ltd, were questioned by the Committee. Minutes of Evidence of these discussions are attached at Appendix D. The Northern Ireland Agriculture Producers'

Association were also invited to come and give evidence to the Committee, but because of business and other pressures were unable to do so.

- 1.4 In addition, the Committee visited Enniskillen, Banbridge, Coleraine, Dungannon, Omagh, Newtownards and Ballymena in late January/early February and held evening meetings with local farmers during which many issues were discussed, including potatoes. In the course of visits to farms in the Ards Peninsula on 4 February 1997, the Committee visited the holding of Mr J R McKee a potato and vegetable grower and discussed the topic with him on site.
- 1.5 As a result of this evidence-taking exercise, further information was sought from the Department of Agriculture for Northern Ireland, and its additional responses are contained in Appendix C, along with other written evidence.
- 1.6 The Committee wishes to thank all those who contributed, by giving oral evidence, by submitting written evidence or by discussing the issue with the Committee in the course of its tour around the Province.

## 2. BACKGROUND

2.1 Evidence provided by the Ulster Farmers' Union and the Department of Agriculture for Northern Ireland proves that there are clearly obvious indications of decline in what has been, and still is, regarded as a very important industry in Northern Ireland.

2.2 This decline can be seen in the following comparison:

	<b><u>1984</u></b>	<b><u>1995</u></b>	<b><u>% Decline</u></b>
Total output of Potatoes	265,000 tonnes	195,000 tonnes	26
Seed Potato output	72,800 tonnes	24,900 tonnes	66
Ware Potato output	177,500 tonnes	170,600 tonnes	4
Area of Potato Production	13,700 hectares	8,700 hectares	36
Potato Producers	5,725	1,700	70

2.3 Other statistics of interest are as follows:

	<b><u>1984</u></b>	<b><u>1995</u></b>
Total Value of Potato Crop in NI	£22m	£34m
" " " Apple Crop in NI	£ 2.8m	£ 6m
" " " Barley/Wheat in NI	£11.8m	£19m
" " " Mushroom Crop in NI	£ 6.8m	£30m
Export Trade of Potatoes to Mediterranean	-	£ 9m

2.4 It should be noted that of the 1,700 potato producers currently operating in Northern Ireland, some 400 grow potatoes as their main enterprise. In addition, there are a considerable number of small-scale enterprises -

approximately 74% of potato growers produced 24% of the crop in 1995. In 1995, these producers were supported by 180 Potato Merchants and 50 Pre-Packers.

- 2.5 The decline in output of potatoes (some 36%) has been continual over the period since 1984 with a more pronounced reduction in the years following a low price. Yields have varied over the period without any definite underlying trend, however it is clear that yields in Northern Ireland are generally lower than those in the rest of the United Kingdom, eg a marketable yield of 31.6 tonnes per hectare of ware and 25.4 tonnes per hectare for seed in 1996 compares unfavourably with 46.8 tonnes of ware potatoes per hectare in Great Britain and 35 tonnes of seed per hectare in Scotland. This is caused by a number of factors, including a shorter growing season in Northern Ireland, higher rainfall in Northern Ireland which leads to later planting and more difficult harvesting conditions, restricted area of ideal soil types, preferred planting of traditional varieties of potato which are less high yielding, and the field structure and topography of the Northern Ireland countryside.
- 2.6 Consumption of potatoes has also declined by some 15% over the past 5 years. The United Kingdom National Food Survey indicates that per capita consumption of potatoes has declined from approximately 36 ounces per person per week in 1988 to just under 31 ounces in 1993, indicative of changing attitudes to food.
- 2.7 Services and support to the Potato Sector are provided by the Department of Agriculture for Northern Ireland through its Science Service and



Agri-Food Development Service. The Committee was advised that these Services consult regularly with the potato industry to ensure a co-ordinated approach and effective use of resources.

- 2.8 In recent years the development and prospects of the potato industry have improved dramatically in the Republic of Ireland and in other Member States of the European Union, mainly because of increased investment in storage, grading and packing facilities which has been approached in a co-ordinated and structured manner. In Northern Ireland, only limited investment has taken place.

