

Rural Economy Strategy 2011-2015 White Paper



Sustaining and Growing The Rural Economy

Economic Development
Planning and Environment

States 
of Jersey

Contents

Foreword	vii
How to use this document	ix
Introduction	xii
Key sector analysis	xiv
Vision for the Rural Economy	xix
1 PROFIT	2
Measuring the contribution of the rural economy to Jersey	2
Rural Economy - links with Europe and the United Kingdom	3
Review of support payments and States of Jersey funding	4
Fisheries	20
Charges for States of Jersey services	24
Risk management tools	25
The need for research and development	25
2 PEOPLE	28
Rural skills, training, advice and education	28
Access to the countryside	29
Allotments	30
Community Agriculture	31
Nutrient budgeting and green waste compost	31
Climate change - mitigation and adaptation	32
Amenity value of the countryside	35
3 ENVIRONMENT	38
Biodiversity issues in the rural economy	38
Water issues	44
Livestock health planning	45
Agricultural industry planning needs	47
Rural Economy Strategy 2011-2015 Indicative Budget Forecast	54

Contents

Appendices

Abbreviations 57

Definitions 60

List of Respondents to the Rural Economy Strategy 2011-2015 Issues
& Options paper (Green Paper) 63

Contents

List of Policies

Policy PR 1 Performance indicators	3
Policy PR 2 Rural Economy - links with Europe and the United Kingdom	3
Policy PR 3 Links with the European and Mediterranean Plant Protection Organisation (EPPO)	4
Policy PR 4 Single Area Payment	6
Policy PR 5 Organic farming	7
Policy PR 6 Quality Milk Payment	9
Policy PR 7 Dairy services	10
Policy PR 8 Dairy Industry Costing Scheme (DICS)	11
Policy PR 9 Jersey Milk Marketing Board	12
Policy PR 10 Rural Initiative Scheme	14
Policy PR 11 Collaborating to develop local markets and address food security	16
Policy PR 12 Collaborating to develop local markets and address food security	16
Policy PR 13 Collaborating to develop local markets and address food security	16
Policy PR 14 Collaborating to develop local markets and address food security	16
Policy PR 15 Countryside Renewal Scheme development	17
Policy PR 16 Countryside Renewal Scheme development	18
Policy PR 17 Supporting business growth and development	18
Policy PR 18 Protecting the Jersey Brand	19
Policy PR 19 Protecting the Jersey Brand	19
Policy PR 20 Marketing Support for Jersey Produce	19
Policy PR 21 Capture fisheries	20
Policy PR 22 Capture fisheries	21
Policy PR 23 Aquaculture	22
Policy PR 24 Aquaculture	22
Policy PR 25 Aquaculture	22
Policy PR 26 Export of fish products	23
Policy PR 27 Export of fish products	23
Policy PR 28 Charges for States of Jersey services - Environmental/Island/Public Benefit	24
Policy PR 29 Charges for States of Jersey services - Statutory	24
Policy PR 30 Charges for States of Jersey services - Commercial/Private gain	25
Policy PR 31 Risk management tools	25
Policy PR 32 The need for research and development	26
Policy PE 1 Rural skills, training, advice and education	28
Policy PE 2 Rural skills, training, advice and education - Succession Planning	29
Policy PE 3 Access to the countryside	30
Policy PE 4 Allotments	30

Contents

Policy PE 5 Community Agriculture (CA) or Community Supported Agriculture (CSA)	31
Policy PE 6 Nutrient budgeting and green waste compost	32
Policy PE 7 Climate Change - mitigation and adaptation	33
Policy PE 8 Climate Change - mitigation and adaptation	33
Policy PE 9 Climate Change - mitigation and adaptation	34
Policy PE 10 Genetically Modified (GM) Organisms	35
Policy PE 11 Agri-tourism	36
Policy PE 12 Community Supported Agriculture (CSA) supporting agri -tourism	36
Policy E 1 Best practice in farming	39
Policy E 2 Codes of Good Agricultural and Environmental Practice	39
Policy E 3 Environment Plan	41
Policy E 4 Environment Plan - better targeting of grants	42
Policy E 5 Wildlife corridors	43
Policy E 6 Monitoring Changes in Biodiversity	43
Policy E 7 Jersey Biological Records Centre	44
Policy E 8 Tackling Diffuse Pollution from agricultural sources	44
Policy E 9 Farm health planning	46
Policy E 10 Improving livestock handling and animal welfare	46
Policy E 11 Disease free status and cattle exports	47
Policy E 12 Safeguarding the agricultural land bank - Maintenance of the Agricultural Land (Control of Sales and Leases) (Jersey) Law, 1974	49
Policy E 13 Safeguarding the agricultural land bank - Enforcement of the Agricultural Land (Control of Sales and Leases) (Jersey) Law, 1974	49
Policy E 14 Ensuring land is retained for commercial agriculture	49
Policy E 15 Safeguarding the agricultural land bank - Ensuring all land not subject to the Agricultural Land (Control of Sales and Leases) (Jersey) Law, 1974 is incorporated under the Law	49
Policy E 16 Land classification scheme	50
Policy E 17 New agricultural buildings	51
Policy E 18 Modern glasshouses	51
Policy E 19 Derelict or non-viable glasshouses	52

