

A NEW AGE OF AGRICULTURE

OUR AGENDA FOR
BRITISH FARMING



Conservatives

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Foreword

Farming and land management have a critical role in Britain's future. As the provider of the majority of our food and the manager of our landscape the industry should look forward to a rewarding future under a government which enables it to succeed.

Since Labour came to power we have experienced declines in production of meat, dairy and vegetables, and become increasingly dependent on imports of food we could grow ourselves.¹ Allowing this trend to continue is neither morally nor strategically desirable when climate change is reducing the world's productive capacity and global demand for food is projected to double by 2050.²

Falls in domestic production can not only weaken our food security, but threaten the viability of rural communities, damage the countryside and potentially undermine our food manufacturing industry, which directly supports 440,000 jobs.³ This sector depends largely on UK farming for its supplies and if these continue to diminish processing companies could be forced to move abroad to be nearer their supply base, putting jobs and investment at risk.

Promoting our farming industry is not about retreating to protectionism or ushering in a period of unsustainable intensification. After all it is healthy soils, clean water and thriving biodiversity upon which our food security ultimately depends. Conserving the natural environment and producing food cannot be alternatives. We need to do both - as the protectionist regime of the Common Agricultural Policy (CAP) is rightly dismantled, our farmers should be freed

to compete openly and fairly with overseas producers whilst being supported for enhancing the environment and maintaining the attractiveness of our countryside.

The resources challenge we face today is both environmental and economic. We must bear down on agricultural emissions and help to reduce dependence on fossil fuels, without undermining our ability to meet rising demand for food. There is also an imperative to eliminate waste, root out inefficiency and deliver value for money at every turn.

A Conservative Government will act to create the conditions in which our farming industry can thrive by:

- promoting fair competition
- reducing the burden of regulation
- working to achieve a CAP which provides long term stability
- taking effective action on animal disease
- enabling increased production whilst protecting the environment

There is no more important industry than the production of food, but under Labour our farmers have been treated as dispensable. The Government's belated recognition that farming matters is a welcome step forward, but it will have little credibility after more than a decade in which they have devalued British agriculture and allowed domestic production to decline.

Reversing this damaging trend requires a new approach. Safeguarding our food security, maintaining the countryside and providing the raw materials for the UK's largest manufacturing sector represents an enormous contribution to our national well-being and resilience. It is about time this was reflected by a government which understands the realities of farming and creates the conditions in which the industry can thrive.



Nick Herbert MP, Shadow Secretary of State for Environment, Food and Rural Affairs.



Jim Paice MP, Shadow Minister for Agriculture and Rural Affairs.

Promoting fair competition

It is difficult for our farmers to compete with imports from countries where production standards – and therefore costs - are lower. As we continue the process of trade liberalisation, competition will intensify, and it is the job of Government to ensure that our farmers can prosper in truly open markets.

Around £2 billion of public money is spent on food and catering every year.⁴ We believe the Government should use their substantial purchasing power to support British producers wherever possible and without increasing overall costs, and in doing so stimulate the rural economy, reduce food miles, and improve nutritional standards.

A 2009 study by Deloitte found no reports of cost increases from those practitioners increasing their procurement of UK and regional produce. Indeed, there were examples of cost decreases when there was an increase in the procurement of UK, regional, seasonal, farm assured and local supplier produce.⁵ However, despite this, official figures indicate that not a single rasher of bacon served to our armed forces is British and in some Government departments the proportion of homegrown food is actually falling.⁶

We will ensure that all food served in Government departments meets British standards of production, wherever this can be delivered without increasing overall costs.

We will work to extend this policy across the public sector and have established an advisory group to encourage sustainable local procurement.

Conservatives are committed to helping our farmers develop and harness growing consumer interest in how food is produced and where it comes from. Under current legislation, meat can be imported into the UK, processed here and then labelled as British. This is unacceptable. It undermines efforts to improve animal welfare, it misleads consumers and it hurts our farmers.

Labour has branded current rules unfair but blocked attempts to improve country of origin labelling at a European level and failed to secure an effective voluntary agreement with retailers. By contrast, the Conservative Honest Food campaign, with strong public support, has won the backing of major supermarkets who are changing their food labels to provide clearer information to consumers.⁷

We will continue to press for a comprehensive voluntary agreement on country of origin labelling but will introduce legislation if this cannot be reached whilst pushing for EU-wide adoption of such rules.