### **3. POINTS ARISING FROM EVIDENCE**

- 3.1 Representatives of the Ulster Farmers' Union visited the Forum on Wednesday 4 December 1996 and discussed the situation in the potato industry with the Committee. On 9 January 1997 officials of the Department of Agriculture for Northern Ireland (DANI) and representatives of Seed Potato Promotions Ltd also discussed their view of the industry with Committee members.
- 3.2 In the course of the evidence sessions, a number of areas were examined and these are covered in the following paragraphs.

### **GRANT AID FOR STORAGE AND MARKETING**

- 3.3 It was explained by the Ulster Farmers' Union that the Republic of Ireland has become a major player in the potato markets because substantial grant aid has been made available to the Republic's industry - the evidence for this rests in the large number of modern potato stores already constructed or presently being built.
- 3.4 Markets are being lost to Northern Ireland growers because of a distinct lack of storage facilities, and where stores exist, they are such that guarantees of quality cannot be given. The Ulster Farmers' Union stress the need to reassess the access potato farmers have had to grant aid. It is the view of the Union, that potato farmers should be encouraged to make professional applications on a co-operative basis for on-farm stores. The Union explained that Marketing and Processing Grants and the Marketing

Development Scheme are available to farmers - but that growers are put off by the perceived arduous administrative requirements which make these grants very difficult to access.

- 3.5 Officials indicated that Grant Aid is available for a broad range of investments in the potato sector. At producer level, there is available a farm capital grants scheme, however this scheme is closed because it is over-subscribed.
- 3.6 DANI officials explained that there are two further schemes, the market development scheme which is open to groups of farmers or processors in association with farmers and which provides grant up to £150,000 for marketing initiative projects. The other scheme is the processing and marketing grant scheme which relates to capital grants. This scheme is open to farmers, but only if they are trading - ie they need to be doing more than marketing their own produce. The European Union fund 35% with a national government top-up of 5% making a grant minimum of 40% and the minimum capital expenditure under the scheme is £70,000.
- 3.7 DANI officials advised the Committee that access to the processing and marketing grant was available across the whole of the food industry. The resources available therefore had to be spread across all food sectors with potatoes attracting a relatively small contribution, however assurances were given that the Department is keen to support the potato sector where possible, but the availability of resources being a key issue.

- 3.8 In the course of its examination of the state of the potato industry, the Committee became aware of the lack of grant-aid available to potato growers in Northern Ireland - indeed there was evidence of growers and producers succeeding without any help whatsoever from DANI.

### 3.9 **STORAGE FACILITIES**

It was recognised by Departmental officials that little investment in storage has taken place in Northern Ireland. However it was indicated that "at the present time there is considerable movement on that front and a much greater realisation of the need for improved facilities".

- 3.10 Seed Potato Promotions Ltd indicated that storage facilities for potatoes on Northern Ireland farms are relatively poor in comparison with the rest of Europe, and are certainly well behind the facilities which are available in the Republic of Ireland. The reason for this anomaly is the lack of access by Northern Ireland growers to grant aid, which is beyond the reach of the average Northern Ireland farmer. Only co-operatives or large companies could access the grants available for the Department of Agriculture - and according to Seed Potato Promotions Ltd, it is not possible for the seed potato businesses to qualify for grant.

### **QUALITY ASSURANCE SCHEME**

- 3.11 The representatives of the Ulster Farmers' Union indicated that the time was right to develop a Northern Ireland potato quality assurance scheme which would set minimum standards and guarantee consumers a quality product.

Indeed it was reported that work had commenced on a feasibility study for such a scheme and that the Department of Agriculture for Northern Ireland was assisting with this.

- 3.12 DANI officials confirmed that a Potato Quality Assurance Scheme was being progressed. It was explained that the large supermarket chains in Northern Ireland have set their own standards and quality requirements. In England the National Farmers' Union already has a quality assurance scheme which is endorsed by all major supermarket claims.

