Centre for Agricultural Strategy

Crisis on the family farm: ethics or economics?

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The farmer and the market: a reassessment

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The smaller family farm in the 1990s should be likened to a 'Less Favoured Area' so great are the obstacles now ranged against its survival. Yet, controversially, the small farm has the potential to be of pivotal importance to the fabric of rural society. If this potential was properly assessed and acted upon, there is no reason why such holdings, and those who manage them, could not regain the importance they deserve, not only from an economic perspective, but also from a social and cultural one.

However, there is an imperative without which this reversal of fortunes is unlikely to take place: a shift away from the impersonal centralised, multiple chain marketing ideology to a revival of one with a local and regional, 'human' marketing emphasis. It is evident, even today, that where a farm can establish its local identity as a producer and retailer of fresh food, a number of advantageous elements come immediately into being, as follows:

(i) The farm 'gets on the map' and the farmer's role becomes better respected.
(ii) The consumer has direct access to farm produce which has not 'travelled'.
(iii) The farmer has more control over the price of the end product.
(iv) The gap is closed between producer and consumer.
(v) Regional variety in food is enhanced.

While the value of each of these points needs to be quantified, I can speak from personal experience having seen the results of some 10 years as a direct retailer of milk, cream, eggs, meats and fruit and vegetables off my 320-acre farm. This was based initially on a local

milk round and farm-gate sales, but has recently developed into an 'on-the-farm' farm shop, run by my wife. However, it is no panacea for survival and requires marketing as well as farming skills, and extra labour.

My argument for the smaller farm and local marketing is based on the premise that current UK marketing practice, concentrated upon the supermarket's virtual monopoly of the market place is not in the interest of the nation, because it involves a high level of waste plus an inherently significant level of environmental pollution. The end quality of food is also adversely affected.

This situation is best illustrated by tracing the likely movement of one ton of cabbages under the present centralised distribution network:

Day 1: Cabbages picked and packed in region of Town X.
Day 2: Cabbages taken 150 miles (for example) by truck to distribution centre.
Day 3: Cabbages stored and/or relocated to fit market need.
Day 4: Cabbages transported back 150 miles to Town X and other areas within a similar radius.
Day 5: Cabbages, now 5 days old, appear on the shelves.

It is the rule, rather than the exception, that food produced on farms surrounding local towns, villages and rural communities can only get to these places *via* the sort of absurd, circuitous route illustrated. The costs entailed in transport, packaging, storage etc have probably never been assessed, but it is patently obvious that they are adding greatly to the price of food and to the taxpayer's bill. They are also forcing the smaller farmer out of business, since this system relies heavily upon 'economies of scale'. The supermarket chains have got where they are today because they only deal in very competitively priced, large volume, bulk supplies. Any contract coming directly to a farmer can only be to a large and most probably highly specialised farm. The only way the smaller farmers can get in on this is by firstly selling into a cooperative, which in turn sells on their combined volume to the multiple. The cooperative has to take a cut out of the price being paid for the goods, so the farmer will be squeezed very hard; so hard, in fact, that without subsidies to fill the income gap, mass bankruptcies are virtually inevitable.

So, should we accept the demise of the small farm as an inevitable victim of market forces?

I do not believe that it is in our interests to let this monopolistic marketing structure dominate the direction of our agricultural systems. For there is a more fundamental issue at stake here which somehow affects us all and which is worth fighting for. It touches all of us, because, in spite of the fact that the 'generation gap' between rural and urban communities extends further every year, there is still some deep-

seated need for all of us to retain some connection with the land. This can be seen, in a sublimated form, in the extraordinary popularity of the TV series 'The Darling Buds of May'. This connection is much more fully articulated on the Continent than in the UK. In France, the smaller family farm has become the cornerstone of National Policy. In the January edition of the House of Commons 'House Magazine', Jean-Pierre Soisson, the French Minister of Agriculture stated his priorities as follows:

> "To improve the lot of farmers by rational collectives, to recognise that the rural way of life is an asset to our country; and the securing of a rural pact which must establish the framework of desirable adjustments for years to come. These adjustments could be grouped into four topics: rural identity and cultural life; economic development; area management; social life."