Supermarkets provide consumers with a rich variety of choice and convenience, however the competition authorities have made clear that some aspects of the way retailers deal with their suppliers could, if left unchecked, also harm consumers.⁸ We are concerned that some supply chain practices could impact on suppliers' willingness to invest, which may in turn reduce product quality and ultimately consumer choice. A study by Cardiff Business School suggests that this could lead to higher prices for consumers in the long run.⁹

We will introduce an independent supermarket ombudsman, as a ring-fenced unit within the Office of Fair Trading, to enforce the Grocery Supply Code of Practice.

As well as ensuring that supermarket practices are fair and in the long-term interests of consumers, we must enable farmers to work together to give them more clout in the marketplace. There is currently concern that the UK is being disadvantaged by an approach which is preventing necessary consolidation in the supply chain and inhibiting competition with overseas giants, such as Arla and Danish Crown, who enjoy much larger market shares.¹⁰

The collapse of Dairy Farmers of Britain last year was a blow to a considerable number of farmers but it must not be allowed to undermine the development of co-operatives, which we want to see flourish throughout the economy.

We also recognise the importance of local food groups and farmers' markets to reconnect people and food. These initiatives support local growers, provide good affordable food, help protect the environment and improve local communities.

We will ensure that the legislation relating to co-operatives does not restrict the competitiveness of farmer-owned businesses and will do everything we can to encourage their development.

We will promote the expansion of local food networks for both retail and wholesale trade so that domestic and service sectors such as schools can obtain consistent and sufficient supplies of locally produced food.

In recent years a shortage of agricultural labour has resulted in significant crop losses and there is uncertainty over the future of the Seasonal Agricultural Workers Scheme, which allows farmers and growers in the UK to recruit overseas workers to undertake short-term agricultural work.

We will ensure that arrangements are in place which reflect the importance to the economy of seasonal agricultural labour.

Reducing the burden of regulation

Conservatives recognise that if we want our farmers to succeed in an open market we cannot continue to saddle the industry with an extra burden of cost relative to their competitors. We must look to facilitate rather than regulate but the UK Government has earned a reputation for being one of the most heavy-handed in Europe when it comes to implementing EU farming legislation¹¹ and is missing its own target to reduce administrative burdens.¹²

Of course high standards are important – and must be maintained - but it is the outcomes that matter, whether reducing nitrate levels in watercourses or increasing farmland bird numbers. As long as these outcomes are met we should leave the methods to the professional judgement of farmers. Labour too easily forgets that farmers have a high regard for their social and environmental responsibilities, and has allowed unnecessary and costly red tape to proliferate.

Many regulations start life in Europe but the Labour Government has been too slow to influence their outcome, landing our farmers with costly requirements that offer no recognisable benefit, as in the case of new rules banning certain pesticides and the obligation to electronically identify sheep.

We will pursue a policy of active and early engagement in Europe to ensure that new regulations do not damage UK interests.

We will commission within the first three months of taking office an industry-led review of all existing regulations, including cross-compliance, with a view to reducing burdens without compromising standards.

We will move towards a system which focuses on outcomes rather than processes, trusting farmers to determine the methods that best suit the conditions on their farm.

We will oppose regulations unless they offer clear and meaningful benefits in proportion to their impact on farmers, and will work to ensure that existing regulations, such as the Nitrates Directive, are more appropriately applied.

We will allow farmers to apply for grants within the existing Rural Development Programme England budget to help meet the costs of EU legislation.¹³

The superstructure of regulation is backed up by a plethora of agencies and inspectorates which duplicate effort, keep farmers from farming and incur unnecessary cost to the public purse. Various reviews have noted the potential for reducing the total inspection burden, without compromising food safety, animal welfare and environmental protection.¹⁴

We will minimise on-farm inspections through much greater consolidation of inspections and improved information sharing, reducing costs to both taxpayers and farmers.

We will come down heavily on those who flout the rules, but will shift the balance of inspection effort away from pure enforcement and towards advice to farmers about what is needed to comply.

There is not only overlap between the various Government inspection bodies, but between Government bodies and independent certification schemes such as the Red Tractor, which cover 78,000 UK farmers and growers. As these standards will be above the basic statutory requirements, we believe there is significant scope to reduce state inspection of certified farms.

As part of these schemes producers are independently inspected at regular intervals. However, little or no account is made of this when farms are randomly selected for cross compliance and other state inspections. This means that a certified farm could receive several inspections while a farm which is not receives none. This approach is neither fair nor risk-based and may act as a disincentive to joining farm assurance schemes.

We will ensure that membership of a recognised farm assurance scheme results in a lower frequency of state inspection, saving farmers time and money.

