

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.

SFP update

Concern is being expressed by the industry that less than half of farmers in England will receive their Single Farm Payments (SFP) even by the end of March. This contrasts with Scotland where 91% of all claims have been settled. West Devon Borough Council has written to Defra to warn that farmers will go bust if SFPs are delayed any longer and the Crown Estate has indicated that it will be sympathetic if tenants suffer cash flow difficulties because of SFP delays. Defra has also been embarrassed by the large numbers (78,000) of unvalidated entitlement statements that have been sent out. The letters do not contain enough information to enable farmers to check that they have been allocated the right payment, even though they are advised to do so!

One of the problems with the SFP system is that the rates are not known for more than a year at a time, so that future budgeting is very difficult. In England the proportion of historic payment to area-based payment varies until 2012 when the area payment will constitute 100% of the total SFP (see previous briefings). The exchange rate between the £ and the euro, and the proportion of deductions for agri-environment schemes will also affect the total figure. Given these caveats, the likely income stream from SFPs (in £/ha) has been suggested as:

Year	2006	2007	2008	2009	2010	2011	2012
Total	206.30	194.10	182.30	171.00	160.00	149.30	140.70

A survey by Andersons and the magazine Farmers Weekly suggests that at least two thirds of farmers will use SFP payments to reduce their overdraft or pay off short-term loans, though this runs contrary to most farm business advice that the money should not be used to shore up the farm business. This suggests that most farmers are simply not in a position to set aside the money for longer term investment.

Office of Fair Trading targets supermarkets

The Office of Fair Trading (OFT) has stated that evidence gathered at the beginning of this year has raised significant concerns about the way supermarkets sold food below cost and hoarded land for development. This is considered to have a deleterious effect on other stores. Farming groups are calling for a full-scale enquiry into the way in which supermarkets dominate the grocery market.

TB consultation

Following the publication of the Defra consultation on bovine TB and badgers (see previous briefings), the Environment, Food and Rural Affairs Select Committee (EFRA) has criticised key features of the consultation itself. These include: the lack of scientific input to the document; failing to consider in detail the perturbation effect (where the incidence of TB increases in herds on the periphery of a culling zone as badgers move in to take the place of those culled); failing to consider fully the impact a TB breakdown has on farmers and their families; concerns about the number of suitably trained personnel to carry out any culling; and a lack of consideration given to measures other than badger culling.

Gangmaster Legislation

Farmers and growers who employ labour through a gangmaster risk a custodial sentence if they use an unlicensed operator. These new regulations will come into operation from December 1st 2006. Supermarkets and processors are expected to help enforce the legislation by being able to request that suppliers produce valid documentation from their labour supplier. Gangmasters in Great Britain will be able to apply for a licence from 6th April 2006 and after 1st October it will be illegal to operate without one.

Date Based Export Scheme comes to an end

Good news was received from Brussels on 8th March when the EU Vets meeting voted unanimously to end the Date Based Export Scheme (DBES). This followed a favourable report on the UK's new controls to prevent BSE and a downgrading of the UK from a "high risk" to a "moderate risk" category. This effectively reopens the export market to the Continent and beyond, which was worth £675m a year when the ban was first imposed 10 years ago when BSE in cattle was linked to Creutzfeldt-Jakob disease in humans. It should also help to boost beef prices since cull cows on the Continent are fetching much higher prices than in the UK, so that our markets should attract overseas buyers. The ending of the Over Thirty Months Scheme (OTMS), which prevented meat from cattle over 30 months of age from entering the human food chain in the UK, has also led to a rise in the number of older animals being retained on farm for fattening.

Sugar Beet cuts

Sugar beet growers in the UK face a cut of 11.7% in addition to the 6.8% reduction in quota already agreed for this season as the EU responds to a World Trade Organisation ruling that penalised it for the amount of subsidised sugar it exports onto world markets. Overall the EU is looking to reduce total production in the 21 countries that grow sugar beet by 2.5m tonnes to 15.5m tonnes, a cut of 13.6%. A lower figure of 11.7% was agreed for the UK and other countries that contribute less to export surpluses.

Food stats

The Food Standards Agency consumer attitude survey suggests that the consumption of fresh food is on the increase, though consumption of fresh meat, excluding chicken, saw a decline of 5%. The number of people who say they ate fresh fruit and vegetables had risen by 3%, dairy products by 5%, eggs by 6% and organic food by 4%.

Churchyards conference

Advance Notice – Caring for God's Acre is hosting the first national conference on churchyards, in the Assembly Rooms Ludlow on 23rd and 24th May 2006. The cost is £125 for businesses and statutory agencies and £75 for charities and voluntary organisations. The keynote speaker will be David Bellamy, but the conference will also include workshops and tutorials on the flora and fauna of churchyards, their archaeology, their spirituality, the law relating to their use, how to organise community groups etc. Further details from caring for God's Acre. Tel: 01568 611 154; www.caringforgodsacre.co.uk

I hope this helps!

Mick Read