### **PRICE REPORTING SYSTEM**

- 3.13 The representatives of the Ulster Farmers' Union stated that the absence of such a system made it very difficult for growers to find a benchmark from which to value their crop.

### **SPECULATIVE GROWING**

- 3.14 The representatives of the Ulster Farmers' Union indicated that a large amount of ware potatoes is grown in Northern Ireland without contract. Such action is believed by the Union to depress the market and therefore the Union is encouraging growers to become involved in contract growing in an attempt to ensure that quantity and quality is correct.

### **CONTRACTS**

3.15 With regard to contract growing, it was stressed by DANI officials that potato growers should seek to obtain a contract with a pre-packer or with a supermarket, as this was the way the industry must go.

## **THE GREAT BRITAIN INDUSTRY DEVELOPMENT COUNCIL**

- 3.16 Recently, this Council was established, as a successor to the Potato Marketing Board, to focus on research and development and on the promotion of potato varieties grown in Great Britain. The Ulster Farmers' Union sees this body as being capable of the promotion of Great Britain varieties to the detriment of varieties emanating from Northern Ireland. Accordingly the Union has approached the Department of Agriculture for Northern Ireland seeking assistance in a bid to gain Northern Ireland membership of the new Council, although the levy on growers which will be required could be a deterrent to the membership in the eyes of Northern Ireland potato farmers.

## **EUROPEAN UNION POTATO REGIME**

- 3.17 The Ulster Farmers' Union representatives drew attention to the absence of agreement with the European Union on the need for a potato regime.
- 3.18 DANI officials indicated that the question of such a regime had been under discussion within the European Union for some time, but no consensus was available. It was considered that a lightweight regime may develop in the future, but not soon.

## **MARKET TREND INFORMATION SYSTEM**

- 3.19 The Ulster Farmers' Union representatives considered that a better system of advising growers of market trends is needed. New varieties of potato

need to be grown in Northern Ireland and advance intelligence is needed of the varieties to be planted and grown.

- 3.20 It was explained by DANI officials that the Department of Agriculture and the Department of Economic Development had published a draft Food Strategy Paper, a consultation paper which sought the views of the food industry. The main issues raised in this paper were the need for rationalisation, improved competitiveness, and partnerships across the industry. A particular need identified in the potato industry was the requirement for additional storage facilities.

### **CO-OPERATIVES**

- 3.21 The advantage of bulking potatoes together in centralised storage facilities was stressed by the DANI officials. It was further stressed that an integrated industry is required where co-operation is needed to meet the power of the big supermarket retailers.

### **SEED POTATOES**

- 3.22 The Committee questioned the Ulster Farmers' Union representatives about the state of the seed potato industry. It was explained that exports of seed potatoes had fallen dramatically, particularly to Mediterranean countries, and this has led to a large number of small family farms going out of business. It was also indicated that seed potato exporting is very limited at present and that many markets have been lost.



- 3.23 It was indicated by DANI officials that seed potato markets are heavily dependent on third country trade (outside the European Union) - mainly in North Africa, the Canary Islands and Malta. This trade by its nature carries a degree of financial risk. Departmental officials indicated that the Northern Ireland Farm Quality Assurance Scheme is seeking to encourage the use of higher grade seed by the ware grower in Northern Ireland and to bring the Northern Ireland seed potato industry and the Northern Ireland ware potato industry closer together in an attempt to arrest decline, and to battle against the large producers of seed elsewhere in the EU.
- 3.24 It was also explained that the Scottish seed potato industry and the Dutch seed potato industry have become highly organised and now have a highly efficient marketing machine - taking over English seed markets and third country markets. This points to the need for the development of Northern Ireland marketing skills and the need to ensure that the right product for the right market-place is being produced.
- 3.25 The following comparisons indicate how the industry has declined since 1982.

