

Focus on the future

This report compiles views expressed at three workshops where small invited groups discussed how the current opportunities and threats to farming are seen in their areas. The workshops were organised by the Royal Agricultural Society of England, the Fellows of the Royal Agricultural Societies and the Royal Smithfield Club and hosted by three agricultural societies representing different farming areas - the Royal Bath & West of England Society, Westmorland County Agricultural Society Ltd, and the Suffolk Agricultural Association. Names of those attending are listed at the end of these notes. Malcolm Stansfield of FRAgS chaired all the meetings.

Main conclusions

Participants were a selected group of experienced farming entrepreneurs, younger people engaged in the business and commentators and as such perhaps had a more positive view of the future than average. The subject areas discussed were selected by those attending. There were striking similarities in the areas each group chose to discuss and remarkable optimism about the longer term future. However this was underplayed by a realistic evaluation of huge shorter term problems. Overall there is a strong realisation that the successful future of farming is in its own hands

The meetings covered a lot of ground and there are other significant conclusions below in the main part of this report.

All three meetings expressed concern about this year's delays in farmers receiving **Single Farm Payments** and government arrogance in dealing with them and the scheme more generally. However they were also worried that the crisis had drawn farmers' attention from the often urgent matter of sorting out their own businesses to thrive in a very different future.

Farmers need to embrace change and do whatever they can to drive the agenda. We need fewer, bigger, more entrepreneurial farmers for the mainstream. Small farmers will mainly be left with local niche markets.

Some felt that higher UK farming standards needed government support but others thought this should be part of a 'Home Grown' brand which encouraged a market which was becoming more discriminating about food.

There could be a food shortage in 5-10 years time as world food demand rises and this could produce better prices for farmers.

What were called 'hubs of excellence' should be encouraged as focus points for good practice and communication. Plumgarth's in Cumbria has worked successfully as a marketing hub and provides a good model of how co-operation can succeed when led by an imaginative business.

Farming PR was a major discussion point at all the meetings. They concluded that we needed a 'Confederation of British Agriculture' to provide a high profile spokesperson for the industry. But there should be regional and local spokespeople too. All involved should have communication a training but also systematic briefing on the important issues. RASE should consider getting farming organisations and those involved in initiatives together to discuss what can be done within the realities of available funding. Signs of improvement in farming's image were noted - people are getting more sophisticated in how they interpret PR spin so it may be a good time for a new initiative. A list of issues was suggested which could be used for campaigns and is given in the main body of this report.

Government needs to be persuaded that **food security** is an issue which it needs to take more seriously. If agriculture shrinks too much it will be difficult to get land back into production when it is needed but impossible to replace lost skills.

Farmers' **business risks** are increasing and better systems are needed to manage them.

Farmers should have better negotiating skills and hence a more informed say in the contracts they sign. There may be scope to work up a system of **ethical contracts** based on fair trade principles.

Farmers need to influence **regulation** more and push for science to be used better in the process.

Climate change and water supply will be major issues in future.

There were differences of opinion about how much help farmers needed to retire and young people needed to get a start but the Fresh Start Initiative is working imaginatively to bring both groups together. Affordable housing is often a problem for both **retirees and young people**.

There was general agreement that continuous change necessitated continuous learning. Also that farming needs to become more professional. Formal **Continuous Professional Development** needed to be fostered, but patiently, expecting only slow growth in the early years.

There were predictions that there would be **widespread de-stocking of the hills**, especially in the North, with deleterious impacts on social structures and landscape. There were concerns that this process was being romanticised as 're-wilding'. It was felt that visitors would not like the resulting landscape. In the Welsh Marches and the South West smaller farms on better upland will have different problems. They are likely to be hit harder than lowland farms by the reduction in farm support.

Single Farm Payments

1. All the meetings expressed concern about the impact on farm businesses caused by the delays in Single Farm Payments. Government does not seem to recognise the hardship the delays are causing. For instance the Farm Crisis Network has

reported that they dealt with 40% more cases in the first quarter of 2006 than over the same period in 2005.