Contents

List of Figures

Figure 1 Freshly calved heifer.	xv
Figure 2 Planting Jersey Royal Potatoes by hand.	xvi
Figure 3 Spider Crab, Lobster and Brown Crab.	xvii
Figure 4 Me and the Farmer: Local businesses have benefitted from funding from the Rural Initiative Scheme.	14
Figure 5 Hedgerow creation under the Countryside Renewal Scheme.	17
Figure 6 Pacific Oyster aquaculture in the Royal Bay of Grouville.	21
Figure 7 Managed footpaths are both attractive and valued by the public.	35
Figure 8 An adequate supply of good quality water is essential for all.	45
Figure 9 Agricultural Land controlled under the Agricultural Land (Control of Sales and Leases) Law, 1974 from 2006-2009.	47
Figure 10 Rural Economy Strategy (indicative) Budget Forecast 2011-2015.	54

List of Tables

Table 1 Single Area Payment	5
Table 2 Dairy Industry Costing Scheme (2005-2009)	8
Table 3 Reduction of Quality Milk Payment from 2011-2019	9
Table 4 Rural Initiative Scheme grants 2006-2009	13

Foreword

Foreword

Foreword

An effective Rural Economy Strategy (RES) for Jersey must deliver a number of things. Firstly, the RES needs to enhance the economic, environmental and social value of the land in which the majority of rural economic activity is undertaken. It must also take into account the needs and requirements of those who use, live and work in the countryside: rural policy must continue to take full account of society's expectations.

Profitability is essential to all businesses. However, the RES must move away from simply gauging its success in terms of costs, output and income. Success needs to be based on increasing productivity in its broadest sense, with measures of environmental and social performance as well as financial indicators. As such, sustainable development in the countryside requires rural businesses and government to consider a 'triple bottom line' - ***profit, people and environment.***

Some believe that there is a conflict between rural economic growth and the environment. It is true that there is no such thing as 'no impact' economic activity and in order to secure ongoing public support, the rural sector needs to ensure that business continues to be serious about protecting our common environment.

Rural businesses are increasingly and rightly market focused. It is important for rural businesses to remain flexible, so that they can respond to financial pressures and the unpredictability of such markets, taking greater responsibility for their own destinies, through ensuring high standards in risk management, business administration and identifying and filling skills gaps.

This approach is central to the principle of shared responsibility in the rural economy and requires the States of Jersey and rural businesses to work together, on the understanding that government cannot provide for every eventuality. To achieve this, we must identify the specific needs and target limited public resources to areas where the rural sector can deliver the highest overall productivity and benefit to Jersey in the long-term.

Connétable Len Norman

Assistant Minister for Economic Development

Deputy Rob Duhamel

Assistant Minister for Planning and Environment

July 2010

How to use this document

How to use this document

How to use this document

It is not expected that everyone who wishes to comment on the review needs to read the entire document: you do not have to. You may respond to as many or as few of the policies as you wish, but we do want you to take part.

To help, the review has been separated into three sections; profit, people and the environment. Each section sets out policies which are highlighted and numbered so that they can be easily identified. However, they are not prioritised, listed in any particular order, or indeed viewed as comprehensive. As such you can suggest policies or comment on the ones presented.

Your comments and suggestions are needed and valued. This will ensure that the final Rural Economy Strategy (RES) includes the needs and concerns of everyone who has an interest in the countryside.

Making your comments

1. On-line

The easiest way to respond to this document is through the on-line version of the document available at: <http://consult.gov.je/portal/> where responses can be completed and submitted. We would encourage as many people as possible to use this way of responding to the proposals.

Strategy document

You can access the document via the web address above and can view and comment on all areas of the document or only those which you are interested in using the comments tabs provided.

2. In writing

You can also submit your comments in writing. If you wish to make a written representation we would ask you to please consider the following points:

- state whether you are 'objecting' or 'supporting' any particular policy or any other aspect of the review
- include your suggested changes and where appropriate state the relevant section or policy number
- outline why you consider your suggested changes to be necessary

Please submit your comments in writing to the address or via email (provided over the page).

How to use this document

Timescale

Consultation on this document is between Friday 23 July 2010 and Friday 3 September 2010.

Hard copies

Printed copies of the RES document are available from the States Bookshop Mourier House or the Environment Division at Howard Davis Farm, Trinity. Copies are also available at the Parish Halls, the Library, and the Customer Services Centre at Cyril Le Marquand House.

More information

Please remember the more responses we have then the more relevant the final strategy will be to the rural sector.

If you have any queries, or require further information, please contact the RES review team:

Rural Economy Section, Howard Davis Farm, La Route de la Trinite, Trinity, JE3 5JP.

email: resreview@gov.je or tel: 01534 441600

Public submissions

Please take into consideration that all comments submitted to States of Jersey public consultations may be made public. If you have a particular wish for confidentially please indicate this clearly when submitting a response.

Introduction

Introduction

Introduction

What is the Rural Economy Strategy?

