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Centre for Agricultural Strategy

# Agricultural policy and the environment

Edited by F A Miller

STP  
S217  
.A47x  
1991

CAS Paper 24      September 1991

## Opening address

The Rt Hon John Gummer MP

Professor Marsh, Ladies and Gentlemen, first of all may I say what a pleasure it is to be with you again. This is an important meeting, just as others in the series that you have organised have been, as is shown very clearly by the quality and quantity of your participants.

I start by taking the clear view that creation is better with Man than without him. I put that clearly because sometimes I read literature which suggests that the world would be very much better off if we weren't all around: in other words that somehow or other if nature were left to itself, we would have a much more perfect world. I assume that none here takes that view. But it is an important point to get out of the way to start with.

If one looks at the environment not as something which is to be left alone, but as something which demands both management and improvement, then the immediacy and centrality of the role of the farmer become clear. This is an important statement to make for much of the criticism of agriculture has always been based upon the odd principle that somehow or other it would all be much better if either nobody did anything to the land or – and this is suggested more often – if people only did to the land what they did 30 years ago. This has recently been brought home to me very strongly because I have been reading the account by the son of the neighbouring vicar to the Suffolk village of Debenham in which I live about his youth in the 1870s and 1880s. Much of it I could read to you today and you would think that it was an expostulation suitable for the pages of *The Independent* newspaper. It is an educated and elegant account of how the land is much less well looked after than it used to be, and how the greed of the farmers has meant that land which used to be available for people to walk on has now been taken for cultivation. It speaks of price pressures forcing farmers to plough the fields more often than is good for them and to grow more and more to the acre (very happily hectares had not been invented!). Farmers

were constantly under pressure from the market place and the fear of price collapse. The words are not archaic at all – they are precisely what so many would say today. The graphic descriptions of the wide verges which used to go alongside the roads having disappeared because hedges had been planted and the appalling effect on landscape of the increase in hedges are a fascinating part of this fine book on Debenham.

I am intending to make a speech consisting entirely of phrases from this book without letting anyone know where they come from. Such a speech would sound as trendily up-to-date as is possible. This book warns us that the easy view that the past was always better is a very dangerous one at any time, but particularly so when we are deciding our environment policies.

So I start by believing that the countryside is as it is because Man has made it, and that it will continue to be as we want it because Man continues to make it. I happen to believe that that is part of the purpose of Man; not an accidental activity, but a central role. We are co-operating with the Creator rather than competing with Him and this makes our role not only more comfortable in the sense that it is more creditable and more credible, but also more uncomfortable because the standards set by the Creator are pretty high.

Therefore the damage which we can do is made worse by the enhancement of which we are capable. In other words, if we accept that we have a real role in the countryside, then we accept too that our activities can be extremely beneficial. Therefore, when they are the opposite, we not only suffer because we have destroyed, we also suffer because we have failed to improve. The fact that we *can* do so much to enhance our environment and improve the inheritance of our children means that if we fail to do that merely by neglect, we lose an enormous opportunity and deprive others of a great wealth.

Thus I do believe that farmers must be supported in a dual role, not just as producers of food, but also as conservers of the countryside. I say that because the fact that down the ages, very often without knowing it, hundreds of thousands of different people have made different decisions about the countryside is the reason why the countryside is so full of variety and as attractive and as exciting as it is today. And one of the biggest criticisms which would be common between me and my long-standing historic neighbour is that the countryside suffers most when everything changes in the same sort of time. The damage done to the countryside is particularly offensive when everybody chases after the same solutions to the problems. On all occasions when there is an overwhelming effect felt all over the country – either accidentally as in the 1880s as a result of the import of cheap American wheat, or otherwise, the countryside suffers.

It is the individual choices of a lot of individuals making different decisions which we have to have if we are to have the variety in the countryside that we want.