Labour's botched implementation of the Single Payment Scheme (SPS) in England was a direct result of ministerial incompetence, which has heaped further pressure on farmers and could end up costing taxpayers over £600 million.¹⁵ The ongoing problems besetting the Rural Payments Agency (RPA) give rise to serious questions about the accountability and effectiveness of the current arrangements for administering the SPS. Conservatives are conducting a review of the role, function and budgets of all quangos under Defra in order to deliver greater accountability and value for money.

We will seek fundamental reform of the RPA to deliver more effective administration, reduced costs and improved reliability.

We will appoint the Minister for Farming as Chair of the RPA Management Board to ensure greater accountability and renewed focus on the need to deliver.

When workers are protected by minimum wage legislation and farming is expected to operate like any other industry, it is difficult to justify the retention of the Agricultural Wages Board, the body that sets minimum wages for workers employed in agriculture in England and Wales.

We will abolish the Agricultural Wages Board, reducing costs to the taxpayer and placing UK agriculture and horticulture on a more competitive footing.

Providing long term stability through the CAP

Without further reform of the Common Agricultural Policy (CAP) our farmers will be disadvantaged and the poorest countries will continue to be shut out of one of the largest and richest markets in the world. We want further reform to foster a more productive, sustainable and competitive farming industry, both here and in the developing world, and to deliver taxpayers greater value for money.

Whilst the so-called ‘Mid-Term Review’ of 2002/03 and the introduction of decoupled payments was an important step, we still do not have a CAP which is sustainable in the long term. The likelihood of the single farm payment continuing after 2013, albeit at a lower level, underlines the importance of ensuring that cross-compliance rules with which farmers must comply to receive payments are applied proportionately.

A Conservative Government will negotiate a successor to the present policy with the following objectives:

We will work for the abolition of any remaining support linked to production, to bring the rest of Europe into line with England, where full decoupling has already taken place.

We will press for a shift of existing resources across the EU to the rural development programme and for a fair share of that programme for the UK.

We will push for the CAP to become increasingly compulsorily co-financed by Member States, thus reducing the cost of supporting other countries’ farmers by British taxpayers.

Given the unprecedented pressures on our natural and economic resources it is essential that we prioritise spending under the CAP to maximise public benefits.

We will seek to create a more effective system of environmental stewardship which involves existing advisory networks in the voluntary sector and includes an element of outcome measurement.

We will redirect existing funding to increase the proportion of spending under the rural development programme on measures to help the farming industry modernise and meet future challenges.

In an interconnected world CAP reform cannot take place in isolation from world trade talks and we remain committed to an ambitious deal at the Doha Round.

We will press for the comprehensive dismantling of trade barriers across the world, at a pace that allows British producers to adapt to a truly open market.

Action on animal health and welfare

The last Conservative Government established the Farm Animal Welfare Council (FAWC) to monitor the welfare of farm animals and we remain committed to upholding and improving welfare standards.

We will continue to advocate improvements to the conditions in which farm animals are kept, such as the 2012 ban on conventional cages for laying hens, and will fight to ensure that such standards are raised equally across the EU.

We will promote animal welfare at an international level and work towards the inclusion of production standards in WTO negotiations.

Over the past decade animal disease outbreaks, many of them triggered or exacerbated by Government incompetence, have cost the country billions of pounds. We believe that sharing the responsibility and cost of tackling animal disease with the farming industry is right in principle and can deliver public benefits. However, there must be genuine industry involvement in the development of animal health policy before the costs are apportioned.

Farmers who are being asked to contribute more to the costs of disease control fairly expect that the Government does its bit to keep disease out of the country. However the current border agency does not put sufficient emphasis on detecting smuggling. Since 2007 the number of frontline staff to detect illegal products of animal origin at our ports of entry has been cut by 40 per cent, and we now have only six dedicated sniffer dogs.¹⁶

We will develop an animal health strategy in partnership with farmers and veterinarians, the cost of which will only then be shared fairly between Government and industry.

We will create voluntary, non-statutory rural advisory groups to ensure that Ministers understand rural concerns and decisions are taken in full knowledge of their impact on rural areas.

We will reinforce our borders by refocusing existing police and Home Office resources to create a dedicated border police force, which would take action to combat smuggling and trafficking of all kinds, including products of animal origin.