The Rural Economy Strategy (RES) is a five-year strategy. It is designed to grow the rural economy in line with the objectives of the States Strategic Plan, whilst safeguarding Jersey's countryside, its character and the environment. The RES recognises that economic sustainability of the rural sector depends on also providing positive environmental and social benefits.

Why review the current Rural Economy Strategy?

The RES was adopted as States policy in June 2005 and implemented on 1st January 2006 for a 5 year period ending 31st December 2010. In the [RES 2005](#)⁽¹⁾, a commitment was given to review the RES over the course of 2009, with the view to bringing forward a new strategy for 2011-2015.

The review will help ensure that the changing needs and requirements of the Island's rural economy are reflected and accommodated.

Shaping the countryside

The Island's landscape has been formed by generations of farming. It is a landscape of cultural significance which helps support a richness and variety of wildlife that is not matched, area for area, anywhere in Europe and is rightly something to be proud of.

As such, Jersey's countryside is one of its prime assets. Successive tourism surveys have shown countryside quality to be a principle decision factor in choosing Jersey as a destination. Extensive evidence also exists to show that the appearance and ambiance of a location is a significant factor for locating businesses and attracting the quality of staff they need.

1 Rural Economy Strategy: Growing the Rural Economy, 2005. Economic Development and Planning and Environment Departments, States of Jersey.

Key sector analysis

Key sector analysis

Key sector analysis

Rural Economy

Rural Economy is defined as the cumulative revenues from business activity derived from the use of agricultural land and the countryside (i.e. businesses which derive their income from land dependent activity).

Dairy

For hundreds of years, the Jersey cow and associated dairy sector have been inextricably linked to the Island. The dairy food chain is still an important element of overall economic activity in Jersey today and also the presence of the dairy industry shapes the views and landscape of Jersey as we know it - being part of the 'DNA' of the Island.

In recent times, the dairy industry's profitability has been at an historic low, resulting in a low level of on-farm investment. In 2002, the dairy received £0.8m to restructure following the collapse of the mini pot market, resulting in massive over production. The restructuring involved the removal of 4.5 million litres of milk production and 1,071 cows from the Island herd. Despite this drop in numbers, the Island-wide subsidy for cattle farmers was maintained. This meant an increase in support levels per cow, however, the industry has continued to generate an historically low level of profitability.

The 2003 McQueen Report⁽²⁾ was commissioned by the States to undertake a strategic review of the industry and was instrumental to the development, by the industry, of the Dairy Industry Recovery Plan entitled the "Road Map to Recovery"⁽³⁾ which identified key work streams whereby both the [Jersey Milk Marketing Board](#)⁽⁴⁾ and the [Royal Jersey Agricultural and Horticultural Society](#)⁽⁵⁾ took the lead in delivering particular objectives, e.g. dairy relocation and importation of genetics.

Also adopted in that plan was the concept of an economically sustainable industry being one that achieved an average farm EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) of 20% of turnover, which at that time became the benchmark target accepted by industry and government.

2 McQueen, D. 2003. The Dairy Industry in Jersey: a Strategic Review

3 The Dairy Industry Recovery Plan: Road Map to Recovery. 2004, Jersey Milk Marketing Board.

4 <http://www.jerseydairy.je/home>

5 <http://www.royaljersey.co.uk>

Key sector analysis

In 2007, a further reduction of 500 cows (2 million litres) was undertaken by the industry to bring production in line with market demand. The current viability of the industry still relies on a high level of Government direct aid payments, the Jersey consumer paying a high price compared to the UK and maintenance of a [law](#)⁽⁶⁾ licensing the importation of liquid milk. Despite low returns, the adoption of the "Road Map to Recovery" has given a degree of optimism for the future, with solid plans in place for restructuring the industry into an efficient and profitable concern, which will benefit producers and consumers alike.

The relocation of the new, more efficient dairy operation to Howard Davis Farm, the ability to actively seek value added export markets for a range of premium Jersey products and efficiency improvements from imported genetics, brings the possibility of delivering greater returns to farms from the market for milk and milk products. However, it is accepted that building sustainable economic growth takes time and the efficiency improvements from imported genetics will not be fully recognised until 2018.



Figure 1 Freshly calved heifer.

The Jersey Dairy 5 Year Business Plan indicates that by 2011/12 EBITDA could reach 17% (assuming no changes to the current level of government support during this period). This support includes the Single Area Payment (SAP), Quality Milk Payment (QMP) and dairy services support.

Arable

The local arable industry has been heavily reliant on the Jersey Royal potato for much of living memory. Despite the recent decrease in areas planted, early Jersey plantings in 2009 were up 26% at 15,969 vergées, compared with the low point in 2007. This is the highest level since 2002 when 16,141 vergées were planted.

This increased demand for potato production has resulted in strong competition for land, which has driven up both the sale and rental value per vergée and consequently has stifled some of the diversification which was starting to occur from 2007.

The dependence on a single crop, albeit with a strong brand image, creates a problem in other areas, such as continuous cropping. This can lead to a build up of pests and diseases, reduces diversity and more importantly, should there be a crop or market failure, there is no fall back position or alternative crop to minimise the risk and the impact on grower profitability.