	<b>1982</b>	<b>1995</b>	<b>% Decline</b>
Certified Seed Potatoes (hectares)	6,472	2,384	56
Shipped (tonnes)	78,604	22,373	71

It was the view of the seed industry representatives that in 1997, in terms of plantings and certified hectareage, there could be a further reduction of

approximately 20%. "The current situation could only be described, as far as we are concerned, as a crisis in terms of both movement of seed potatoes and the prices we are obtaining." - "Confidence within the industry, short, medium and long-term is at an all-time low." - A concerted effort is needed by all sectors of the industry in tackling problems and trying to salvage what remains of the seed potato industry."

- 3.26 The representatives of Seed Potato Promotions Ltd made a number of points to the Committee, some of which are outlined in the following paragraphs.

### **VARIETIES**

- 3.26.1 In Northern Ireland, there is a shortage of new and improved varieties of seed potatoes. Our competitors, particularly the Dutch but also the French, Germans and others are forging ahead with new and improved varieties of potatoes.

### **BREEDING**

- 3.26.2 The history of the potato breeding in Northern Ireland was explained, leading to the establishment of the Loughgall breeding programme and the subsequent sale of the programme, or part of it to Agrolon Limited which is involved with the Plant Breeding Institute, Cambridge (PBIC). In this connection, the DANI Permanent Secretary has explained the background to the private sector involvement in the potato breeding programme.

3.26.3 Seed Potato Promotions Ltd indicated that they had formed a consortium of 5 Northern Ireland potato merchants and bid for the business which was won by Agrolon/PBIC. The situation now, they explained, is that all potato varieties bred at Loughgall go to the Agrolon/PBIC consortium who have the marketing and growing rights.

3.26.4 Seed Potato Promotions also indicated that unless the industry can obtain new varieties of potato which are commercially acceptable, there is little future. It was explained that Northern Ireland has been dependent on old varieties which have now lost commercial attractiveness. The following table shows the decline of old established varieties.

	<b>1982</b> <b>(hectares)</b>	<b>1996</b> <b>(hectares)</b>
Arran Banner	1,700	192
King Edward	1,098	61
Desirée	979	481
Pentland Dell	480	396
Arran Consul	391	24
Kerr's Pinks		347

203

3.26.5 With regard to the possible breeding of a successful new variety at Loughgall, it was stressed that it is entirely possible that such new varieties could be grown in England or Scotland and that Northern Ireland would reap no benefit whatsoever.

3.26.6 The Department of Agriculture for Northern Ireland came in for some criticism for its "laissez faire" attitude to the potato industry and for its part in missing out over the years in the development of new and improved varieties. "Seed potato production within the province has not been one of its priorities."

### **PRODUCTION COSTS**

3.26.7 It was explained that production costs for potato growers are extremely high, that labour is expensive and difficult to find and that the skilled labour employed is seasonal. Smaller producers are therefore unable to meet the demands of consumers. In 1996 for example, production costs were in excess of £1,000 per acre plus overheads, a situation which is totally uneconomic and which will lead to considerable losses for growers.

### **3.26.8 MARKETING**

This was not seen by Seed Potato Promotions Ltd as being a problem area.

### **PLANTING OF CERTIFIED SEED**

3.26.9 Seed Potato Promotions Ltd considered that there is a strong case within Northern Ireland for insisting that only certified seed potato seed and ware potatoes are planted in an effort to ensure the health of the crop,

and to facilitate the introduction of a quality assurance scheme for both ware and seed potatoes.

## **SET ASIDE LAND**

3.26.10 It was also suggested by Seed Potato Promotions Ltd that Government should examine the possibility of permitting the growing of seed potatoes within set aside land to help alleviate the problem of obtaining suitable land for the growing of certified seed potato crops.

## **INSPECTION FEES**

3.26.11 It was further suggested that the Government should consider the foregoing of inspection fees for the next season's crop.

## **GRANT AID**

3.26.12 The introduction of grant aid schemes with more flexibility than at present was also requested.

## **REVIEW OF PLANT BREEDING**

3.26.13 Seed Potato Promotions Ltd also called for the introduction without delay of an independent review of plant breeding within Northern Ireland.