The most pressing animal health problem in the UK today is bovine TB. Conservatives want to see healthy cattle living alongside healthy wildlife but in many parts of the country we have neither. The continued advance of bovine TB is costing taxpayers over £80 million a year and devastating farm businesses, but still the Government fails to produce a credible package of measures to tackle the disease.¹⁷

As a recent report by the Farm Crisis Network made clear, the disease is taking an enormous emotional, as well as financial toll, on farming families.¹⁸ We cannot continue to stand by as bovine TB claims some 40,000 cattle a year, destroys livelihoods, and makes further inroads into the public purse.¹⁹

We will immediately implement a package of measures under the existing animal health budget to reduce the spread of bovine TB, including increased testing in high risk areas, continued development of vaccines, and validation of the polymerase chain reaction test to detect infected badger setts.

The development of vaccines is an important part of the long-term solution but we do not believe that steps to eradicate the disease can wait until 2014 when an oral vaccine for badgers may be available. Indeed, the efficacy of vaccination is severely undermined in areas where infection in badgers is high.

We will introduce a carefully managed and science-led policy of badger control in areas of high and persistent levels of TB in cattle.

Increasing production whilst protecting the environment

Our food security is safeguarded not only by the skill of our farmers but by the health of our soils, water, and biodiversity. In our search for increased production we must not repeat the mistakes of the past by adopting damaging farming practices. Research and development is crucial to help the industry raise production in harmony with the environment and contribute to the global challenge of food security. We must uphold our world-class science base, share expertise with international partners and work to ensure that “blue skies” research is effectively translated into real practical value.²⁰

We will look to prioritise R&D within the departmental budget and develop a long-term strategic research agenda across the whole food chain which reflects the importance we attach to raising production sustainably.

We will work to ensure our farmers and growers are equipped with the skills necessary to meet the challenges of the future.

Our farmland is a national resource for future generations and the very foundation of our food security. However, under Labour the protection of our best farmland has been downgraded and the Government has rejected some councils’ calls to keep in place local protection of this valuable asset.²¹

We will introduce into our national planning framework rules preventing the development of the most fertile farmland, in all but exceptional circumstances.

The Conservatives recognise the important role of technology to strengthen food security but we are aware of the public concern that exists around genetic modification (GM). Trials must be allowed to go ahead under strict conditions, but commercial planting of GM crops should only be considered if it is safe for human health and the environment.

It is a matter of concern that guidelines to prevent cross-contamination are still lacking in this country, despite consent for certain GM crops to be grown here.

Our livestock farmers are dependent on imports of animal feed which cannot be grown in this country. We must support the development of alternatives to soya-based feed, such as lupins, but we recognise the need to ensure that feed imports are accessible, affordable and sustainable.

We will not permit any commercial planting of GM crops until and unless it has been assessed as safe for people and the environment.

We will develop a legally-binding protocol covering the separation of GM and non-GM material, including clear industry liability.

We will ensure that consumers have the right to choose non-GM foods through clear labelling.

We will support a pragmatic approach to the approval of GM feed commodities which recognises the potential impact of shortages on our livestock industry and food prices.²²

Agriculture is responsible for around 7% of the UK's greenhouse gas emissions but with the right support the industry has the scope to reduce its environmental footprint and contribute to our energy security.

Much of the debate about energy production from farming revolves around biofuels for road transport. In fact agriculture's potential contribution is much broader. There is enormous scope for farmers to generate heat and electricity – and new revenue – by sending livestock manure to anaerobic digestion plants, which capture the methane from decomposing organic waste. This technology could provide farmers with useful extra income, reduce methane emissions from current manure management practices, and help those who are facing huge investment in manure storage as a result of the Nitrates Directive.

It is increasingly common practice in Austria, Germany, Switzerland and Sweden for biogas (as bio-methane) to be injected into the gas grid. There are more than 3,000 farm-based anaerobic digestion plants producing electricity in Germany alone but only around twenty in this country.²³ According to the National Grid, up to half the country's domestic gas heating could be met by turning waste into biogas.²⁴

We will enable biogas to replace significant quantities of our domestic gas heating by changing the regulatory regime for the gas grid and introducing 'feed-in tariffs' for biogas, enabling farmers to become producers as well as consumers of energy.

There are many measures farmers could take to save energy, reduce harmful emissions and cut costs. For example, thermal screens used in horticulture typically cost £20,000 but can save over £10,000 and 100 tonnes of CO₂ annually.²⁵ However, many farmers and growers are inhibited from investing in this kind of technology due to a lack of upfront capital and the reluctance of banks to lend.

We will explore the potential to unlock private sector investment in on-farm energy and cost-saving technology through our Green Investment Bank.

