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Centre for Agricultural Strategy

# Investing in rural harmony: a critique

Edited by A Korbey

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## 2 The View from Agriculture House

A H Elliott

Clive Potter's proposals for an agricultural support system geared more directly to conservation objectives and his reasoning of the need for change are clearly substantive contributions to the 'conservation debate'. As such they have not gone unnoticed in Knightsbridge, indeed it is of considerable interest to the NFU to see the re-emergence of some ideas that it was itself promoting, with little support, in the late 1970s. Unfortunately, it is no longer possible for the NFU to view contributions such as Clive Potter's without reference to the broader debate on this whole issue. The farming community has for many months now been subjected to a barrage of media criticism in respect of its purported privileges and alleged mindless devastation of the countryside. It would be naive of me to suggest that in all that criticism there was no case to answer, but it is equally true that much comment has been at best misleading and at worst mischievous. It has hardly produced a climate in which the farming community is prepared, or able, to consider with its critics more positive means of harmonising the needs of conservation and agriculture. Whatever approach to this might be adopted it will not successfully tackle important and sensitive conservation issues unless it carries with it the confidence of individual farmers. If there is a serious wish to 'invest in rural harmony' then a prerequisite to opening a dialogue on proposals such as those introduced by Clive Potter is some significant improvement in the general climate.

Agriculture of all rural issues is the only one to have enjoyed a measure of clearly expressed priority from successive post-war governments, and consequently a comprehensive package of policies related to an administrative structure tailored

to their effective implementation. Its existence and success (in food production terms) makes agricultural support a clearly identifiable target for criticism and its manipulation an apparent opportunity for tackling non-agricultural problems, in the spheres of conservation and rural development. There is some truth in the latter, but it is extremely short-sighted to believe that any agricultural support system can address itself successfully to the complexity of these other important spheres of interest. The current disparity between agriculture and these areas, in the Union's view, is less with the amount of public money devoted to the respective sectors, as illustrated in Clive Potter's document, than with the total absence of any realistic machinery to systematically promote the interests of conservation and rural development, comparable to that available to agriculture. Consequently, perhaps we should be looking as hard at learning from the successes of the agricultural support system, in its wider sense, in tackling conservation issues through parallel arrangements, as much as looking to improving the environmental sensitivity of the agricultural system. Trying to achieve too much through the agricultural mechanisms is not in our view particularly profitable.

The major feature of the agricultural support system today is the Common Agricultural Policy (CAP). I do not propose to discuss the merits or otherwise of CAP, that is another paper in itself, but I will make one comment of relevance to the conservation debate in the UK because of the overwhelming importance being given to it. The countryside has only experienced the effects of the CAP for a single decade, out of four decades of agricultural support. That support, technological advances, and a wide variety of other factors have led to changes in the countryside, not all of them, by far, objectionable nor out of scale with changes throughout the history of its development. Much of the statistical information backing recent criticism of the CAP has suffered from the defect of relying heavily on trends and developments which predated entry into Europe. However, the existence of the CAP as the only 'common' policy, and the coincidence of economic recession, the issue of UK contributions, of persistent surplus production in certain sectors of the industry and the rise of public interest in conservation once again made it a ready target. The CAP needs reform, it is being reformed, and it will continue to be reformed, but this is and will be an essentially political exercise. It is expecting too much therefore for a revised CAP, certainly in the short-term, to contain the extremely sophisticated environmental safeguards and rural development content which many appear to seek, not least because of the conflicting interests of the various member states not only in agricultural terms but environmentally, economically and socially.

We cannot, even assuming we accepted that farmers are systematically raping the countryside, accept the 'stop the world we want to get off' approach which many seem to think is possible in terms of the agricultural support system,

including the CAP. We have to look for steady improvements, which the NFU fully accepts are necessary, within what is practically and politically achievable in the UK context. Since the original paper *Investing in Rural Harmony* was produced some significant steps have already been taken in curbing production in a number of sectors of the industry and in restructuring the scope of capital grants. Many farmers face a difficult period of adapting to the new situation and conservation interests would do well to consider whether it will be productive to add to these difficulties in the practical terms of individual farm businesses, however attractive new alternative conservation measures appear on paper.

Turning now to the specific proposals made by Clive Potter, the Union would identify a number of issues as of particular interest or contention.

The first issue is of fundamental importance, namely the question of the extent to which agricultural mechanisms should be directed to primarily conservation-dominated land management practices. The NFU would agree that conservation should play a clearer role in agricultural procedures, and in the decisions of farmers and the MAFF. That is not to concede that the countryside is being systematically devastated, but to recognise the practical and political value of a more certain attainment of particular environmental standards in agricultural works and operations. It was for this reason that the NFU pressed the Ministry, unsuccessfully, throughout the late seventies, culminating in total rejection of the Rayner proposals on prior approval, for specific procedures to be introduced in the capital grant arrangements and for the range of eligible items to be extended, in order that Section 11 duty of the Countryside Act could be seen to be effected in the generality of the countryside. Clive Potter's proposals in this direction are not therefore new and are ones with which the NFU has considerable sympathy. Unfortunately, he effectively removes the prospects of any support from the farming community by requiring a direct involvement of local planning authorities in grant aid procedures and coupling it with further extensions of planning control into agriculture. In other words, a very unacceptable stick will outweigh the attractions of the carrot and, if implemented, those farmers who could, would forgo the grant benefits.

