



**HORTICULTURE FORUM
FOR NORTHERN IRELAND**

Northway Mushrooms Ltd.
Unit 10 Bridge Business Park
Main Street
Blackwatertown
County Armagh
BT71 7HL
27 January 2014.

Simon Hamilton MLA,
Finance Minister,
Department of Finance and Personnel,
Rathgael House,
Baloo Road,
BANGOR
BT19 7NA

Dear Minister Hamilton,

Executive Funding to deliver to AgriFood Board's "Going for Growth" Strategy

I write to you as the current Chairperson of the Horticulture Forum for Northern Ireland to express our grave concern at the implications for the horticulture industry of the recent decision to reduce the transfer of funding from Pillar 1 to Pillar 2 of the Rural Development Programme and to emphasise the urgent need for Executive funding to support the industry in its efforts to grow the sector.

Horticulture is, as I am sure you will appreciate, a capital intensive sector which through intensive production methods delivers high outputs from a very small land base. It has, because of this small land base and other reasons linked to the development of CAP support, historically received negligible EU funding from the Single Farm Payment element of the Common Agriculture Policy. It is to its great credit that it has survived through its own efforts and through increased production efficiency and concentrating on meeting the needs of its customers.

In July 2012 we published our own Development Strategy for the Horticulture Industry in Northern Ireland, in which we identified the growth potential for the industry here and indicated how the output could be raised from £70 m to £100 m by 2020. This

information was subsequently embraced within the AgriFood Strategy Board's strategic plan "Going For Growth".

However, achieving this growth potential will require access to significant funds for capital investment which we had hoped could be provided through schemes such as the Business Investment Scheme within the DARD RDP 2014 – 2020 proposals. We made a strong case for such support within our response to the consultation on those proposals and pointed out the huge disparity between the level of national government support provided to the sector in RoI and Northern Ireland.

We are therefore very alarmed that, following on the recent Court ruling, the rural development funds which will be available to support capital investment through initiatives such as the Business Improvement Scheme will be drastically reduced. This makes it essential that, in the absence of adequate rural development funding, Executive funds are made available for support of capital investment directed at assisting the industry to invest and realise its growth potential. We would also argue that priority should be given to sectors such as horticulture which receive negligible support through the CAP Pillar 1 and which for many years have been deprived of the levels of government support for investment available to our competitors in RoI.

We understand the financial pressures faced by the Executive, but urge you to use your influence to ensure that funds are made available quickly so that the Horticulture sector here can invest and compete on equal terms to our international competitors. We will of course be pleased to meet with you or your officials to expand on the issues raised in this letter and provide specific examples of the market focused approach of the horticulture industry in Northern Ireland.

We are also writing to Minister O'Neill on this subject.

Yours sincerely,

Elaine Shaw . Chair Horticulture Forum for NI.