

## **Farming Update from the Devon Churches Rural Forum – July 2021**

*Compiled by Penny Body with contributions from David Moore, Danny Semorad, Colin Smallacombe, Andy Jerrard, John Wibberley, Stuart Wilson, Adrian Brooks, Michael Winter – to whom many thanks indeed.*

### **Weather and Crops**

David M says “Last winter was quite wet, however it became quite dry in the early spring for a considerable length of time. This enabled farmers to drill all of their crops in good time. The odd shower here and there gave the seed chance to germinate and get off to a good start. However the weather then turned to wet and cold which stunted the growth of the maize crops. This will undoubtedly mean considerably lower yields at Harvest for this crop. Colin concurs regarding the maize, with some impact also seen with spring barley and adds that in general there has been quite a lot of forage carried over from last year. Danny adds that the rain in May has certainly filled the silage clamps and that cereal crops are generally looking good.

### **Farm Prices**

David M says “All Farm prices have hardened well except milk. Beef, sheep, and corn have rocketed away from the lows of the last few years. Milk price increases have only nudged up gently. The milk increase would not pay for the other higher farm inputs i.e. feed fuel and wages.” He adds that the Covid restrictions have had an effect on the small increase of milk as less people have been drinking in coffee shops etc. David U concurs on livestock prices saying “The price of live stock has been very buoyant all through the period. There are signs of change already happening though.” Danny adds that “the red meat sector has fared well during the last few months. I put this down to more people eating at home and good marketing by the supermarkets. I believe the hospitality sector uses a lot of cheap imported meat to keep their costs down, which is understandable. It is not an easy trade in good times.” Colin says that corn & straw prices have continued to stay high but the price of many of the inputs are rising including fertilizer, fuel, and machinery.

Andy adds a cautionary note: “all that ‘glitters is definitely not gold’. There is a risk of being seen to be something of a wet blanket when there are those rejoicing in the prices received for lamb, beef (and in anticipation wheat, barley, oats and straw). However, I am in good company as Farmers Weekly dated 25/6/2021 shares some of my thoughts both in the editorial and in David Richardsons' column. The latter has been an astute observer of the agricultural scene over many decades and last week he covered the reason for providing support for food production over the last century. He shares my somewhat pessimistic outlook on the likely prospects for Agriculture in this country (other countries may benefit greatly) with the change in Agricultural support from Basic Payment Scheme to Environmental Land Management Scheme. It might in this connection be worth pointing out

that many of the wildflower meadows that disappeared (and some now want reinstated) were ploughed up precisely because we entered an international crisis (the Second World War) when we were a long, long way from being self-sufficient in food (similar to the current situation) and in order for the country to survive, farmers were ordered (on pain of losing their farm or their liberty) to plough everything that was ploughable. History often repeats itself, and many wild flowers are inedible!

The Farmer Weekly editorial makes the point that by 2030 there may be 20 % less farm businesses in order for those remaining to survive (this opinion I think is shared by many who have studied Farm Income figures over the past few years). This information is beginning to cause 'pause for thought' amongst many farmers heightened by the dramatic inflation in recent months of many agricultural inputs such as feed, fertiliser, diesel, steel, timber and concrete." (see also comments under "ELMS" below.)

### **Animal Health**

TB – though we may be hearing less about it – remains an ongoing concern for the farming community, with concern that there is still no failsafe way of eradicating the disease.

### **Covid and other rural issues including mental health**

As with most things "rural" the situation is variable. Included below are the specific comments from respondents to this request for information. There is no doubt that increased isolation / loss of social opportunities during Covid has impacted mental health, especially for those already in isolated work – such as farming. From other experiences there has been a coming together of a different kind through volunteering and caring for vulnerable neighbours.