2. Tenant farmers are particularly under pressure. Often they have 'nowhere to go'. Their rents are too high, they cannot diversify and don't have a retirement fund. Some farm owners who borrowed a lot of money in more prosperous times are also having hard times.
3. Getting next year's forms in on time will be a 'fair old nightmare' and there are worries that this year's payment will be late too.
4. Farmers who were able to make a fuss to the Rural Payments Agency usually eventually got somewhere. Those who couldn't had to sit and wait. So the most vulnerable farmers were suffering most.
5. The situation is aggravated by arrogance in the way farmers are dealt with and in the tone of documents about the scheme.
6. Ancillary industry is also suffering because their bills are not being paid.

Ways forward

1. Change will accelerate – we need to embrace change and drive the agenda. We should feel confident about long term prospects – we are an innovative industry.
2. Consider future structures and how the industry is managed. There are too many farmers who are badly equipped to progress. We need fewer, bigger, more entrepreneurial farmers. Smaller farmers will be left with local niche markets.
3. Businesses need to look at how they set themselves up for a world with no support.
4. Some felt that higher UK standards need to be backed up with support – if not we will just export the industry like happened with pigs.
5. Others thought that we should be able to sell food grown in the UK because our standards are higher. However we will not persuade people to buy food just because it's British. We need to differentiate our products, target value-added ranges and let buyers import commodity ranges.
6. We are not investing enough in research.
7. In the future the prices of food imports will go up as world food demand rises and times will be better. We need to be ready for this happening but we may need to hang on for 5-10 years.
8. We haven't seen the impact of the new support system yet. There could be a lot of land unfarmed by this autumn as farmers realise they do not have to grow crops which will not make a profit. There are huge areas of chalkland in the south which could go out of production because it is unprofitable. The landscape of these areas would look very different if they were unfarmed.
9. What happens to money taken away from farmers by modulation is important - as much as possible needs to go back into farming.

10. Entrepreneurial farmers will see opportunities in these changes. Farmers are already paying flockowners to put sheep on their grassland.
11. Cross compliance consequences – we will have all the hassle of complying long term but payments will go down over the next 10 years and they may eventually disappear altogether. Farmers will then be left with all the hassle for no benefit. Cross Compliance will have a bigger impact on how we farm than Sir Don Curry anticipated. RASE/CARAS need to communicate this to government.
12. We need to learn from each other and think globally.
13. The quality food market is growing. There are the two extremes cheap and niche food – but a growing area between them. There is increasing goodwill for quality produce. How do we get the public even more interested?
14. Farming will increasingly need to lobby for money from RDAs.
15. Reducing production costs is just as important as getting better prices.
16. We need stock which are easy to look after.
17. Beef production will become more profitable as export gets under way over the next few years but we need a more consistent product. The EUROP carcass classification system forces everyone to try and get the best conformation and this is expensive and not what the market wants. We need to influence MLC and Eblex to produce a new system which draws out a more consistent product.
18. We have better grass growing conditions than anywhere in the world.
19. Hubs of excellence should become focus points for good practice in production, marketing, communications etc.

Public Relations

1. ‘There is a seed of confidence’ - we need to grow it. There are signs that farming’s image is beginning to improve and it is likely to improve more in the next few years. People are getting more sophisticated in how they interpret PR spin. For example there has been little reaction in terms of poultry meat and egg consumption from the recent Avian Flu’ scare. Some rural non-farming people are getting vociferous about the problems of farming. Most visitors to the countryside are supportive of farming. This will all be in our favour but we need to make a better image happen.
2. Farming needs a unified voice with all the farming organisations together backing and resourcing PR activity run like the Confederation of British Industry with a high profile spokesperson. Ancillary industries also need to be represented. Funding will be difficult. We need to work with other ongoing initiatives like LEAF ‘Speak Out’, FACE, Henry Fell’s Commercial Farmers’ Group and Anthony Gibson’s work at NFU. RASE might be the umbrella to focus all this and generate some quick action.
3. Also need panels of regional and local spokespeople who know the big picture plus about more local issues.

