

NORTH DEVON COUNCIL

Minutes of a meeting of Policy Development Committee held at Virtual - Online meeting on Thursday, 18th March, 2021 at 10.00 am

PRESENT: Members:

Councillor D. Spear (Chair)

Councillors Campbell, Hunt, Jenkins, Luggar, Mack, Mackie, Roome, Walker and York

Officers:

Business Information Systems Manager and Customer and Corporate Services Manager

Also Present:

Councillors Patrinos, Pearson, L Spear and Worden

Councillors Hodson, Langford, Newton, and Pennington of Torridge District Council

Guests:

Mr Andrew Butler of the NFU, Mr Kevin Bateman of the South Molton Sheep Group, Mr David Knight of the Exmoor Hill Farmers' Network and Mr Robin Jackson of the Cornwall College Group – Rural Business School

90. VIRTUAL MEETINGS PROCEDURE - BRIEFING AND ETIQUETTE

The Chair advised the Committee and guests of the etiquette and procedure for virtual meetings.

91. APOLOGIES

There were no apologies for absence received.

92. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON 11TH FEBRUARY 2021 (ATTACHED).

RESOLVED that the minutes of the meeting held on 11th February 2021 (circulated previously) be approved as a correct record and signed by the Chair.

93. DECLARATIONS OF INTEREST.

There were no declarations of interest declared.

94. CURRENT PRESSURES FACED BY THE UK'S AGRICULTURE INDUSTRY.

The Chair opened the meeting and welcomed the guests from the agricultural sector, Councillors from Torridge District Council, and members of the public present.

He explained the reason for the meeting and that the aim was to “to gather expert evidence on the impact of the Agriculture Act 2020 on North Devon’s agricultural sector, for submission to the Secretary of State and representations to MPs. This would include examining:

- the viability of farming businesses
- the impact on our landscape and environment
- the consequences for consumers of food
- animal welfare”

He welcomed each of the guests who then briefly outlined their roles. He then invited the Committee to come forward to address the guests with their assigned questions.

The guests were representatives of the National Farmers’ Union (NFU, the South Molton Sheep Group, Exmoor Hill Farmers’ Network and the Rural Business School (part of the Cornwall College Group).

The Committee posed the following questions to the panel:

Question 1: How do you see the agricultural sector of North Devon’s economy changing in the next five to ten years?

NFU: It would be hard to predict. The general trend may result in fewer farm businesses but the speed this could happen may depend on policy. Some farms may amalgamate or there may be an increase in part time farmers. The current 65% of farmers who had diversified could increase. It would be supply and demand driven. There may be a change in the sectors. The impact of the drive to become net zero and how farmers see themselves may change. The nature of farming businesses could become more complicated.

Rural Business School: it would relate to the demographic. The majority of Devon was grazing livestock and dairy. Government reductions to Basic Payment Scheme (BPS) to zero would affect this. Grazing was more likely to make a financial loss each year and only the subsidy would be received for them. They would need to dramatically diversify and increase their income from environment schemes.

South Molton Sheep Group: The sector would need to be aware that over the next five years there would not be a replacement for the basic payment. People needed to appreciate this. There would be hardship in the industry over the next five years.

Question 2: What do you think are the main benefits the Agriculture Act 2020 brings to farmers in North Devon? How could the Act's implementation be improved?

Rural Business School: His own opinion was that the Act was trying to get farmers to be sustainable and resilient but the down side was that there was no coherent plan. It would create uncertainty and decrease the number of individual farms – perhaps creating fewer, larger ones. The landscape was centuries old and this would change the landscape of farming. If no plan was in place it could cause uncertainty and trauma in the industry. In New Zealand (NZ) the price of beef and lamb went down and farmers stopped farming. There was significant mental and physical health issues in remote farming communities.

NFU: It wouldn't happen exactly the same here as in NZ. The Act would focus on English Farmers and what English consumers need. Research by the NFU indicated 86% of British Consumers wanted as much British product as possible. At the start of lockdown, when shelves were emptied, it proved that British farmers needed to produce more food.

