

29th October 2020

Deputy K Morel
Chair, Economic and International Affairs Panel
Scrutiny Office
States Greffe
Morier House
St Helier

Dear Deputy Morel

Government Plan – Rural Economy Strategy

In the last 18 months there has been a sea change in the approach Government has taken when considering amendments to the Rural Economy Strategy. This time last year the whole industry was invited to meetings to engage with Government so that we are now being consulted for the next Rural Strategy. This has resulted in the farmers have input at the beginning of the process rather than halfway through it.

Funding

We appreciate that at last the funding given to the RES has started to increase. This is after nearly 25 years of continuous reductions.

In 2016, the OECD Produced Support as a percentage of gross farm receipts shows that for Europe this stands at 21% compared with 3% for Jersey. Figures now show that each person living in Europe contributes £100 per head to support agriculture whilst in Jersey it is only £10 per head.

Government has suddenly looked at the figures and realised that the statistics show the huge loss of active participants in the industry which has occurred over the past 20 years and this has been far greater than in our competitors' jurisdictions. In 2009 there were 96 farmers claiming for Single Area Payments and ten years later this had dropped to 41 claimants.

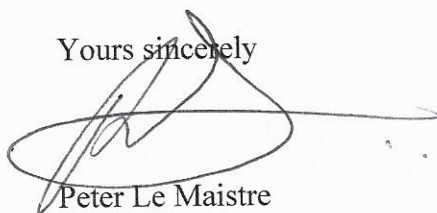
1. **Area payments** – the industry believes that the area payments should be maintained at this time. This gives a base subsidy for all growers which they can rely on and use in budget forecasts for their bank or anyone else who might require figures. It is still the system used in the EU.
2. **Public Goods** – this would be more in line with the funding in the rest of Europe. The agricultural industry needs to be involved in discussions about this in order to come to an agreed definition of public goods.
3. **Sustainable approaches** - The industry totally agrees with this measure and indeed was keen to push it in the last Rural Strategy. The benefits of all farmers and growers

becoming members of LEAF (Linking Environment and Farming) has proved to be a huge step forward for the reputation and provenance of agriculture in Jersey.

4. **Ecosystem Services** - Through their LEAF accreditation, some growers are using the services of local companies who specialise in ecological surveys, conservation land management, farm nature and landscape audits. This is one policy that is being developed at the moment.
5. **Water Plan** - In the last 6 years the success of the Action for Cleaner Water group means that a 10 – 15% reduction of nitrates in water has already been achieved with little or no funding. Of course, the working party is not only concerned with nitrogen but also phosphates which are now used very sparingly on potato crops and the number of breaches of pesticides has also reduced. The Government and the AFCW have published a revised Water Code which underpins the Water Management Orders that will come into force next year. These are a handy reference and by following these it will help ensure that we use best practice standards for certain activities, such as storage, application and management of fertilisers. The AFCW have introduced tighter controls for the use of pesticides in the sensitive catchments of Val de la Mare, Queen's Valley and Handois reservoirs, which again has had a positive effect.
6. **Productivity and Labour** - This an absolute priority for the short term as there are shortages of labour due to Brexit and the ever increasing move to a living wage. The industry needs substantial productivity funding to prepare itself for these two big challenges. Whilst the allocation of an extra £300,000 was a step forward for 2020, this is really quite a small drop in the ocean with the sort of monies that are needed to really cut back on labour. To put it in perspective, a single labour free grading line for one of the packhouses costs in the region of £300,000. A packhouse could need up to six of these grading lines, meaning an investment of £1.8 million
7. **Rural Services** – We agree with this policy but Government must recognise that most rural services are already being provided by the industry itself.
8. **Alternative Crops** - This is already being taken on board by individual companies but Government could provide some financial support to further encourage their development.
9. **Biodiversity and Natural Capital** - The Union agrees that protecting biodiversity and natural capital should be one of the main aims of the agricultural industry. The fact that all dairy farmers and all exporters of produce are members of LEAF means that this is something that is being achieved.

These are some of the views on the questions raised but of course we would be delighted to discuss them in further detail with the Panel.

Yours sincerely



Peter Le Maistre
President