Key sector analysis

This reliance on a single crop is also affected by the reduced number of pesticides available, following the EU review of active ingredients and is highlighted by the reduction in herbicides available. The permitted herbicides have serious consequences for the following crops and have an impact on Jersey's limited rotation whereby Jersey Royal potatoes are grown annually followed by either, vegetables, maize or cereals in the same year.



Figure 2 Planting Jersey Royal Potatoes by hand.

Small fields, hand planting and being an Island community means that production costs and imported materials are higher than the competition (Harbour dues, freight costs, economies of scale etc). Being an Island requires the farming to be of a particularly high standard to protect our limited natural resources and limit the impact caused by fertilisers and pesticides on our water supply.

However, The Jersey Royal potato remains the backbone of the arable industry, with the potato protected from foreign imitation, through the granting of a Protected Designation of Origin (PDO) and Certification Mark in 1996. Both the Jersey Royal (Logo) & Jersey Royal/ Jersey Royals (words) were registered as both a certification mark and an ordinary trade mark in 2002.

Other agricultural activities

Recently, increased competition for land as a result of competition within the private sector has raised issues around land controls, agricultural land and how 'agriculture' is defined.

In Jersey, agricultural land is defined as land being capable of use for agriculture. Of all land, only about 50% falls under the [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#), which conditions and regulates land use, effectively protecting the agricultural land bank. For land that is not subject to the Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974, there is no control on this other than planning laws.

Currently, the main issue surrounding land control is the loss of land to commercial horse liverys and orchards. However, in Jersey, these are recognised in law, as bona fide agricultural activities. The Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974 does protect land in Jersey for agriculture, but it does not protect land for specific sectors of agriculture.

To use the law to protect specific sector of the agriculture industry could be seen as government interference within the market place. However, it is vital that planning and land control remain flexible enough to allow the industry to adapt to the needs of their customers in order to remain competitive.

Key sector analysis

Fisheries

In recent years, the local fishing industry has remained stable with no stock collapses. Industry strength can be measured through catch per unit effort, which shows year to year variability.

In 2009, the number of Jersey licensed fishing vessels levelled off at 164 after declining each year since licensing began in 1997. Although vessel numbers remained static, the number of pots worked decreased to the lowest number recorded (22,284 pots). This was offset in part by an increase in whelk pots.



Figure 3 Spider Crab, Lobster and Brown Crab.

While crustacean pot numbers fell, the tonnage of lobster caught peaked at 176 tonnes (the highest tonnage recorded). Crab landings dipped to a substantially lower level than in 2008. Total shellfish landings were down by 19%, by weight, but within this effort was focused towards higher value species, resulting in an overall 2.3% increase in the value of the shellfish landed.

Overall, wet fish landings decreased by 54%. This drop is in part due to the largest wet fish vessels working outside of Jersey's Territorial Waters and landing elsewhere. The reported landings of seabass were down across all vessel sizes of the fleet.

Aquaculture production continued its upward trend with an increase of just over 5% to top the 1000 tonnes mark. This was primarily led by an increase in Pacific Oyster production. Parts of this sector are still struggling with export and local shore based infrastructure issues. Further to this the industry was beset with oyster mortality problems that have dogged production in France. These issues will make the continued progress of the aquaculture sector more challenging.

Research and monitoring of important stocks continues on whelk, lobster, ormer and ray species. Monitoring of stocks is a vital activity as it provides important data for the determination of conservation and management needs, and how they may be achieved. The work on lobsters showed improved catch per unit effort (CPUE) levels in 2009, however, the whelk study suggested that even fewer juveniles are coming through, giving cause for concern for the future of this stock.

Dialogue between Jersey and French fishermen and administrators, continues through the Granville Bay Treaty meetings which provide a platform for agreeing fisheries issues in jointly fished waters.

Vision for the Rural Economy

Vision for the Rural Economy

Vision for the Rural Economy

The work of the Rural Economy Strategy review has been guided by a long-term vision for the rural economy in Jersey. We imagine:

1. A profitable farming, fisheries and food sector, that values skills development, can compete in international markets and that values its role as a steward of the environment, providing a good standard of living and opportunities where new entrants can build a career.
2. That through cooperation and collaboration, rural businesses have invested beyond the farm gate, receiving a fair return for the food that they produce.
3. Good communication throughout the food chain, where production, processing and marketing are integrated, operating to high environmental standards, focused to meet consumers demands and with a higher proportion of local produce finding its way into the retail food supply chain.
4. Rural businesses will continue to receive payment from the Government, but only for public goods and services that the public wants and needs. With farmers and landowners being rewarded for planning to deliver good land and environmental management and for providing an attractive countryside.
5. Some diversification in the rural economy beyond food production, but that land and expertise remain available if greater quantities of Jersey-produced food are suddenly needed.
6. The States of Jersey's relationship with the rural economy involves moving away from measures that distort markets towards facilitating and enabling business decisions and removing barriers to productivity.
7. The States of Jersey continues to have a role in creating a market for environmental goods and is responsible for food safety, animal welfare and environmental protection - wherever this is possible, as a facilitator not a regulator.