In our debate on the future of European agriculture (and that is what the dimension is, not British agriculture alone), we are moving now from the immediate concerns of this year's price fixing to the longer-term issues of CAP (Common Agricultural Policy) reform and the settlement of GATT (General Agreement on Tariffs and Trade). What I am determined is that no-one should forget the need in those negotiations to keep efficient farmers in business. We do not have a duty to keep *every* farmer in business. That would be preposterous, and impossible: we cannot say of 2 acres of unproductive land in the north of Portugal that the individual unit shall continue forever. But I am committed to see that in the United Kingdom we continue to look after the land and produce the food that our nation needs.

For that reason, the problem with which we are faced is the paradox that despite huge increases in CAP spending, farm incomes in the UK and elsewhere have fallen sharply. We cannot expect farmers to provide our food and look after our land if that trend continues. It is quite clear that the present CAP does not deliver. It costs more every year but fails to deliver on a sensible policy for food production or a practical method of keeping the land properly tended. So, reform of the CAP is long overdue, desirable and necessary. It is absurd that a system designed to ensure that the populations of Europe should not go hungry has become so hard to adapt to times of plenty. But in seeking to reduce production subsidies and dilute an intervention buying system that undermines the market, we must avoid forcing farmers alone to pay the price of change. Reform is essential to the CAP, but it must be at a pace and at a cost which good farmers can bear. No international agreement can be allowed to demand more of us than that. We cannot allow ourselves to be put in the position where we ask our farmers to do the impossible.

In Britain we have traditionally looked to our farmers to provide food and look after the land. In an age more conscious than ever before of 'green' issues, we increasingly stress the farmer's role as the conserver of the countryside.

It is no accident that we have more animal welfare codes, more planning restrictions, more environmental regulations and more pollution controls in Britain and in Europe than anywhere else in the world. We demand a lot from our farmers for we expect the highest of standards. But there are clear implications therefore for Community agricultural policy. If we place burdens on our farmers, the cost of their implementation cannot be carried by the producer alone. Consumers and taxpayers have a part to play.

The proposition that farmers should be paid simply to be farmers is simply nonsense. That was one of the reasons I strongly opposed Mr MacSharry's first set of proposals for CAP reform. But I do believe that it is right for the community of Britain, and for the European Community, to support farmers for doing the things that only they can do on behalf of the rest of us.

In Britain, we have a raft of schemes to support farmers in producing the

food we want and protecting the countryside we enjoy. As we have moved from shortage to surplus of production, we have shifted the balance of support increasingly towards environmental measures. That is the way we in Britain must continue to move if we are to keep the best of our farmers on the land.

If we want the countryside to be looked after, then we do have to use a greater proportion of the money that we spend on farming to make it possible for farmers to care for the countryside. The battle which I shall have over the next six months is to move the Community towards a policy which would lay the emphasis upon the environment, making the environmental concerns not just an optional add-on but an essential theme of the CAP.

Since the mid-1980s, we have taken a number of major steps to put the achievement of environmental objectives high on the agenda in the development of our agricultural policies; and we have made significant progress. To take one important example, we have led the way in Europe in developing the schemes for Environmentally Sensitive Areas (ESAs). Other Member States are now following our lead and it is clear that the EC Commission wants to encourage further the wider adoption of environmentally-sensitive farming practices.

I am particularly glad to be able to tell you that, in answer to a Parliamentary Question, I have today announced the conclusions of my review of the ESA policy in this country. The review was based primarily on an evaluation of the schemes that have been in operation since 1987 in the Broads, Pennine Dales, South Downs, Somerset Levels and Moors and West Penwith. I have also received views from a wide range of interests. The achievements of these schemes have been carefully monitored and have proved their value in conserving the special habitats, landscapes and items of historical or archaeological interest in these areas. I have, therefore, concluded that they should continue with the aim of securing further environmental protection and enhancement. I do believe that it is an experiment which can be counted a success.