## **VIABILITY OF THE SEED POTATO INDUSTRY**

3.26.14 In response to a question, it was indicated that in the view of Seed Potato Promotions Ltd, the seed potato industry was at a critical stage and is close to the point where it is no longer viable to proceed with seed potato

production. It was also made clear that the home market alone would not sustain the industry and that exports were needed.

### **EU INPUT TO THE POTATO INDUSTRY IN THE REPUBLIC OF IRELAND (ROI)**

3.26.15 Seed Potato Promotions Ltd highlighted the significant EU input to the potato industry of the RoI over the past five years - at farmer level, not just at co-operative level. This support has enabled the provision of stores and handling facilities - all of which are largely absent in Northern Ireland, or where it exists are out of date. Further, it was reported that three months ago a further £11m has been devoted from FEOGA to the RoI potato industry - once again putting the Republic of Ireland at a great advantage.

### **AN BORD GLAS**

3.27 In the course of this examination of the potato industry, the attention of Committee members was drawn to the marketing activities of An Bord Glas (the Horticultural Development Board of the Republic of Ireland). This body produces high quality, coloured informative, and punchy information for consumers, encouraging the healthy eating of vegetables and potatoes produced in the Republic of Ireland in an environmentally friendly manner.

3.28 Such aggressive marketing is clearly at odds with the activities of our own Department of Agriculture, and points to the need for Northern Ireland produce to be equally aggressively marketed.

#### 4. **REVIEW OF EVIDENCE**

4.1 The evidence submitted to the Committee clearly sets out the decline which has taken place in the ware and seed potato industry in Northern Ireland - a decline that has been presided over by the Department of Agriculture for Northern Ireland. While the potato industry has been developed and expanded in RoI and other Member States of the European Union, Northern Ireland has not kept in step - eg there has been limited investment, markets for fresh potatoes have been permitted to decline. Indeed the Committee was told that the majority of the chip trade in Northern Ireland now imports Maris Piper potatoes from Great Britain rather than use local potatoes. The Ulster Farmers' Union representatives stressed that there are few economically viable alternatives in Northern Ireland to grass-based agriculture, and that a continuing decline in the potato industry would not be in the best interests of Northern Ireland agriculture or the Northern Ireland economy in general. On the evidence available, it is the view of the Committee that DANI has permitted the industry to reach a critical point where the viability of the industry is in question.

4.2 The Committee recognises that Northern Ireland ware and seed producers are committed to the production of high quality potatoes. The 1,700 potato producers here produce a crop valued at £34m in 1995 - much larger than a number of other crops produced in Northern Ireland (see paragraph 2.3).



The Committee also is conscious of the excellent plant health standards which are maintained by the Northern Ireland potato industry which provides crops which are disease-free. In addition the Committee was pleased to note that the industry has been capable of ensuring that with regard to certain types of potato it has been possible to keep costs at a low level.

4.3 The main issue that has been brought to the attention of the Committee is the absence of proper modern storage facilities on the farms of the producer, and the lack of access by growers to grant aid. It is true that capital grants are available but the technical and administrative requirements set out by the Department are on the evidence available to the Committee, sufficient to deter farmers. Indeed, in 1996-97 DANI had available £6.03m from the EU (EAGGF) and £0.106m from National resources for marketing and processing grants and some £0.3m for marketing development. These resources were available across the DANI food processing sector, and were not available solely to potato growers.

4.4 The Committee was disappointed to note that despite the fact that the industry had declined to the extent outlined in paragraph 2.2 and 2.3 and 3.24 and more particularly over the past six years, the Department of Agriculture in association with the Department of Economic Development had only recently published a consultation document on Food Strategy. This exercise is designed to cover the food industry at large which includes a rather small potato sector. In addition the Department had only recently commenced the development of the NI Farm Quality Assurance Scheme with regard to potatoes.

4.5 The Committee recognises the case for the development of contractual growing of potatoes. Indeed, in the course of its examination of the Beef Crisis in Northern Ireland, the representative of a well-known supermarket chain indicated that 25 potato growers had been growing potatoes for the chain for 5 years. These growers are paid not only for their potatoes, but they are given a bonus provided the criteria required by the chain are met.