Vision for the Rural Economy

PROFIT

1 PROFIT

1 PROFIT

Measuring the contribution of the rural economy to Jersey

Performance Indicators

1.1 A simple measure of the contribution the rural sector makes, in terms of Gross Value Added (GVA) to the economy as a whole, does not take into account the specific social and environmental costs and benefits of economic activity in the countryside.

1.2 '[The State of Jersey - A report on the Condition of Jersey's Environment](#),⁽⁷⁾ released in January 2005, set a baseline against which to measure progress on the implementation of a wide range of policies and legislation in place, to look after the environment. The report identified twelve social and environmental considerations:

- Climate change
- Air Quality
- Globally important biodiversity
- Land use patterns
- Contaminated land
- Freshwater quality and availability
- Marine water quality
- Waste management
- Local biodiversity
- Land management regimes
- Key biological populations
- Quality of life for Islanders

1.3 Activities in the rural economy have the potential to impact on all twelve of these environmental perspectives. Each is closely monitored through a system of 40 environment indicators, which were identified on the basis of the pressure and impact of human activity on the environment as agreed in 2005. As well as annual monitoring of these indicators, a complete review of '[The State of Jersey, 2005](#)',⁽⁸⁾ will be conducted in 2010/11.

7 The State of Jersey: a Report on the Condition of Jersey's Environment. Environment and Public Services Committee, 2005. States of Jersey

8 The State of Jersey: a Report on the Condition of Jersey's Environment. Environment and Public Services Committee, 2005. States of Jersey

Policy PR 1

Performance indicators

States of Jersey to ensure that environmental indicators are reviewed and developed to reflect the current impacts of the rural economy on the environment as part of the review of '[The State of Jersey, 2005](#)'⁽⁹⁾ which will be conducted in 2010/11.

Rural Economy - links with Europe and the United Kingdom

1.4 Jersey is neither part of the UK or of the European Union, although it does have a 'relationship' with the EU which is governed by [Protocol 3 to the UK's Act of Accession 1972](#)⁽¹⁰⁾. This means that although Jersey remains outside the EU and consequently, the [Common Agricultural Policy](#)⁽¹¹⁾, the Island is considered as inside in relation to trade in goods. This will most likely have impacts on the rural economy in the following areas:

- Trade in agricultural products
- Veterinary legislation
- Animal health legislation
- Plant health legislation
- Marketing of seeds and seedlings
- Food legislation
- Feeding stuffs legislation
- Quality and Marketing standards

Policy PR 2

Rural Economy - links with Europe and the United Kingdom

Rural Economy officers to be represented at a newly formed, cross-governmental, Jersey-Brussels Group, that will consider:

- Strengthening representation in Brussels
- Improving coordination on EU matters in Jersey
- Protocol 3 Compliance
- Future options and opportunities for Jersey and Europe

9 The State of Jersey: a Report on the Condition of Jersey's Environment. Environment and Public Services Committee, 2005. States of Jersey

10 http://www.opsi.gov.uk/acts/acts1972/ukpga_19720068_en_1

11 http://europa.eu/legislation_summaries/agriculture/general_framework/index_en.htm

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The European and Mediterranean Plant Protection Organisation ([EPPO](#))⁽¹²⁾

1.5 The European and Mediterranean Plant Protection Organisation (EPPO) is an intergovernmental organisation responsible for European cooperation in plant protection in the European and Mediterranean region. Under the International Plant Protection Convention (IPPC), EPPO is the regional plant protection organisation (RPPO) for Europe.

1.6 Founded in 1951, EPPO has grown from 15 original members to 50 member countries, including Jersey and nearly every country in the European and Mediterranean region.

1.7 EPPO serves a valuable source of technical information and training, particularly in recognition, control and eradication of key pests. It also coordinates expert monitoring and early warning systems for potentially devastating controlled organisms.

1.8 An excellent example is the annual Colorado Beetle Campaign, designed to protect Jersey's £25 million potato export industry from the threat of this pest establishing in the Island. The Campaign is a cooperative effort between Jersey, Guernsey, France and the UK.

1.9 Without EPPO membership, Jersey could be considered a 'Third Country' and as such, would have stringent export conditions placed on produce bound for the UK or France, and would also be threatened by the establishment of Colorado Beetle.

Policy PR 3

Links with the European and Mediterranean Plant Protection Organisation (EPPO)

States of Jersey should remain a member of the European Plant Protection Organisation in order to receive the benefits of membership.

Review of support payments and States of Jersey funding

1.10 The [Rural Economy Strategy, 2005](#) contained key areas of support that included:

- The [Single Area Payment](#)⁽¹³⁾
- The Quality Milk Payment

12 <http://www.eppo.org/>

13 <http://www.gov.je/Benefits/Grants/IndustryGrants/Pages/SingleAreaPayment.aspx>

- The [Rural Initiative Scheme](#)⁽¹⁴⁾
- The [Countryside Renewal Scheme](#)⁽¹⁵⁾
- [Jersey Enterprise](#) grants⁽¹⁶⁾
- Marketing support for Jersey products⁽¹⁷⁾

Single Area Payment

1.11 The [Single Area Payment](#) (SAP) underpins farming activity in Jersey and ensures that the unique character of the countryside is maintained, by purchasing public goods and services. It replaced production led subsidies, decoupling production from subsidy, to discourage crops being grown for the subsidy they received. In this way, SAP continues to encourage market led diversification into crops and livestock, some of which previously received no subsidy.