4. We need to train spokespeople to speak but also to know the arguments and they need to be paid for their work
5. All farmers need to be better informed and sometimes need a better attitude.
6. The farm leadership courses mean we now have some people trained in the right way – they need to be co-ordinated and used more.
7. We need to take care that the practices we defend are all defensible. There are some problem areas – high pig mortalities, scruffy farmyards, mud on roads and soil going into rivers in some potato and sugar beet areas.
8. Get farmers on the managing boards of pressure groups.
9. We also must use the different agendas of different organisations intelligently eg RASE can say things which NFU cannot and vice versa.
10. There is also a growing awareness in education that farming can help cover the curriculum. Projects like the Westmorland Agricultural Society's Rural Links provide good experience of straightforward approaches which have a good chance of success. Education is also necessary for incomers to rural areas. A recent school visit to Lane Farm from a local village school only included one child from a farm.

PR Issues

11. We need to think carefully what we want to communicate and to whom. The general public is not very interested in our problems so we need to communicate the positives. However good news does not fill newsprint – in fact it may attract spoilers which look for the opposite angle – so we need to choose issues carefully
12. Food security needs to be discussed in a European and world context. Farming could lead the discussion. For example for each beef animal fewer we produce in the UK two acres of rainforest have to be cut down to produce its replacement.
13. Fuel security and the part biofuels can play.
14. Water:
 - It's essential
 - But houses are being built in East Anglia without consideration of their water needs
 - Nitrates and pollution – no science behind the driving down of nitrates
 - Abstracting issues.
15. A large part of the farming community is asset rich and so can weather the bad years – how do you present the plight of farmers in this context?
16. Convincing the general public that we need the Single Farm Payment.
17. We need to bring quality UK food higher up the shopper's agenda to give supermarkets a long term vision about quality food.
18. Deterioration of hill landscapes, 'rewilding' consequences of de-stocking.
19. Badgers and TB – badgers are a vector of a deadly disease and they reduce the populations of ground nesting birds.

Food security

1. Government needs to be persuaded that food security is an issue which it needs to take more seriously. Rising world population and rising standards of living over the next 10 years or so could mean world shortages of food.
2. 10,000 lorries come into Kent from the Channel Tunnel every day – a huge security risk.
3. If agriculture shrinks too much it will be difficult to get land back in production when it is needed but impossible to replace lost skills.

Managing risk

1. We don't have adequate systems to manage risks like for example impacts of big buyers, climate change and impacts on pests and disease from open borders.
2. We need active futures markets but also the skills to use them successfully. They allow farmers to know prices further ahead.

The Food Chain

1. We need to train people in negotiating skills to cope better with their marketing.
2. Milk contracts were called 'surrender documents'. There is a need for education about what contracts mean and even for draft contracts for farmers to use as a basis of negotiations with buyers. (But buyers are too strong - would they accept this? There were wonderful contracts in the pig industry which buyers just tore up.)
3. The most powerful person is the consumer not the supermarket. Consumers now have an interest in where their food comes from. Farm shops and farmers markets have led supermarkets towards local food.
4. Can we change attitudes and get farmers co-operating more? If we don't get together we have no power over prices. Deals like Plumgarth's with ASDA and Centre Parcs, a hub run by a farmer entrepreneur who brings together local produce for a big user, could be the most practical model for co-operation.
5. Customers will buy quality but they are fickle and demand will often change. Cultures are changing – many young people have one home cooked quality meal a week. We need to find out what consumers will want over the next 10 years and then market it.
6. Value added products are where the potential is, especially for milk.
7. Disproportionate buying power needs legislation but the problem is that the ultimate power is with the consumer and they will not countenance anything which increases prices. The Office of Fair Trading takes their side and is not concerned with fairness in the food chain. We need to communicate the necessity to pay producers more to the consumer.

