

**Jersey Royal Company Limited**  
**Response to Rural Economy Strategy 2011-2015**  
**Issues and Options paper (Green Paper)**

**Business.** Within the rural economy, business matters should generally be the responsibility of commercial businesses and not the role of government. The less government interference there is with commercial business the better. The State should be realistic regarding prices and market expectations - not be featherbedding failing businesses as this is not a sustainable course of action.

State intervention leads to situations like that which existed in the time of States loans when the States chose which businesses would qualify for state support (as it does now with the RIS).

There are arguably still too many dairy herds for a 10 million litre milk market. Ideally, the industry should be encouraged to consolidate further before State funded financial support is made available. The key objective of the Dairy Industry should be to ensure that it can compete directly with imported milk.

Whilst being part of the overall plan, the dairy's planned export market is not guaranteed. It may be short-lived once supermarkets applying the inevitable pressure for more margin.

Rural Economic Strategy should concentrate principally on enabling the two core industries; Jersey Dairying and Jersey Potato.

It is worth noting that Albert Bartlett & Sons bid for control of the Jersey Royal brand is having a huge inflationary effect on land rentals.

### **Planning**

To date, the Planning Department appear to have done as much as possible to frustrate appropriate development in the agricultural industry. Included within the new RES should be a commitment to support **sustainable** developments.

### **New entrants and skill set**

Government should not set out to provide training for agricultural posts, anymore than it should become involved in training people in any other industry.

Tone of document is quite likely to give potential new entrants false hope of establishing a foothold within the agricultural industry.

### **Single Area Payment**

The SAP does not, in our experience, encourage market led diversification. It would probably be better to recognise it for what it is; a means of neutralizing the effect of EEC subsidies on our export products.

Whilst it could be argued that the SAP contributes to enabling farmers to pay higher land rents, if it were to be removed it would probably have a serious impact on the Rural Economy.

In a small island like Jersey, where information tends not to be kept sufficiently confidential, the mandatory submission of private accounts in order to qualify for receipt of the SAP serves very little purpose if any – unless the State wishes to re-indulge in the good old fashioned habit of skewing support in favour of ailing businesses.

### **Environment**

As Environmental Compliance is becoming ever more important, businesses should be compelled to meet certain standards or cease to operate. There are a number of recognised industry standards in existence and Jersey could adopt those suitable for the island without any unnecessary investment. Compliance could then be monitored independently at each businesses expense. Successful compliance would provide the qualification for SAP.

This would apply equally to both dairy and arable concerns.

The Jersey Royal Company's participation in 'Green waste disposal' actually helps keep T&TS costs to a minimum. Other forms of green waste disposal would be considerably more expensive if farmers refused to take it. It could not be made compulsory to take public waste, however, as some customers will not accept produce from fields where this has been used.

### **Rural Initiative Scheme**

The RIS has a tendency to distort the internal market, giving the Department discretion to allocate funds and therefore be potentially responsible for distorting the commercial environment. If a proposition is viable it should not require RIS – if it is not, it shouldn't be contemplated.

Schemes of this sort may lead to the use of facilities and land that inevitably create difficulties for other commercial users by denying their availability.

### **Countryside Renewal Scheme**

Another example of this is funding slurry stores through the CRS; this has prevented rationalisation of the dairy sector, allowing marginal businesses to keep farming.

Access to the countryside is not an issue as long as the public respect private property. Where payment is offered for access this is up to the individual concerned. It should never be compulsory.

Public demand for green fields influences political opinion as to how this is achieved – and is not necessarily a bad thing. Its value should be measured in terms of public good, rather than by any commercial yardstick.

### **Climate Change**

Once again, existing protocols and schemes could be used and audited independently - with results being linked to the SAP.

### **Market Support**

Market support provided by the States is negligible and spend on PR is now not of great consequence. JR's £20,000 contribution to Phipps for PR is not likely to continue in the long term. JR Co have now got own in house PR person. The States should stick to maintaining the PDO/Trademark.

### **Risk**

As with training and succession planning, risk management is a matter for those involved in the industry. It should not be a function of government.

### **Allotments**

Land potentially needed for allotments is negligible in the scheme of things.

### **Statutory Role**

The States should concentrate on its regulatory and statutory role. Advice should be outsourced to industry e.g. Jersey Milk should be advising producers on how to meet compliance to protect soil and water. We already have a water law to encourage compliance.

### **General**

First identify what government should and should not be doing.

Once this is done, take that which needs doing and do it as cheaply and effectively as possible.