South Molton Sheep Group: NZ had a retirement scheme when the subsidy was scrapped. 8% of farmers left the industry. There was opportunity in the Bill to provide a lump sum to farmers wishing to retire but no specific figures had been given. It was hoped that the scheme which could allow people to leave the industry with remuneration for their work would be managed properly. There needed to be clarification.

Exmoor Hill Farmers' Network: He echoed the comments made by others; the NZ case could be an unhelpful comparison. But although the number of farmers leaving (in NZ) was not great there was loss in the service sector to the industry. In Devon the amount of employment in associated businesses must be huge.

In answer to an additional question, the following was given:

Rural Business School: There needed to be succession in the industry. New skills and younger people entering the industry were required and the older farmers to pass on businesses to their children. Colleges taught conventional but there was a need to reinvent the curriculum to match how we would farm.

Question 3: Over the years, a recurring complaint was the apparent overload of red tape and bureaucracy. It may be early days but are there apparent signs of a slimming down of actions and requirements?

Exmoor Hill Farmers' Network: There appeared to be more 'red tape' onto the existing voluntary authority (Red Tractor) which gave an extensive inspection. 'Red tape' was not slimming down.

South Molton Sheep Group: There had been an increase in nonsense enquiries and unnecessary cross checks.

NFU: There were two types of regulation, for the food chain and for the regulator (Rural Payments Agency (RPA) etc). On the food side the UK had the successful

Red Tractor which was a trusted brand. The challenge for the sector was to transfer this into the price but this was not seen in the sheep market. Our consumer, the retailer or the shoppers, were asking for more- but there was no additional return for the farmers. Since January (2021) there had been two Government consultations regarding the increasing regulations in the country. The most kerfuffle had been regarding animal transport and the possible restrictions on the movement of animals if the temperature dropped to five degrees Celsius which could affect approximately 35 extra days per year. How would the Department for Environment, Food and Rural Affairs (DEFRA) and the RPA police these schemes? This had been an European Union (EU) requirement previously.

Question 4: What local change have you seen that can be attributed to climate change and what do you expect in the future?

Rural Business School: Colleagues had been involved with issues where agriculture was treated as the culprit rather than part of the solution. Livestock were associated with emissions but we needed to eat. Just to grow more vegetables was not a solution. A balanced diet was required. Pastoral farming could help sequester carbon in the soil, building up soil organic matter which also had the benefit for retaining nutrients, resulting in higher yields, better retention of water by the soil and less soil and nutrient run off. We were in a significant dairy belt which could have effects on the water quality but fertilisers from crops can also affect water quality. Hotter summers and wet winters could result in more disease such as fungal rots (especially crops) and also the risk of zoonosis. He believed if we did it right farming could be part of the solution to the climate and ecological emergencies, particularly, in our region, pastoral livestock-based production.

South Molton Sheep Group: They were seeing more interest in woodland creation. Looking at 50+ acres on Exmoor. These enquiries were not from farmers but primarily non-farming owners of land. There were tax benefits and carbon payments driving this rather than to prevent climate change.

NFU: There was an aspiration to be 'Net-Zero' by 2040. Farmers were tired of being painted as the villains – so the NFU were trying to lead using policy and could not do it on their own as an industry. The three main pillars were to boost productivity/efficiency, store carbon- through hedges and woodland, and renewables – solar power etc. Works would be done at the G7 summit in Cornwall. The impact of extra rainfall each year meant that farmers had been looking to increase the housing for their stock rather than out-winter them.

In answer to additional questions, the following was given:

NFU: Farms could become more productive if sustainable. There was a need to invest and technology would have a part in that. Size was not necessarily a driver as farms had been specialising as determined by the market. The price of equipment could affect the ability to diversify. For example the cost of machinery to harvest potatoes (which could cost £250,000) could affect a farmer's decision to grow potatoes as the scale of their business may not warrant the spend. Those economies of scale could affect the decision not to diversify.

Rural Business School: Farmers may need to work together to help put nutrients back into the soil- rotating land use between them. Most food wastage occurred 'after the farm gate'. Each year 6 million tonnes of food waste occurs which was avoidable. Society needed to reduce waste through processes and their own fridges.

Question 5: A much higher proportion of farmers are over 65 than the rest of the population. How do you think this challenge might be met?