8. Perhaps an ethical audit, or ethical contracts might be a way forward. We should review what work is going on and seek advice from the Fair Trade Foundation. Supermarkets are conscious of their image – they might accept ethical audits. ‘Home Grown’ might be a good label to base ethical marketing on. And the increasing cost of energy, food miles, water issues are all changing the balance towards ‘Home Grown’
9. Rebuilding small and medium abattoirs will help rebuild local marketing.

Regulation

1. ‘For everyone trying to do a job of work there are two people trying to stop them.’
2. Regulation will continue to increase. We have no track record of successful self regulation – so there is no alternative.
3. We need to influence regulation more.
4. Regulation needs sensible policing - eg if you can show that you understand regulation it should reduce the chance of inspection. Now you dare not ring the Environmental Agency for advice about problems because you are afraid it might lead to litigation.
5. We are surrounded by regulations which are impossible to meet eg dead lambs having to go to incineration. Regulation needs to be more responsible. There are dangers that the law of unintended consequences will kick in.
6. Regulation tends to make everything the same – we need diversity. For example ELS and HLS are too inflexible and will reduce biodiversity.
7. The costs and impact of waste regulation will be high in the long terms
8. We need a national water policy
9. Regulation needs to be backed up by real science – science has ‘gone out of the window’ and people do not understand risk.

Water

1. Agricultural water is under threat – it may be taken away for housing development in the south east.
2. There isn’t a clear planning policy in relation to water requirements
3. The Water Framework Directive will have a bigger impact on farming than the Single Farm Payment.
4. Arguing that we must protect water for agriculture shows too narrow a view. We need to trust the mechanisms which the government is offering. If farmers cannot have the water they will do something else.

Climate change

1. Climate change will produce opportunities and farmers will find them by reviewing their natural advantages and how they are changing.
2. Energy crops could put a bottom in the grain market. For example, Wessex Grain are looking for 350 thousand tonnes of wheat next year. It has been calculated that we would need a quarter of our wheat acreage to meet the Kyoto targets. However there were doubts whether enough crop would come forward at the prices being offered. Also longer term shortages of food crop acres could jeopardise energy crop areas.

Retirement of farmers and opportunities for young people

1. Participants at the Westmorland meeting argued strongly that succession is not a problem and those entering are passionate and interested.
2. The industry has been bad at creating exit opportunities for farmers.
3. What looks like a daunting future to a 60 year old farmer may look like an opportunity to a 30 year old. Many young people think now is a good time to be starting – it can only get better! Working with a younger person can reinvigorate the older partner. There are possibilities for older farmers to build 15-20 year equity partnerships with younger people who want to get a start on their own account by using imaginative approaches to share farming and tenancy. The Fresh Start initiative is encouraging this. For example the Single Farm Payment can be kept as a pension for the older partner.
4. The Fresh Start Academy at Plumpton College in Sussex will provide courses for those who want to be new farmers. They will spend a day a month getting the extra knowledge they need to get more involved in the business side eg tenancy agreements, CVs, marketing, environmental schemes. There is also the possibility of setting up a similar facility in Dorset at Kingston Maurward College.
5. Fresh Start is building up a database to match incomers with older farmers.
6. We need to be more positive about the opportunities in farming to attract more high quality young people both as entrepreneurs, managers and workers. The rural environment and lifestyle, spending time with family, responsibility and challenge are all motivating factors which can be made more of.
7. Not all new-comers will be successful initially and there needs to be more of a culture that allows a first failure and encourages continued effort.
8. Do new entrants need an agriculture degree? It is more important to encourage business acumen, flair and entrepreneurship – technical skills can be got from elsewhere and will follow.
9. One of the biggest obstacles for young people is getting a track record. We need to involve young employees in business decision making and be able to ‘buffer’ farmers’ risk in letting young people have a go.
10. The National Sheep Association is looking to set up partnerships between Welsh Hill farmers and farmers in the Cotswolds to graze unprofitable farmland with sheep.

11. Affordable housing is a big problem for young people in the industry (not just farming people but those in ancillary industries too).
12. The Bath & West Society are running seminars with the Dept for Work and Pensions to get farmers to think about retirement issues. There is also to be a supplement in Farmers Weekly in the early summer looking at retirement issues.