I intend to publish reports on the monitoring together with proposals for these ESAs as a basis for consultation, and to bring revised schemes before Parliament later this year. Agreements with farmers in the remaining ESA schemes in England that were introduced in 1988 begin to expire in 1993 and I will be reviewing those schemes next year. My Rt hon friends, the Secretaries of State for Scotland and Wales have reached similar conclusions concerning ESAs designated in 1987 in Scotland and Wales. They will also be making proposals for consultation. We are also piloting support for agricultural measures in Nitrate Sensitive Areas aimed at reducing nitrate leaching. Other Member States are also showing great interest in this work.

I am convinced that care for the environment must increasingly become integral to the CAP – not just an add-on extra. I am quite clear that the

countryside will not look after itself and that a healthy farming industry is essential if that task is not to be neglected.

This is a very difficult time for farmers because with the GATT negotiations and CAP reform underway, they do not know what the future holds. There is even more uncertainty than is usual in that most uncertain of industries. This is made the worse because since the War, there has been a long period in which there was more certainty than perhaps in any previous period because of the shortage of food, post-War difficulties and the willingness of all governments to put considerable resources in the way of agriculture. That shortage lasted longer and gave security to the farming industry of a greater and more powerful kind than perhaps in any period previously. For that reason, the uncertainty of today is compounded: many people who have entered farming since the War cannot remember a period in which uncertainty was a feature. And, therefore, now it has come, it is found to be even more upsetting. It is compounded too by the long drawn-out process of CAP reform and what appears to be the even longer drawn-out business of the GATT round. That is why this year we have got to seek solutions to the problems and to solve them quickly enough to give confidence back to the industry and an understanding of what the future holds.

My policy objective, therefore is, wherever possible, to require the incorporation of environmental conditions into other forms of agricultural support. This would be a clear reflection of the perception of the farmer's dual role for which we are prepared to support him from the public purse. I have already made some progress in this direction through the incorporation of basic environmental conditions in the Set-aside and pilot extensification schemes in this country. At the recent Agriculture Council, I secured an important environmental component in the new one-year Set-aside scheme that will apply throughout the Community. That was a major policy change which provides a precedent for the discussions to come on the wider reform of the CAP.

Again, the UK is taking the lead in the Community in promoting this change in the emphasis of agricultural support policies. It is not an easy option. Our EC partners do not yet share our enthusiasm for integrating environmental and agricultural policies in this way but I will seize every opportunity to press for these changes in direction.

The pressure for change in agricultural support is, of course, increased by the need for a new international trading agreement in the GATT. The agriculture sector is important to these negotiations—some say crucial—and I sincerely hope that a satisfactory outcome can be achieved in all trading areas. Reform of the CAP would be essential for the European Community even without the present GATT round. But I trust that the EC's moves towards reform in agriculture will be taken as an earnest of our desire to see a satisfactory and realistic settlement. We have already offered a great

deal in GATT and we cannot be pushed to accept what our farmers cannot deliver.

These are challenging and difficult times for Britain's farmers. They will need continued support if they are to fulfil the work we require of them. Any CAP reform package or GATT settlement must, at the same time, maintain the level playing field so that UK farmers can compete on equal terms with others and also allow us the flexibility to deliver financial support through policies best suited to individual national circumstances.

Our environmental attitudes must no longer be the excuse for our largely food-production orientated agricultural policy. Our environmental attitudes must be central to our common agricultural processes. The EC can no longer base its support system upon the politics of shortage. It must move to a support system which is based on the reality of surplus. It is not enough to press for the *reduction* of support, it is essential to press for the *transformation* of support. There is no place in European policies for making the farmer bear the whole cost of caring for the countryside. The community which benefits from what the farmer does must shoulder that burden much more widely. And that means that CAP reform is a much wider, much more all-embracing, much more extensive change than has been recognised up to this point. There is no place today for marginal changes, superficial tinkering, little alterations. The time has come to recognise that in a world where food supply is increasingly sure, the countryside is increasingly vulnerable and those who care for it are increasingly worthy of our support.