1.12 The SAP is comparable with area payments under the Single Payment Scheme (SPS) within the United Kingdom.

YEAR	NUMBER OF APPLICANTS	RATE PAID PER VERGEE (£)	RATE PAID PER HECTARE (£)	TOTAL PAID (£)
2006	101	35	195	963,914
2007	104	36	200	989,893
2008	102	37	206	973,692
2009	96	37	206	1,012,440

Table 1 Single Area Payment

1.13 The receipt of the SAP is conditional (i.e. if payment conditions are not met applicants may receive a reduced payment or even lose the SAP entirely) on farmers meeting certain standards and levels of environmental performance (known as cross compliance), including relevant legislation, Codes of Good Agricultural and Environmental Practice (CGAEP), the provision of annual financial returns and the submission of an annual Farm Manure and Waste Management Plan.

1.14 The aim of the SAP therefore is to:

- Purchase, on behalf of the public, a baseline level of environmental protection for soil, water and key habitats
- Underpin a minimum level of agricultural activity, in recognition that the way the rural landscape and countryside looks is in large part a by-product of

14 <http://www.gov.je/Benefits/Grants/IndustryGrants/Pages/RuralInitiativeScheme.aspx>

15 <http://www.gov.je/Benefits/Grants/Environmental/Pages/CountrysideRenewalFunding.aspx>

16 <http://enterprise.jersey.com>

17 <http://www.genuinejersey.com>

1 PROFIT

farming activity and that there would be a higher cost in providing this benefit by other means

- Encourage farmers to produce products that are required by the market and in so doing so, reduce the need for public support
- Provide an area payment that is similar to that received by EU and UK farmers, so that Jersey farmers are not put at a competitive disadvantage in their export markets

Policy PR 4

Single Area Payment

States of Jersey to extend cross compliance measures to include the requirement to produce an Environment Plan. In addition, States of Jersey to compare rural sector funding in Jersey with support available within the EU. This will include a review of:

- The rationale and benefits of a Single Area Payment in Jersey
- Options for modulation of area payments into broader rural development measures
- Levels of environmental compliance
- Industry assurance schemes to audit levels of environmental performance with a view to, where possible, avoiding duplication in the Environment Plan

Organic farming

1.15 Organic farming has an important contribution to make alongside other sustainable farming methods, as it seeks to work with natural processes, instead of controlling them to achieve a sustainable production system with limited use of external inputs. The potential for pollution and other environmental damage is lessened, as organic farming avoids the use of artificial fertilisers and synthetic pesticides. It instead emphasises the role of crop rotation, in helping to maintain soil fertility and to combat pests and disease problems, and relies on the use of fertility building crops and natural fertilisers, such as animal manures.

1.16 There is some evidence from the UK, and elsewhere, that organic farming is good for certain wildlife and may address some of the reasons for declines in some species, although no specific evidence exists for Jersey.

Policy PR 5

Organic farming

States of Jersey to undertake an analysis of the benefits of organic farming in Jersey and to subsequently, review levels of support and mechanisms to encourage greater market focus. In the interim, components in the Countryside Renewal Scheme will be retained and the Rural Initiative Scheme will continue to provide support for market research and business innovation in the organic sector.

Quality Milk Payment

1.17 The Quality Milk Payment (QMP) is designed to provide additional temporary financial support to the dairy industry, in response to low levels of profitability. The need for the QMP was also justified in recognition of the importance of iconic grazing animals to the landscape and the historical and social importance of the Jersey cow to the Island. The 2005 McQueen report ⁽¹⁸⁾, together with the industry's Woodacre Report ⁽¹⁹⁾, prompted the Jersey Milk Marketing Board (JMMB) to formulate and implement the "Road Map to Recovery"⁽²⁰⁾ (endorsed by the Promar Report ⁽²¹⁾ and the Corporate Services Scrutiny Panel) which required the following:

- Use the asset value of the Five Oaks Dairy to build a new, efficient dairy and reduce debt
- Bring milk supply in line with market demand
- Improve on farm efficiency and profitability (mainly through the importation of bovine semen)
- Turn milk supplies that exceed the requirements of the liquid milk market into profitable high value export products, such as cream, cheese and skimmed milk

1.18 In recognition that the industry recovery plan would take time to deliver the above benefits, the [Rural Economy Strategy, 2005](#) set the QMP at approximately £195 per cow from 2005 to 2007 and then proposed a slow reduction to £155 per cow by 2010, as the benefits of new genetics and the new dairy became available

18 McQueen, D. 2005. Review of Jersey legislation relevant to trade in the dairy and livestock sectors and related control issues.

19 Woodacre, B. 2003. Dairy Industry Profitability.

20 The Dairy Industry Recovery Plan: Road Map to Recovery. 2004, Jersey Milk Marketing Board.

21 [Promar International, 2006. A Sustainable Dairy Industry in Jersey. Report prepared for the States of Jersey.](#)

1 PROFIT

to the industry. Due to delays in processing the [legislation](#)⁽²²⁾ to allow the importation of bovine semen and in building the new dairy at Howard Davis Farm, it has become necessary to maintain QMP at approximately £180 per cow from 2008 to 2010 because of continued low profitability in the industry (see Table 2).