Professionalism and Continuous Professional Development

1. Change is continuous so we need continuous learning so that farmers can meet all the new challenges which will keep coming up. But the right education courses are not always available. Training needs to focus on what you actually have to do on the farm – cross compliance, managing staff and employment and contract issues.
2. How could we find the top 20% of producers and get them to help the next 20-30% who will be interested in improving but might not quite have what it takes to do it on their own? That would be training!
3. A more professional industry would be more attractive to incomers. We need career structures. The pig industry has made a start with Agskills – includes awards – important for recognition of achievements.
4. Many farmers see a formal CPD scheme as just more paperwork but the next generation would be more supportive. Those promoting schemes should be patient and expect very slow growth in the early years.
5. We have greater change than ever before so we need flexibility to cope with new challenges. People will move in and out of the industry more.
6. New Zealand ‘Recognised Employers’ scheme and German ‘Master Farmers’ provide models.

Entrepreneurs - genes or environment?

1. “You can improve what’s there but it needs to be there.”
2. We get business acumen from our mentors.
3. What generations are brought up to matters. A couple of generations ago we knew where we were and there were long term objectives. Now it’s all more fluid but the younger generation have been brought up to cope with this. “We have a generation of people who are up for it.”
4. But employers need to encourage their employees and keep the buzz going.
5. Ability to recognise one’s own weaknesses is a most important attribute of business success. As an industry it’s a big problem.

Hill farming

1. Keeping cattle in the hills may become impossible and sheep will follow them off. Some farmers grazing grouse moors are considering going out of sheep because

they do not make money outside support. It was predicted that there would be no sheep on the central Lake District Fells in 5 years time. Once they went there would be a problem of losing skills. And the landscape will change. Heather would disappear and with it the grouse. Also tourists won't like a landscape dominated by Molinia and it will reduce biodiversity.

2. There are also changes in sheep breeds being used which will have an impact on landscape.
3. Talk and support for re-wilding land will encourage these trends. But tourists could blame farmers if they don't like their new wilder landscapes. They are unlikely to see re-wilding as good if it means they lose their well-worn footpaths.
4. Wildlife control - raptors – who will control burgeoning numbers? Also badgers?
5. Forestry has become regarded by policy makers as for public benefit not about growing trees for commercial markets. Farming could go the same way.
6. In the Marches and the SW upland farms are generally much smaller, many on better land and so can be farmed more intensively. Under the evolving support arrangements farm size and intensity will different problems to those being experienced by northern hill farmers.
7. There is disparity between upland and lowland criteria for environmental schemes which penalise upland farms. For example qualification points can be obtained for mixed grazing in the lowlands but not in the uplands. This seems to cut across policy to keep a balance of cattle of cattle and sheep in the hills and uplands.

Thanks are due to the following for their contributions to these workshops:

With the Royal Bath & West of England Society

John Alvis	David Harbottle	Katharine Sealy (DAAS & YFC)
Richard Butler	Ian Howie	John Thorley
Denis Chamberlain	Richard Knight	Thomas Wheatley-Hubbard
David Christensen	John Moverley	Edwin White
Andrew Clune (DAAS)	Mary Mead	
Ros Gough	Jerry Rider	
Jane Guise	John Rowe (DAAS)	

With the Suffolk Agricultural Association

Mike Alder	Lindsay Hargreaves	Jim Papworth
John Alvis	Richard Hirst	Antony Pemberton
Peter Bennett	Bruce Kerr	David Richardson
James Black	Tony Keene	Richard Rampton
Stephen Fletcher	Wendy Kent	Tony Worth
Andrew Green	Chris Older	

With the Westmorland County Agricultural Society

Peter Allen	Richard Geldard	Christine Knipe
John Alvis	John Harris	Alec Smith
Will Case	Joe Harris	Joe Walby
Roger Clutterbuck	Jeremy Hunt	Alastair Wannop
John Geldard	Mike Keeble	

Alan Spedding, 04 May 2006