While the NFU has long seen the need for a clearer expression of environmental sensitivity in the grant procedures, in the activities of the agricultural advisory services and more recently in more direct areas such as headage payments and stocking rates, it does not believe that it is the role of the agricultural budget or the MAFF to be responsible for mainstream conservation activities. Consequently, in the circumstances of Clive Potter's 'Special Assistance Areas', where land management requirements for conservation are very specific and constraining, these are areas in which the statutory conservation agencies should take responsibility. Much is said about the benefits of integrated approaches in all aspects of

rural affairs. Unfortunately, these are extremely complex matters and seeking to resolve these complexities within single agencies or mechanisms tends to lead rapidly to a failure to see 'the wood for the trees'. Consequently while we see a need for the MAFF, NCC, Countryside Commission, Development Commission and local authorities, for example, to co-ordinate more effectively in policy and practice it is critical that each retains relatively clear, even narrow, objectives. Hence our belief that the measures in the Wildlife and Countryside Act provide for the foreseeable future a realistic means of tackling special conservation problems, where modern agriculture and conservation find it particularly difficult to accommodate each other. The current swingeing criticism of these measures is in our view extremely short-sighted. Management agreements have been viewed in the most unimaginative and negative manner, wild financial extrapolations made and the range of other approaches almost ignored.

We do not however, reject the suggestion that conservation would benefit from the integrating effect of a 'whole farm' approach, which in various ways appears in all three of the alternative packages. Once again this is an area which the NFU explored in the upland context in the heady days of FHDS. Some may recall that the NFU promoted a third phase to the UMEX scheme in the Lake District which foundered on the rocks of officialdom, rather than from resistance within the farming community. But arguably that was an opportunity lost, not to be retrieved. FHDS and now AHDS are essentially European schemes. Farmers in this country have embarked on such schemes to a far greater extent than in the other member states and have experienced the often unfortunate practical problems of long-term contractual schemes in a rapidly changing agricultural world. It is probably fair to say that entries in AHDS in this country are now falling off and with many farmers still actively involved in schemes there would be likely to be a considerable time lag before alternative schemes would become necessary or attractive. Furthermore, encouragement to our European colleagues in this direction could have very significant production consequences and adverse effects on the competitive position of our home industry.

Production consequences also feature large in any consideration of the 'small farmer problem'. The NFU is as anxious as anyone to support the continuance of the small family farmer, but it is equally clear that it will not commit itself to approaches which will merely lead to further production problems, which is a serious threat when this issue is viewed in its European context. It is worth noting the recognition of the fact that extending aid to the small farmer is not necessarily in the interests of conservation. Certainly our feedback from the Countryside Commission's upland debate, confirming the Union's view, was that our smaller members wanted support which would specifically facilitate their agricultural development. Merely reducing the ceiling on investment aid would not necessarily

favour the smaller farmer, although of course it is being suggested that the current ceiling be lowered by some 50%. The main problem is the lower thresholds of access to schemes and the minimum expenditure required to trigger aids.

Given the problems of production consequences and possible environmental disbenefits in the context of aids to the small or the less favoured farmer, an obvious area of exploration in the whole farm approach is that of diversification of economic activity. Clive Potter touches upon this in the context of the implementation of Article 10(2) of the LFA Directive. It was also a much discussed issue during debates on the so-called 'Sandford Clause' in the passage of the Wildlife and Countryside Bill. Once again this is an area in which there is a considerable degree of NFU support and we have long argued for a much more positive and promotional role for the MAFF's Socio-Economic Advisory Service. But this support has to be tempered by realism. Despite changing attitudes within the farming community, many upland farmers, for example, simply do not have the physical and financial resources, personal capacity or location to develop alternative sources of income. Furthermore, the current climate is such that suggestions of more farmers moving into tourist and recreational ventures are regarded with derision as existing enterprises face falling visitor numbers.

The three agricultural target areas identified by Clive Potter already exist although his Special Assistance category is largely outside the current agricultural support system. There is much in his proposals which could be developed, but it is unlikely that the farming community could, for some of the reasons hinted at above, either cope with or have confidence in a wholesale rationalisation of the support system along the lines suggested.

In concluding, therefore, I will return to the title given to my slot in the programme; the view from Agriculture House. At a time when farmers in rapidly increasing numbers are wishing to demonstrate their commitment to conservation, as evidenced by the dramatic growth of the Farming and Wildlife Advisory Groups, equally significant numbers of farmers feel frustrated, and occasionally positively antagonised, by the increasing attacks of the media and conservation groups. It is a difficult task for the Union to simultaneously lead progressively and yet demonstrate an aggressive defence of an industry, in whose achievements farmers are justifiably proud. The balance of where the Union puts its energies is as much a reflection of the activities of the conservation movement, as of the requirements of its members, and I will leave you with the view from Agriculture House that recent activities have not assisted the balance in favour of conservation.

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