MILK YEAR ⁽²³⁾	AVERAGE EBITDA ⁽²⁴⁾ %	AVERAGE EBITDA £ PER COW	AVERAGE EBITDA £ PER FARM
2004/5	9.6	171	23,738
2005/6	8.6	155	21,429
2006/7	7.9	140	20,417
2007/8	4.1	68	10,748
2008/9	6.2	124	19,891
2009/10	5.9	123	19,557

Table 2 Dairy Industry Costing Scheme (2005-2009)

NB. The industry Woodacre Report set a target EBITDA for dairy farms of 20% per annum as being necessary to allow for capital repayment and future dairy farm reinvestment.

1.19 In 2010, all the elements of the 'Road Map to Recovery' have been put in place, with the new Dairy Industry 5-year Plan, predicting significant improvements in profitability, with optimism concerning the export trade for livestock and added value milk products to the UK.

1.20 Imported pure Jersey bull semen has been widely used, with the first calves being born in June 2009. These calves will not enter the dairy herds until 2011 and the full effects of semen importation will not be fully apparent until 2018. In short, the dairy industry has turned the corner and is now looking forward to a sustainable and profitable future.

22 Artificial Insemination of Domestic Animals (Bovine Semen) (Jersey) Order 2008

24 EBITDA = Earnings Before Interest, Tax, Depreciation & Amortisation

23 Annual Milk Year runs from 1st April to 31st March

Policy PR 6

Quality Milk Payment

The following Quality Milk Payment support levels are proposed for the Rural Economy Strategy 2011 to 2015:

- Maintenance of the current Quality Milk Payment support level (£180 per cow per annum) for a two year period 2011 to 2012
- A reduction in Quality Milk Payment support level by 10% in 2013 (representing a roll-up of the 2, 3 and 5% Comprehensive Spending Review reductions for 2011, 2012 and 2013)
- A further reduction in Quality Milk Payment of 15% per annum from 2014 to 2018, with the complete removal of Quality Milk Payment by 2019, this date being 10 years after the importation of international bull semen, when its full effects should have been realised
- Total Quality Milk Payment annual support 2011 to 2018 to be calculated on the number of cows held in each herd in 2008 (approximately 3,075 cows). This base year will exclude any increased cow numbers that may be required to provide the growth in milk supply for the dairy product export market
- Reductions in Quality Milk Payment, will be re-directed into rural development activity (e.g. Rural Initiative Scheme)
- To safeguard the Jersey cow in her Island home the receipt of Quality Milk Payment to be limited to those herds which register their milking cows in the pedigree Jersey herd book administered by the [Royal Jersey Agricultural and Horticultural Society](#)⁽²⁵⁾
- Quality Milk Payment conditionality to be based on dairy hygiene inspections, animal welfare requirements, efficient use of animal manures and the production of an Environment Plan
- Dairy industry will be required to provide independent evidence of appropriate cost control mechanisms

YEAR	PER ANNUM REDUCTION % ⁽²⁶⁾	QMP £ VALUE PER COW
2011	0	180
2012	0	180
2013	10	162
2014	15	135

25 <http://www.royaljersey.co.uk>

26 Percentage reduction calculated on 2011 Quality Milk Payment

1 PROFIT

YEAR	PER ANNUM REDUCTION % ⁽²⁶⁾	QMP £ VALUE PER COW
2015	15	108
2016	15	81
2017	15	54
2018	15	27
2019	15	0

Table 3 Reduction of Quality Milk Payment from 2011-2019

Dairy Services

1.21 In 2010, the Economic Development Department (EDD) agreed a Service Level Agreement (SLA) with the Royal Jersey Agricultural and Horticultural Society (RJA&HS) for the provision of an artificial insemination, bull proving and milk recording service to the dairy industry. This contract runs for four years with an annual budget of £233,000 in 2010 rising to approximately £250,000 in 2013.

1.22 The SLA recognises that the above services are a vital part of a modern dairy industry and that dairy farmers' current profitability would be compromised by full cost recovery. In addition, to operate the service, the RJA&HS have been obliged to employ staff on fixed term contracts in order to attract people with appropriate skills.

1.23 In future, demand for these services is set to diminish as businesses acquire the skills to undertake their own breeding and recording needs. It is clear that there will come a time when demand for a central dairy services provision will reduce to a level where the cost of maintaining it will not be justified.

Policy PR 7

Dairy services

States of Jersey to discontinue public support for artificial insemination, bull proving and milk recording services beyond 2013.

Dairy Industry Costing Scheme (DICS)

1.24 The Dairy Industry Costing Scheme (DICS) is operated under a three year SLA agreed between EDD and the JMMB signed in 2008. The terms of this agreement include a grant of £9,000 per annum to assist the JMMB in employing a qualified farm secretary to collect, input and maintain financial information for farmers supplying milk to Jersey Dairy.