- 4.6 The Committee was particularly concerned about the current crisis in the Seed Potato Industry, in particular the lack of research into new varieties. The Committee believe that this is an area in which the Department can be of great assistance to the seed growers. The Committee is also concerned at the level of import of both seed and ware potatoes into Northern Ireland. This can only occur in a situation where there is a lack of information to the growers about the varieties that are required. The Department of Agriculture should be in a position to provide this advice - it is quite clear that it is not fulfilling this need.
- 4.7 With regard to the breeding of new varieties of potato, DANI in a letter from the Permanent Secretary, clarified the evidence given to the Committee by Seed Potato Promotions Ltd. The Committee wished to visit the DANI potato disease control and plant breeding installations at Newforge and Loughgall before completing this report - however pressure of time has dictated that this is not possible before the publication of this report. The Committee is however extremely concerned in the 56% decline in potato hectares planted and the 71% decline in shipped tonnes of potatoes since 1982 - a decline that would worsen in the coming season.
- 4.8 The Committee is also concerned about the processing of potatoes produced in Northern Ireland. The Committee would encourage the potato industry to ensure that a greater proportion of processing and value adding should be carried out in Northern Ireland.

- 4.9 The Committee noted the evidence of Seed & Potato Promotions who put forward a number of suggestions which if implemented, would in their view assist the recovery of the industry.
- 4.10 The DANI Permanent Secretary, in his letter dated 20 February 1997 explained that the Agrolon policy of contracting local growers to produce seed supplies has had to be scaled back because not as many local growers as anticipated were able to meet the quality standards required by Agrolon. He went on to state that the practice of 'growing on' to produce a ware fraction from the seed crop reduced the total seed yield to an extent which made the production of seed uneconomical compared to that achieved by Scottish growers (5-6 tonnes/acre in NI compared to over 10 tonnes/acre in Scotland). The Committee notes the support given by DANI to the industry and that the various issues raised by SPP Ltd will be taken into account in the course of the initiatives being taken.
- 4.11 The Committee heard the evidence not only of the Ulster Farmers' Union and DANI officials regarding the need for a potato regime within the EU, but also from potato farmers across the Province in the course of evening meetings. While the Committee recognises that in current circumstances there is no will within the EU to set up a potato regime, and that it may be some time before such a regime becomes feasible, there may be benefits to Northern Ireland potato growers despite their aversion to quotas.

## **5. RECOMMENDATIONS**

5.1 The evidence placed before the Committee indicated that no market support was available to the potato industry, and while growers could seek assistance from the marketing and processing grant and the Market Development Scheme, access to these grants was surrounded by 'arduous administrative procedures' which make the grants difficult to access. This is in contrast to the substantial grant aid made available to the potato industry in RoI which has enabled the provision of on-farm potato stores and handling facilities. Furthermore it is understood that an additional £11m has been provided by the EU from FEOGA resources to the RoI potato industry. The Committee therefore recommends that DANI should reassess the access available by the potato industry to the existing grant aid available, to ensure that the potato industry is provided with easier access to the funds available for the provision of suitable facilities. In addition, the Committee now recommends that DANI should conduct an examination of grants which could, and should be made available to assist the potato industry. The Committee also recommends that greater priority should be given to the potato industry in Northern Ireland by DANI.

5.2 The Committee was advised that work has commenced on the development of a Northern Ireland quality assurance scheme for potatoes. The existence of an established Quality Assurance Scheme would serve to ensure that poor quality potatoes do not reach the marketplace thereby reducing prices and turning customers towards substitute products. The Committee therefore recommends that work on the introduction of a

Northern Ireland Quality Assurance Scheme for the potato industry should be expedited by DANI and completed as a matter of urgency.

