

Diocese of Hereford

Agriculture & Rural Life

Serving the Church of England in Herefordshire,
South Shropshire & parts of Powys & Worcestershire



THE CHURCH
OF ENGLAND

Dear Colleague

November 2008

A few notes which I hope may be helpful in your conversations with farmers.

Bluetongue update

At the end of October the Institute of Animal health confirmed that samples from cattle in Holland were of bluetongue strain 6 (BTV6), the first reported case within Western Europe. BTV6 is usually found in South Africa and South America. To date BTV8 has been the recognised strain of the disease within the UK and the strain against which British cattle and sheep are being vaccinated, whilst France is also using vaccine against BTV1. All of Holland has been declared a BTV8 and BTV6 Restricted Zone. There is rising concern that in spite of good early uptake of the bluetongue vaccine in England, and a compulsory vaccination scheme in Scotland from November, the uptake in Wales has been poor and late uptake in England has also declined. It is estimated that 10m doses of BTV8 vaccine remain unused in England and 5.5m doses in Wales.

Bovine TB update

The stalemate between the government and English farmers about cost-sharing of animal disease measures, following the decision not to introduce badger culling, seems set to continue (see September briefing). Whilst Defra have indicated that they are following the badger culling trials in Wales to monitor progress it is estimated that it will take some years before the results are known. A legal challenge is being launched against the government's refusal to sanction badger culling as the NFU applies for a judicial review. The legal argument rests on a clause in the Protection of Badgers Act 1992 which allows for licences to cull badgers if certain criteria are met and states that a licence must not be unreasonably refused.

Decline in soil quality

A report commissioned by the Royal Agricultural Society of England (RASE) suggests that food security is at risk due to a decline in the quality of soils. The report coincides with a statement from the Chief Scientific Adviser to the Government, Professor John Beddington, that global agricultural output will need to increase by 50% by 2020 to feed the growing population. The report "The Current Status of Soil and Water Management in England" is available from the RASE website (www.rase.org.uk) or by e-mailing julieb@rase.org.uk.

Sainsbury campaign for "ugly" fruit.

Sainsbury's has launched a campaign to change EU legislation which, for example, bans the sale of cauliflowers smaller than 11cm in diameter, or forked carrots and onions with less than two-thirds skin. Sainsbury's argue that this will reduce waste and could cut fruit and veg bills by 40%.

UK harvest figures

Defra's official harvest estimate for the UK suggests that, in spite of the wet weather, we produced a record wheat harvest of 17.5m tonnes, 32% higher than in 2007. The increase was due to 13% more area under wheat cultivation and record average yields of 8.4t/ha. Cereal production overall was 28% higher than in 2007 but oilseed rape production was 6% lower.

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However, although the harvest has broken records it is suggested that cereal growers will face losses in 2009 as rising input costs overtake market returns. A report from the Scottish Agricultural Colleges delivered at a grain market outlook conference predicts that variable costs for feed wheat, including fuel bills, will rise from £54/t in 2008 to £90/t in 2009, over half of this is due to the rising price of fertilisers. Overall, UK fertiliser costs were estimated at £928m for the 2009 harvest compared to £387m for the 2008 harvest.

The EU looks likely to reintroduce import duties on cereals coming into Europe from outside in an attempt to prevent further slippages in grain prices. Import duties were suspended in January 2008 after a reduced global harvest in 2007. The banking crisis has had a knock-on effect on grain prices as investment funds cash in their positions on commodities to generate short-term finance. The trend in November wheat futures saw a fall from £106.25/t on 23rd September to £92/t on 8th October. However the falling commodity prices have resulted in a fall in the rate of food price inflation which peaked at 10% in August and has fallen to 9.1% in September.

New team at defra

Following the Cabinet reshuffle on October 3rd most of the ministerial team at defra have been changed. Hilary Benn remains Secretary of State but Jane Kennedy becomes Minister for Farming and the Environment; Lord Philip Hunt the Minister for Sustainable Development, Climate Change Adaptation and Air Quality; and Huw Irranca-Davies the Minister for the Natural and Marine Environment, Wildlife and Rural Affairs. Peter Ainsworth remains as the shadow Tory Defra secretary whilst Tim Farron has been appointed shadow secretary for the Lib Dems. A new Department of Energy and Climate Change (DECC) will take responsibility from defra's climate change section. DECC is headed by Ed Milliband, but Lord Hunt will act as a "joint Minister" within both Defra and DECC.

Defra has also formed a new advisory group to advise on food security, called the Council of Food Policy Advisers. The group will contribute to the development of a policy for food security and supply, working with Defra, the Department of Health and the Food Standards Agency.

Dairy contraction

The UK dairy sector continues to contract and it is estimated that two farmers leave the sector each day. Milk production has fallen to its lowest level for 30 years, and was 11.4% below quota for September. Milk output for the year is expected to be 1.5bn litres below quota at 13bn litres. The number of dairy cows in the UK has fallen by 300,000 over two years to 1.9m animals. However other European countries are facing fines for exceeding their milk quotas, especially Italy and Germany. Although the quota system is due to be scrapped in 2015 there will be a transition period whereby the quotas are increased in order to soften the impact.

Nitrate Vulnerable Zones

New regulations come into force from 1st January 2009 for those farming land within Nitrate Vulnerable Zones (NVZs) which are intended to reduce nitrate pollution and protect water supplies. Defra has launched a package of measures to inform the industry including a helpline that answers technical queries (0845 345 1302), local information events which are publicised via www.crosscompliance.org.uk/cms/nvz and guidance leaflets available at www.defra.gov.uk/environment/water/quality/nitrate. Software tools are available to help with some of the calculations necessary, available from www.planet4farmers.co.uk or by phoning 08456 023 864.

Best wishes,

Nick Read