



Dear Colleague

February 2009

A few notes which I hope may be helpful in your conversations with farmers. NB there was no January briefing.

Environmental schemes less attractive to farmers

Government funding for environmental land management is through an "Entry Level Scheme" (ELS) which pays farmers for the work they do to protect and enhance the environment. The first five-year tranche of pilot ELS schemes expired last summer and only 73% of farmers involved are going to renew their agreements. There have been changes to the scheme over its operation and there is concern that the government will introduce more stringent environmental measures which make it less attractive to the farmers who participate. The bulk of ELS agreements are due for renewal in 2010.

The government is also planning to introduce stricter "cross-compliance" rules for Single Farm Payments (SFP). Cross-compliance requires that producers farm in environmentally beneficial ways before they are eligible to receive SFP. One suggestion is that producers must manage up to 5% of their arable land for environmental purposes. Farmers with land under the ELS scheme (see above) are likely to be least affected, but only if they deliver the kind of environmental benefits being promoted which are likely to be "in-field" options (i.e. affecting the growing crop) rather than at the field margins or "out-of-field". The latter are preferred by farmers because they disrupt food production least. A consultation paper is expected in the Spring.

Concern over future migrant workers

The Local Government Association has produced a report on the future prospects for migrant workers in the UK which expresses serious concern that the falling value of the pound, making working in the UK less attractive for workers from overseas, could have a detrimental effect on the agricultural labour force. One fifth of workers in the food industry are migrants and large numbers are leaving Britain, leading to a serious labour shortage.

Dairy market receives EU support

Prices for dairy products have been forced downwards as the EU sees a reduced internal demand and world supplies of dairy products increase. A number of milk buyers have reduced prices per litre in January to about 25p/l. Export refunds, last used in June 2007, has been reintroduced in an effort to support the market. The EU also plans to reintroduce "intervention" buying, by which it buys butter and skimmed milk powder at a fixed price to set a baseline price for these commodities. Whilst welcomed within the EU critics say it depresses world prices and unfairly takes market share away from more competitive suppliers. The low value of sterling has helped to cushion UK farmers from some of the worst effects as it makes our exports more competitive and importing more expensive.

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Call for a supermarket watchdog

80% of respondents to a survey conducted on behalf of an alliance of farming organisations want supermarkets to be monitored for the way they relate to their suppliers. Cardiff Business School is promoting the idea of a supermarket ombudsman, funded by the retailers, to oversee the sector. The Competition Commission is expected to announce plans for a supermarket watchdog shortly.

Pesticides update

The long running debate about pesticide use in Europe has reached a conclusion (see previous briefings). MEPs have approved new rules for the approval and use of pesticides in agriculture which will ban pesticides that contain active ingredients which are carcinogenic, mutagenic, reprotoxic or endocrine-disrupting. Substances known to be “persistent organic pollutants” and those likely to be harmful to bees are also banned. An assessment by the UK Pesticides Safety Directorate estimates 15-20% of existing pesticides will be withdrawn. However the ban will only come into force when their current 10-year licences expire, and if there is no suitable alternative for a serious disease risk the licence may be extended for a further 5 years. By 2011 a National Action Plan will be drawn up to reduce risk levels in pesticide use, spray buffer zones will be established alongside water courses, spraying will be banned in or near parks, schools, hospitals and playgrounds and there will be compulsory training of spray operators and salesmen.

TB update

Defra figures show a 27% rise in the incidence of TB during 2008. Between January and September 27,000 cattle were slaughtered and 7,000 farms were under movement restrictions. The worst affected area was the West Country. England continues to perform badly compared to countries where eradication policies are producing a fall in disease levels. In Ireland the number of TB reactors fell by 46% between 1998 and 2006 (in England they rose by 52%), whilst cases in New Zealand fell from 1500 in 1994 to 150 ten years later.

Nitrate Vulnerable Zones (NVZs)

The new regulations that came into force from 1st January 2009, for those farming land within Nitrate Vulnerable Zones (NVZs), 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.

The key points are: farmers must provide six months storage for pig slurry and poultry manure and five months for slurry from other livestock; total livestock manure production on farms must not exceed 170kg/ha/yr and average nitrogen application rates must not exceed the maximum application rate (NMax) for each crop type; there are restrictions governing the timing of application depending on the type of manure or fertiliser, the crop and the soil.

Farming in the spotlight

The public perception of agriculture is better than most farmers often think according to a survey conducted by the IGD. Farmers rank alongside doctors, fire-fighters, the police and teachers as “hard working” professions. In general, the public applaud farming’s hygiene standards, though welfare remains an issue. A majority support self sufficiency and the need to promote home-grown food, though the cost of food remains a concern. A significant majority feel that farmers deserve the support of the British public and that they deserve a better deal from the supermarkets. Food production remains the primary role, whilst 12% highlighted protection of the environment as farming’s main responsibility.

Best wishes,

Nick Read