- 5.3 As potato prices vary by date, quality, and outlet, the Committee recommends that DANI should, without delay, introduce an effective price reporting system within Northern Ireland.
- 5.4 The Committee recognises that it is imperative that if the Northern Ireland potato industry is to compete with those countries which have already developed their potato marketing and processing sectors, it will be necessary to grow new varieties. The Committee also recognises that to do this, growers will require information on the varieties which should be planted and the growing techniques required. The Committee therefore recommends that DANI should develop and introduce a market trend information system for potato farmers.
- 5.5 The Committee is aware that DANI supports the development of contract growing of potatoes and understands the need to encourage contract growing for a known market. The Committee recognises that there is a need for the industry to pull together if the benefits of contract growing are to be achieved. The Committee therefore recommends that DANI should take the lead in encouraging the farming organisations and the wider potato industry to co-ordinate their efforts and promote greater co-operation for the future good of the industry.
- 5.6 The Committee recommends that DANI should commission as soon as possible a survey of all potato producers, to ascertain views on the need for the introduction of a EU potato regime which would contain market support measures and a quota system inter alia. If it is clear, as a result of such a survey, that there is support for the introduction of a EU potato

regime, then the Committee would recommend that the DANI Minister should use every avenue available to maintain political pressure for the implementation of a satisfactory regime.

- 5.7 The Committee was impressed with the aggressive marketing stance adopted by An Bord Glas (the Horticultural Development Board of the Republic of Ireland) and recommends that DANI should learn from its example and devote energy and resources into marketing of Northern Ireland produced potatoes.
- 5.8 While the Committee was concerned about the state of the potato industry in general, it was particularly concerned about the decline in the seed potato sector. Conscious of the need to protect the high disease-free status of Northern Ireland potatoes, and aware that, as in other agriculture sectors, quality assurance and traceability are the keys to success, the Committee recommends that only certified potatoes should be planted. Further, the Committee recommends that the Department should monitor the disease-free status in Northern Ireland and should re-introduce the 1 in 5 year planting rotation system if found to be necessary.
- 5.9 It was pointed out to the Committee (3.26.10) that seed potato farmers had difficulty in acquiring suitable disease-free land at a reasonable price for the production of seed crops. The Committee therefore recommends that DANI should actively seek a change in the rules for the issue of set-aside land, to permit the growing of seed potatoes thereon.



- 5.10 The Committee is aware that Seed Potato Promotions Ltd recently presented a case to the DANI Minister of the current crisis in the industry requesting that inspection fees for certification be waived. This request has been refused, the Minister pointing out that it remains the Government's position that no financial provision will be made available to support the potato market. The Committee recognises that this decision affects all of the UK, however the problems being suffered by NI producers are not evident in GB. As the support requested would amount only to £66,000 approximately (2,257 hectares certified in 1996 x 29), the Committee recommends that the DANI Minister should reconsider her decision and should take action within Northern Ireland as a special case to provide some relief to hard-pressed growers.
- 5.11 The Committee is inclined towards an independent review of plant breeding in Northern Ireland, however is reserving judgement on this matter until further evidence is taken from the plant breeding station at Loughgall.

## **APPENDIX A**

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### **MEMBERSHIP OF STANDING COMMITTEE D (AGRICULTURE AND FISHERIES ISSUES)**

## **MEMBERSHIP OF STANDING COMMITTEE D (AGRICULTURE AND FISHERIES ISSUES)**

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|----------------------------|----------------------------------------------------------------------------|
| Ulster Unionist Party      | - Mr D Campbell - Chairman<br>Mr J Speers<br>Mr J Gaston<br>Mr J Junkin    |
| Democratic Unionist Party  | - Mr D Stewart - Vice-Chairman<br>Mr E Poots<br>Mr J Shannon<br>Mr W Clyde |
| Alliance Party             | - Mr K McCarthy<br>*Mr D Ford                                              |
| UK Unionist Party          | -                                                                          |
| Ulster Democratic Party    | - Mr J White                                                               |
| Progressive Unionist Party | - Mr D Ervine                                                              |
| NI Women's Coalition       | - *Ms R Keenan                                                             |
| Labour Party               | - *Mr J Masson                                                             |

\*Attend the Committee on behalf of their Party under  
Rule 14(4)(a) of the Forum Rules of Procedure