Our hill and upland farmers care for our most fragile landscapes, from Dartmoor to the Peak District, producing food and providing the basis for leisure and tourism for millions of people. In addition they supply a range of important environmental services, such as reducing flooding downstream, storing carbon in undisturbed ground, and preserving habitat for many rare and declining species. However, without public support conventional livestock production will rarely be viable in our uplands.

We will develop a system of support for managing and enhancing these landscapes which more closely reflects the wider benefits provided, by diverting money from less sensitive areas.

Our forestry and woodlands provide numerous benefits to society, from reduced air pollution, climate change mitigation and habitats for wildlife, to the alleviation of flood risk and more beautiful public spaces. However, over the past decade the area of new woodland created in England has more than halved and annual planting is now much lower than when the Conservatives left office.²⁶

Wood is also a potential source of energy, either at the end of its cycle of usage for other purposes or as specifically grown short rotation coppice. Its present use is limited to biomass combustion either alone or for co-firing in fossil fuel power stations, but its potential for local or community heating schemes is immense.

We will introduce a ‘feed-in tariff’ for micro-generation and a ‘heat tariff’ to encourage the development of small-scale low carbon heat sources.

We will promote the benefits of trees on farmland in terms of both productivity and the environment.

Footnotes

1. Written Parliamentary Answer to Jim Paice MP, Hansard, 5 Jan 2010 : Column 79W.
2. The UN Food and Agriculture Organisation has estimated that food production needs to double by 2050, to feed an anticipated population of 9 billion - <http://www.fao.org/>
3. Food and Drink Federation - <http://www.fdf.org.uk/>
4. <http://www.defra.gov.uk/foodfarm/policy/publicsectorfood/index.htm>
5. Deloitte: Public Sector Food Procurement Initiative: An evaluation, March 2009, p.29.
6. Latest available figures at time of publication. Defra: Proportion of domestically produced food used by government departments and also supplied to hospitals and prisons under contracts negotiated by NHS Supply Chain and National Offender Management Service (previously HM Prison Service) Second Report: 1 April 2007 to 31 March 2008.
7. Visit www.honestfoodcampaign.com
8. Competition Commission, Market investigation into the supply of groceries in the UK, available at http://www.competition-commission.org.uk/rep_pub/reports/2008/538grocery.htm
9. Professor Roger Clarke, Cardiff Business School, The Impact of a Groceries Ombudsman on Consumers' Best Interests, December 2008, p.2.
10. See NFU evidence to Environment, Food and Rural Affairs Select Committee inquiry into Dairy Farmers of Britain, 14 October 2009.
11. HOUSE OF LORDS, European Union Committee, The Future of the Common Agricultural Policy, 6 March 2008, p29-30.
12. See <http://www.defra.gov.uk/corporate/policy/regulat/better/simplify.htm>
13. Defra has excluded this measure from the Rural Development Programme England, see: Written Parliamentary Answer to Jim Paice MP, Hansard, 3 Feb 2009 : Column 1088W.
14. See Defra Review of the RPA, Report by David Hunter, March 2007 Philip Hampton; Defra, Review of the Animal Health and Welfare Delivery Landscape, A report by David Eves CB, June 2006; Reducing administrative burdens: effective inspection and enforcement, March 2005.
15. National Audit Office, A second progress update on the administration of the Single Payment Scheme by the Rural Payments Agency, 15 October 2009.
16. Home Office Freedom of Information Response, 2 October 2009.
17. Hilary Benn MP, Hansard, 4 Feb 2010 : Column 435.
18. Farm Crisis Network, Stress and Loss: A Report on the Impact of Bovine TB on Farming Families, 2009.
19. See Defra: <http://www.defra.gov.uk/foodfarm/farmanimal/diseases/atoz/tb/stats/index.htm>
20. See EFRA Select Committee, Securing food supplies up to 2050: the challenges faced by the UK, 13.07.09, pp.46-47.
21. Hansard: 19 Oct 2007 : Column 1338W.
22. For further information see Defra: GM crops and Foods, August 2009.
23. Written Parliamentary Answer to Jim Paice MP, Hansard, 12 Mar 2009 : Column 678W.
24. National Grid, The potential for Renewable Gas in the UK, 30 January 2009.
25. Carbon Trust, http://www.carbontrust.co.uk/news/news/press-centre/2009/Pages/farmers_offered_new_green_funding_deal.aspx
26. Written Parliamentary Answer to Jim Paice MP, Hansard, 8 Feb 2010 : Column 680W.

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