

The Chaplain for Agriculture & Rural Life, Hereford Diocese

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Dear Colleague,

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A few notes which I hope will be helpful in your dealings with the farming community.

Budget talks focus on further CAP reform

Although the UK and the French had both been arguing that EU spending between 2007 and 2013 should be limited to £562bn, against the Commission's proposal of £650bn, the argument following the French referendum has pushed them apart. France is arguing against the British rebate, and the UK has focused on the need for further reform of the Common Agricultural Policy. Mr Blair has reiterated that CAP accounts for 40% of the EU budget, but directly benefits only 5% of the population (those working in agriculture). However, it is worth remembering that it is the only "common" policy to the EU and therefore it is difficult to draw valid comparisons. For example, social welfare spending in EU Member States averages 27% of GDP but this does not reflect a "common" policy administered by Brussels; and whilst the total cost of farm support is £30bn per annum, EU members collectively spend £110bn on defence.

Arable land prices show a fall

The price of arable land has fallen as the implications of CAP reform become clearer. The fall was 5% during the six months ending in March 2005, to £2858/acre. The amount of tenanted land entering the rental market has also fallen as landowners prefer to hold land under contracting arrangements, rather than formal tenancies, to ensure that they remain in occupation in order to qualify for the Single Farm Payment.

TB debate continues

It seems likely that the government will introduce compulsory testing for TB before animals are allowed to be moved in some parts of the country. A recent report recommended that all cattle over 15 months of age from herds in one and two-year testing areas should be pre-movement tested, unless they are going straight to slaughter. The cost, estimated at £9/head, would be shared between government and the industry.

The number of cattle slaughtered in the first four months of 2005 due to bovine TB rose by 39% compared with the same period in 2004. The slaughter rate is equivalent to 99 cattle per day, with the highest incidence being in the South West of England. Recent research from the University of Exeter suggests that an outbreak of bovine TB can have economic and social impacts greater than that caused by the foot and mouth outbreak. In addition to the economic loss incurred, the social effect on farmers and their families was significant.

What people want from food

A recent survey conducted by the Soil Association suggests that the quality and taste of food is more important than price to consumers. Over 1000 people were surveyed and the results were consistent across all social classes. Over two thirds of those questioned also rated avoiding artificial colouring or additives as important, alongside high animal welfare standards and farming methods that encouraged wildlife. The Soil Association promotes organic production, which has risen from 51,000ha to 690,000ha in the UK between 1997 and 2005, though this is still failing to meet the government's target that UK-grown food will supply 70% of the market for indigenous type produce.

Date for Single Farm Payment conversion announced

The budget for the Single Farm Payment is calculated in euros, but has to be converted into sterling in order to pay UK farmers. One of the uncertainties was the exchange rate that would be used to make the conversion. Brussels has recently announced that farmers in the UK will receive sterling cheques based on the exchange rate on September 30th in the same year as the SFP claim is made. This still means that farmers will not know the exact value of their SFP cheques until October of the year in question. It is also a break with the past since historically arable and beef payments were based on the average monthly rate from June to December rather than the spot price on a single day. It seems likely that farmers will have the option of being paid in euros rather than sterling if they prefer.

New farm wage rates agreed

Farmworkers and employers negotiating at the Agricultural Wages Board have agreed to a 3.4% pay increase, the introduction of a new workers' grading system and a commitment to tackle the issue of pensions. There will be the introduction of a new six grade structure, linked to national standards, which will reward workers who develop their skills. The standard rate of pay will be £5.58 an hour and the craft rate will rise to £6.58.

A reminder

As longer term planning for Harvest Festivals begins to loom on the horizon (many of you fixed the dates months ago), there is an excellent publication called "Farm, food and countryside" produced by a group called the Voice of British Agriculture which is available to promote British food and farming. (British Food Fortnight begins in the week beginning 25th September). It is very user-friendly, contains interesting facts and figures and is suitable for all ages. Copies are available from VOBA, The Pump House, Wigborough Wisk, St Osyth, Essex CO16 8ER. The website is www.voiceofbritishagriculture.com. Copies are free of charge but you are asked to pay for postage @ £3.50 for ten copies; £8 for 50 and £10 for 100.

A new Harvest Pack has been launched by the Charity "*Harvest Help*", called "*Sharing the Fruit*". This includes a full order of service, sermon and ideas for music as well as fundraising, drama and suggestions for children's activities. The Charity celebrates 20 years of working with farmers in rural Africa this year. Packs are free, contact Kevin Lawrence on 01952 260 699 or e-mail info@harvesthelp.org. Their website is available on www.harvesthelp.org

ROPE, which stands for "Relief for Oppressed People Everywhere" is a charity which offers to take services or lead discussions on topics relating to third world poverty. The website is www.ropo.org.uk and the contact is Tony Houghton, the Regional Co-ordinator, on 01235 765 535.

For those who may have rural migrant workers in their parishes, an excellent leaflet has been produced by the Churches Rural group entitled "*Rural Migrant Workers – Modern Slavery?*" The leaflet surveys the issues and suggests ways in which churches may make a positive contribution to their welfare. I have copies of the leaflet should anyone wish to see a sample, further details are available from the Arthur Rank Centre: www.arthurrankcentre.org.uk

I hope this helps!

Nick Read