Somehow in the UK we have failed to appreciate how cultural, social and economic issues are connected. We appear to have an agricultural policy which completely isolates farming from the community, preferring to see it as an 'industry' inseparable from the automated industrial production lines that turn out microchips and motor cars. We bemoan the loss of fine regional foods, rural schools, village shops and post offices, bakers, local pubs, country markets and even friendly farmers, without ever realising that they are all connected. We, more than any other country in the world, barring the USA, have abandoned our rural culture in favour of the 'global market place'. Now, with 10 000 farmers being driven off the land every year, is a crucial time to reassess this position.

The industrial era is past. The post-industrial 'service industry' era is as unsubstantial as its name implies. There is no clear view of where future employment is going to come from. A revival of rural employment, led by agriculture, is therefore a genuine option; what is required is a cohesive plan backed by popular, as well as EEC, support. A recent survey by the Henley Centre for Forecasting, reported in the *The Times* (10 March 1993), found that 48% of those who live in cities stated that they would most like to live "in a village"; a further 26% said "in a country town". Another survey by Mintel found that 37%, of those in cities would like to move to the country within the next decade. This suggests that more than 10 million people may be heading into the country over the next 10 years. Most of these people will be looking for 'traditional country life' in some form or other. They will not expect to find a rural and cultural desert dominated by 'theme parks', golf courses and hypermarkets.

But that is exactly what they will find if agriculture continues to be regarded only as a tool for the constantly increasing 'efficient' mass production of food, in which human input is regarded as an undesirable expense, and mechanical and chemical input the only

profitable means of production. The case for a change of emphasis towards a more qualitative, as opposed to quantitative approach to food production is now very strong, not only because surpluses are currently costing more than £50 million pounds a day to store and the Set-aside Scheme is both ineffective and highly unpopular, but also because driving people off the land creates worsening conditions in the cities where they go searching for another job, many ultimately becoming dependent on the welfare system and crime. The current squeeze on farm incomes has led to forced redundancies which, particularly in the livestock sector, have led, in turn, to rapidly worsening animal welfare. Corners are cut where the health and safety of both the farmer and the stock are severely jeopardised. All this provides overwhelming evidence that we are in a crisis and that the way forward must be reassessed now.

Is there a serious alternative in which the smaller farm's role is respected?

Yes, but it depends upon an across-the-board shift of emphasis, starting with the farm-market proximity factor described earlier. It must also include the following:

(i) A readiness of government to recognise that, if agricultural subsidies are needed, then they must be directed towards the root area of need - which is to encourage farmers to practise a long-term, sustainable and non-polluting form of agriculture capable of providing consumers with as wide a range as possible of home-grown, fresh foods full of flavour which they have every right to claim. The farmer should be helped to make his/her farm into a revivified, focused and aesthetically pleasing area of land which provides much-needed employment and income for those in the region.

(ii) A recognition of the social and cultural importance of the farmer and farm workers as 'stewards of the land', and of the public's need to comprehend agricultural patterns in a sympathetic light. Recent opinion polls have strongly indicated a public preference for the retention of smaller-scale family-type farms with recognisable farm landscapes and proportions. Beauty and variety are clearly as crucial to our daily lives as a secure income.

Viewed as a trend within the EEC as a whole, it means that the regions would recover their identities and inherent patterns of trade and production on the scale to which each is suited. Since each region interconnects with another, the pattern is not isolated, but dynamic, and there is no need for regions to attempt to become wholly 'self sufficient'. Flexibility and diversity are the key.

Lastly, let us rigorously challenge the notion that the world will never be able to feed itself without ever larger and ever more robotic factory-

style farms. Such units display the least efficient use of human as well as agricultural resources, and undermine the crucial human characteristics of self esteem and creative dexterity. There are an overriding number of examples from around the world which demonstrate that three to four times the amount of food is produced when agriculture is practised on a labour-intensive market-garden scale than when employing one man and one tractor on a thousand-acre prairie.