Adrian says "Some parts of the community are coping very well e.g. early retirees ... but it's been very hard on the young, and there have been suicides. There has been no Young Farmers, no pub and, children not socialising with young mums deprived of grandparent/family help stuck with young babies". He adds that "No big funerals or wakes has left a lot of families/communities feeling cheated and no proper closure." Andy adds "the loss of social contact which normally occurs through shows, church life, shooting, hunting, skittles et al. has been felt by all, more severely by some and has led to varying degrees of frustration, anger, resignation and acceptance". Danny adds "Many people have really struggled with the winter lockdown. The short days and lack of social interaction have really taken their toll. Now with the easing of restrictions many are finding it difficult to mix again. Those in our church community have really appreciated the continuation of church services. We have made every effort to keep our church active, while adhering to the rules." And David U says he feels farming has generally come through Covid quite well " but there are always exceptions. Mental illness is accentuated with isolation, so there have been increased incidents." John Wibberley adds that "Many are struggling - especially if isolated

with hampered businesses to run while also home-schooling children of varied ages together. FCN work with YFC on Rural Plus mental health training has revealed a huge demand and awareness of mental health issues among the young.”

Stuart explains how the lockdown has had a knock on effect to rural house prices: “Our local young people have always found it difficult to buy locally, this is now impossible unless the bank of mum and dad is very well financed, that is not often the case. Properties to let, are difficult to come by and rents have risen ... people from outside are prepared to pay more as they house hunt after having sold in London and the home counties. We have had people moving into the communities and then finding that it isn't for them and moving away, the houses they'd bought are sold for more than they paid for them, this is in a time scale of less than 12 months.” We will be picking this issue up in our meeting on 14<sup>th</sup> July 2021.

### **Brexit, ELMS and International Trade deals**

The ramifications from Brexit continue to cause concern among farmers. The two aspects in particular are the change from Basic Farm Payments, which were based on the land holding, to the Environmental Land Management Scheme (ELMS) where payments are based on the introduction of environmental schemes to farms and the negotiation of International Trade deals.

#### ***ELMS***

For background - the ELMS system will rely on what is known as “public money for public goods”. There are three new schemes that will reward environmental land management:

- Sustainable Farming Incentive
- Local Nature Recovery
- Landscape Recovery

This paper from Defra - which can be found via this link

<https://www.gov.uk/government/publications/environmental-land-management-schemes-overview>

includes:

- an overview of the schemes
- how the schemes are being tested and trialled
- how farmers and land managers can get involved

The overall view from DCRF contributors on this subject is that the roll-out of ELMS is very slow and patchy. Details of the various schemes are not yet known and farmers are

frustrated because they are unable to plan their businesses. The RPA (Rural Payments Agency) is often unable to help with questions. This is a significant cause for worry for farmers because so many are reliant on their current Basic Farm Payments.

Andy Jerrard sums this up as he says “Current progress amounts to starting to commission pilot projects to see what might work and if enough money has been allocated to make various proposals actually attractive enough for the work required to justify the grant provided (i.e. If tree planting - will the money on offer cover the not inconsiderable costs of maintenance to keep the trees alive to maturity - it would appear there is unlikely to be any money for income foregone where the trees are planted). It would be fair to say that the reception in Devon is one of immense frustration that no-one knows yet what is required, what will any payment be and who will qualify - apart from that the proposals are crystal clear! It might be said that DEFRA are genuinely trying to work out what will work in practice before finally setting the Scheme into motion but business planning needs to be underway for 2027 now if not sooner. There is also a deep puzzlement that Government doesn't acknowledge food production as an important (not to say essential) good.”

### ***International Trade***

International trade is a new uncertainty, as farmers hear about new trade deals with foreign countries, where livestock standards can be much lower than the UK.

Colin sums up the questions well “... there is a concern over the trade deal with Australia. Will it set a precedent for negotiations with other countries?” and “Will produce with lower standards of production be allowed to be imported into this country? What impact will it have on prices?”