NFU: The statistics would always show the average age of a farmer as high as that's usually the 'name above the door'. It wouldn't necessarily be the son or daughter who was doing the work and running the farm. The older family member may not be the person doing the lambing at 5am. It would be interesting to see if the lump sum payments would enable some farmers to leave the industry and hand over the reins. Some hold on to the farms as they had always lived in the farm house. There was also help available to new entrants to the industry. Plenty of people were keen to come into the sector. In Devon there were 70 county-rented farms. There were plenty of opportunities to get involved in farming without actually becoming a farmer.

Rural Business School: In Devon there was work being carried out by the Food, Farming and Countryside Commission. There was a resilience issue with the BPS. In 2019-2020 Devon County Council (DCC) was one of seven bodies to lead on resilience – working with 30 farms.

NFU: DCC had worked on a pilot scheme with Mid Devon and East Devon which would provide advice for farm businesses regarding BPS, and how they may have wanted to move forward. There was also extra support for 'Protected landscapes'. The outcomes of the projects were awaited.

Question 6: It is well known that farming is a very demanding - and often a very lonely occupation. Can you tell us what the impacts of the current pandemic are having, for better or worse, on the farming community?

South Molton Sheep Group: We had missed our 'tech' updates, farm walks, markets etc. It was a very isolated industry but they had to keep working. It had not affected his work-life but as an industry which was financially difficult sometimes, with long hours, the release of meeting up with other farmers was no longer there. The social bubbles were just the family. It did put pressure on and was sure that some were having difficulties.

NFU: There were issues in all of society and issues with farmers. They were used to a level of loneliness at certain times but were used to having an outlet. There was a project due in the spring in Exeter on the issue. It was an iceberg and there were plenty of people out there under pressure.

Exmoor Hill Farmers' Network: There was a farmer on Exmoor who had produced an online video which was to the point, and summed up what was going on behind closed doors. Farmers were traditionally burly stoic men who did not necessarily know how to open up. In order to try to fill the gap left by (not having) meetings there were farmers' groups who did not meet up physically but were able to meet via

Zoom. The users had been educated to use the 'tech'. The number of people who had been trained was phenomenal. There was a 'Women in Farming' group who regularly met online every fortnight. It did not replace the need to meet physically but it did help to fill the gap. Good internet services were needed which were not always available on Exmoor.

Question 7: What local change have you seen that can be attributed to the change in our trading relationship with the EU and what do you expect in the future? Also, what are your views of the impact on North Devon of a trade agreements with the USA, Brazil etc that cover agricultural production?

Exmoor Hill Farmers' Network: Members of the Network were Sheep Farmers. The Network approached the end of 2020 being told that sheep farming would become financially unviable. But that did not happen. It was a completely different outcome in the short term. Although many selling lamb over Christmas did experience problems at the borders, every prediction had changed. In his opinion – as people have tended to eat at home they have bought British produce. When you eat out the restaurants were more likely to use imported produce. It was hard to guess the future but it would be unsubsidised. Historically there had been issues in the USA with the import of mutton but there was opportunity for grass-fed beef.

South Molton Sheep Group: Sheep Farmers had enjoyed good prices. Sheep farmers hoped that they were world renown for good products but also had to rely on politicians to negotiate good trade deals.

NFU: The impact of the pandemic had been positive on prices. Consumption of lamb and beef had increased. Retailers had imported less Irish beef. As lockdown unwound we had not expected retail growth to stay.

In response to questions, the following was confirmed:

NFU: Food and drink retail had risen by 15%. There were more mouths to feed in the UK as a net gain from tourists. Demand from the continent (eg France) for UK lamb had increased. Significant Government investment was needed for marketing and promotion.

Rural Business School: the benefit of coming out of the Common Agriculture Policy was that although it was a useful buffer, the industry could now be tightened up. Although it would be missed. It should not be a subsidy for food- but a subsidy for farmers.

NFU: There had been growth in buying locally, such as veg boxes. Red Tractor was the premium brand, guaranteed in the UK. Using just-in-time delivery processes could be problematic in bad weather. Ultimately the challenge was economics and return on investment. There were very few abattoirs locally so animals left Devon to be slaughtered. As there were large number involved which could not be covered in Devon.