John has written an excellent summary of the issues surrounding the Australian deal, which is reproduced below:

#### **For TFA – A WEDGE OF BEEF?**

#### **Proposed Tariff-free importing of Australian Beef to the UK – 2021**

by John Wibberley<sup>1</sup>

Since I was a child I have collected agricultural postage stamps from around the world. An Australian one from 1953 proclaims ‘PRODUCE FOOD!’ It is sub-titled ‘BEEF’ with a picture of cattle, ironically many of them in those days polled Herefords exported as breeding stock from Britain! Nowadays, especially in the drier parts of Australia, breeds such as Droughtmasters are used extensively too. The Droughtmaster was developed in Queensland during the 1940s by crossing Brahms (zebu-type humped cattle, *Bos indicus*) with temperate shorthorns. Nowadays, Longhorn embryos are being exported from UK to

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Australia for their breeding and cross-breeding improvement programmes. Much of Australia's commercial beef comes from rangelands and is pasture-fed. The case argued below here is not against Australia's beef *per se* nor regarding the likely relatively small quantities involved (most goes to Asia). In general, this writer has been impressed by Australian farming standards. It is the tariff-free trading principle and very likely knock-on effects that are at issue here. Some may be thinking 'nothing has changed since the repeal of the Corn Laws debates in 1846!'

As an Agriculturalist working in the UK and internationally for 50 years, I am committed to responsible private enterprise and entrepreneurship, and to the public good. Right now, we find ourselves considering the prospect of imported Australian tariff-free beef at the heart of a UK Trade deal with Australia. Why should those who care about UK farming and farmers be concerned? Why are people who believe in enterprise 'beefing' about it?! Well reflections on these questions include key points:-

- I welcome Britain's opportunity to exercise leadership internationally post-Brexit, and wish to see us proceeding wisely in this regard
- Under present WTO rules of fixation on **non-discrimination against imports** (no tariffs), natural (including human) resources are indiscriminately threatened worldwide
- This means anyone can undercut costs and take over distant markets at will based on low-cost methods, no matter who is supplying those markets already
- Low-cost derives from different national economy cost structures, and scale, as well as from short-cuts in crop or livestock farming that may compromise welfare
- Reduced welfare may affect both the crops and livestock produced and the farming communities working hard to deliver produce against very tight margins
- Most welfare concerns may *not* apply to Australian beef but letting it in opens the UK door to others
- Large-scale imports of less welfare-friendly beef (and lamb) could follow from such as USA, Brazil...
- Much Brazilian beef is cheaply 'feedlot' produced where rainforest once thrived...
- As the late Prince Philip famously said over 50 years ago, "You cannot apply a crude industrial philosophy to agriculture; land is different"
- International trade that crudely maximises energy-consuming export of natural products to areas where they are beneficially produced already defies common sense and compromises home-production aspirations
- We live in a world increasingly aware of our responsibility to mitigate climate change and we are to host COP26 in the UK in November 2021
- In the one-third of UK that is upland - especially in Wales, Scotland and here in SW England – as well as in well-managed lowland permanent pastures, UK beef and sheep farming sustains many livelihoods and plays a crucial part in **landscape**

conservation, **biodiversity** encouragement and **soil carbon** capture towards net zero by 2050 (or before – NFU aims by 2040).

- *FIAT* (**F**airer **I**nternational **A**gricultural **T**rading) is needed to discriminate between trading of products that cannot be grown at their destination (such as bananas, beverage crops and tropical spices to the UK) from those which are already available home-grown to **local** consumers without energy-consuming export and untold collateral damage to **livelihoods, landscapes** and **climate change mitigation**.
- **Ecosystem Security** links food + water + energy + livelihoods + geopolitical stability. We need to ‘think globally and act locally’!
- It is time for serious integrated thinking regarding WTO agricultural trading reform
- It would reflect neither wise nor integrated policy to admit tariff-free Australian beef, followed by lamb, then similar products from NZ, and from North and South America. For instance, there is a vast contrast in terms of **ecosystem security** between intensive, often hormone-fuelled feedlot production of beef (especially where rainforest once thrived) and that from good UK pastures
- Just as we champion better environmental management via the UK Agriculture Act 2020, let’s not threaten it with cheap beef imports!
- It is urged that policy-makers think again - comprehensively.

Responsible trading is fine, however, the Book of Proverbs 1:3 urges ‘receive the instruction of wisdom, justice and judgment, and **equity**’; 1:19 warns about ‘everyone that is greedy of gain which takes away the life of the owners of it’. Proverbs 15:27 also wisely notes ‘He that is greedy of gain troubles his own house’...