Rural Business School: The Government might have been seeking to improve food standards but needed to encourage local food processing – which would need significant capital costs and red tape.

Question 8: There is a big movement with the support of Boris Johnson to ban the export of live animals. Some of our pedigree animals such as Aberdeen Angus are highly regarded across the world for their breeding stock. How will the agriculture bill affect movement of pedigree animals and what is your opinion generally of such a ban on live exports?

South Molton Sheep Group: Sheep farmers relied on public perception and needed to address public concerns. If the animals were under stress it should not be done, but we could do things in a better way. There were issues about whether it could be marketed as British if it did, or did not, travel live. Public perception could be addressed in marketing.

NFU: I have read those consultations. The Conservative Party consultation as regarding export for slaughter- not export for breeding. We have been challenged as there were no border control posts either side of the Channel which could accept breeding animals.

In response to an additional question, the following was explained:

NFU: No one quite knew how the schemes would be assessed to calculate future subsidy payments. There had been public payments for public goods. Up until now they had delivered those goods but no payments. The pilot scheme was announced this week; based on income foregone. On a gross margin for winter wheat etc there was a difference of the World Trade Organisation (WTO) rules on how things can and can't be delivered. We would wait to see how that developed. DEFRA had spoken heavily about co-design. There were 3000+ farm and stakeholders. The challenge was that it was difficult to see the whole picture.

Rural Business School: The alternative to 'income foregone' was 'costs foregone'. There was a need to know when a return on investment would happen. And could a farmer increase biodiversity and be paid for it?

Question 9: Farming is a complex industry. What could the Council do to assist with the stability of food production going forward?

NFU: There were issues around:

- Planning: as would need to see farmers invest in their businesses- so- new sheds, milking parlours, cutting rooms etc. Potentially adding value. They would need to diversify to help maintain their business.
- Broadband: One of the biggest frustrations of members was broadband. The Council needed to keep talking about broadband (in rural areas). Some members had no, or poor access, and could not use it for their business.
- Promotion of British food was needed. What it could do for people – through good communications.

- Community / Tourism: the public needed to be reminded about the use of the countryside – not everyone was using it responsibly. People needed to close gates, keep dogs on leads, and not walk on wild flower meadows- so everything there could be appreciated.

In response to additional questions submitted by the Committee and guests, the following was confirmed:

Rural Business School: Some of the comments put forward by farmers to DEFRA argued that without the BPS they would effectively have been renting their land out for free. The BPS could encourage people to farm more intensively which could damage the landscape.

NFU: Farm businesses needed confidence or they would stagnate and not invest. In the UK farmers lagged behind competitors and had done so for 40 years. This trend could not continue and needed this from policy or market returns.

South Molton Sheep Group: There were some farmers out there not necessarily doing the best job. The BPS would require change and or make room for new, good farmers. There was a need to get balance and improve productivity and protect the environment.

Rural Business School: Cornwall Council farms were running a trial in dairy farms with a system that caught the methane from slurry. It had been discovered that enough bio-methane could be captured to sell it as a fuel for vehicles. It was a well-developed system. The Duchy College had taken part in the research with a company called Bennamann. This was a waste fuel which could help farms to reduce their carbon footprint. This could improve the bottom line for a farm and produce savings. The farms could become part of the solution but they needed investment.

The Committee and guests discussed the way forward and how they would proceed.

The following were discussed:

- Creation of a marketing or lobbying group.
- Marketing and promotion could fall between the remit of many government departments such as the Levy Board or the Department for International trade.
- The national initiative “Sustainable Food Places” – could be set up in Devon.

Councillor Patrinos advised that the Committee would need to consider various areas before deciding which issues should be taken further. Those issues included:

- Clarification over the retirement scheme
- Help for the agricultural sector to ‘gear-up’ for the new skills they required
- Commitment to reduce unnecessary red tape
- International marketing campaign
- Exportation of live animals
- Food security for the future

- Farmers' resilience programme
- Mental health impact on farmers – and support.

RESOLVED that that a further meeting of the Committee be held to consider the outcomes of this meeting and formulate a response for submission to the Secretary of State and representations to MPs.

Chair

The meeting ended at 12.17 pm

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Committee.

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