1.25 The above information is held on a computerised recording system and made available confidentially, via a web link, to an EDD officer to enable up-to-date financial information to be compiled for individual farmers, industry representatives and States Departments.

Policy PR 8

Dairy Industry Costing Scheme (DICS)

The Service Level Agreement agreed with the Jersey Milk Marketing Board finishes on the 31st March 2011 and it is proposed that a new Service Level Agreement is agreed for 2012 to 2014, in order to allow both the industry and Government to monitor dairy industry profitability.

Jersey Milk Marketing Board⁽²⁷⁾

1.26 The Jersey Milk Marketing Board (JMMB) was established in 1954. Since that time, much has changed, both in and off the Island. In the mid 1950s there were some 1,000 dairy holdings, compared to 29 working dairy farms today. On a wider basis, national marketing boards have been disbanded across the world, as a result of being seen as anti-competitive and favouring the producer rather than the consumer.

1.27 All milk producers in Jersey are currently under an obligation to supply their milk to the JMMB, which is considered to be inconsistent with competition legislation.

27 <http://www.jerseydairy.je/home>

1 PROFIT

Policy PR 9

Jersey Milk Marketing Board

A statutory reorganisation of the Jersey Milk Marketing Board is intended to address the conflict which exists between the legislation under which the Jersey Milk Marketing Board was created in 1954, and the [Competition \(Jersey\) Law 2005](#).

Rural Initiative Scheme (RIS)

1.28 The Rural Initiative Scheme (RIS) is designed to promote growth in the rural economy by supporting diversification, enterprise, energy efficiency and innovation. Prior to 2005 there had been a decline in agricultural land use and land rental values and the profitability of the entire agricultural industry was at a low level. Even the potato industry was going through a fundamental restructuring programme which saw the emergence of one dominant marketing group and many smaller businesses leaving the industry.

1.29 New ventures were envisaged to be essential in reversing the above decline in land use. It was clear then, that agricultural businesses trying to diversify would:

- pose a high investment risk when seeking bank loans
- be carrying a high level of debt owing to poor profitability levels
- lack sufficient equity against which to secure borrowing

1.30 RIS support for new business innovations was/is based on approved business plans which demonstrate that new and existing businesses will:

- Develop new markets and services
- Add value and reduce costs
- Improve productivity
- Enhance employment and improve skills
- Not displace existing Jersey businesses
- Not have an adverse impact on the environment

PROFIT

YEAR	APPLICATIONS RECEIVED	APPLICATIONS APPROVED	GRANT AWARDED (£)	APPLICATIONS CLAIMED	GRANT CLAIMED (£)
2006	55	35	311,364.46	21	273,856.14
2007	32	20	102,309.25	9	83,423.10
2008	23	17	288,943.01	15	245,163.46
2009	31	16	243,770.14	13	228,820.48
TOTAL	141	88 (62.4%)	£946,386.86	58 (41.13%)	£831,263.18

Table 4 Rural Initiative Scheme grants 2006-2009

1.31 The range of ventures in receipt of RIS grants include:

- Costs of researching new opportunities
- Promotional activities including Chelsea Flower Show/Fish Festival etc.
- Marketing and packaging of local products
- Precision equipment for new and existing crops
- Equipment to enable local meats, fruit and vegetables to be used in value added products
- Processing facilities for the local fishing industry
- Processing equipment for small and large scale dairy businesses
- Facilities to reduce the energy and production costs involved in crop drying and storage
- Green energy generation equipment
- Development of the local honey bee industry
- Help with start up costs for other new entrants to the agricultural industry

1.32 The effect of RIS grants on the 58 applicants receiving monies from 2006 to 2009 has been monitored. Of the ten funded research projects three have progressed to an enterprise grant and one to an industry-wide grant, two are still ongoing with the remaining three proving unviable. Of the remaining 48 supported projects, over 80% have proved successful in delivering their business plans, significantly contributing to growth in the rural economy over the course of the RES 2006-2010.

1 PROFIT



Figure 4 Me and the Farmer: Local businesses have benefitted from funding from the Rural Initiative Scheme.

1.33 Over the past two years private investments of over £20m have been made towards potato grading, packing and marketing facilities, a new dairy at Howard Davis Farm and other small business developments. This has transformed the demand for agricultural land with competition increasing rental values to very high levels leading to concerns over the maintenance and diminishing size of the agricultural land bank.

1.34 Today, the rural sector is facing new challenges including:

Climate change mitigation and adaptation. This requires investment in energy generation (anaerobic digestion),

- energy efficiency, fossil fuel reduction, machinery and equipment replacement and greenhouse gas reduction measures
- The need for the fishing industry to develop higher value export markets and processed products, the use of sustainable fishing gear, fresh water aquaculture, processing facilities and marine based tourism activities
- A growing world population requiring greater yields and reduced food waste
- Organic farming businesses need to become more market focused and reduce their reliance on States production subsidies
- The cattle, sheep, pig and horse industries need to develop co-ordinated disease strategies to enhance animal health and welfare including bio-security measures and safe animal handling facilities
- Research and development to combat crop pests and diseases and meet increased due diligence and traceability requirements
- The need for business and environmental risk management strategies
- Identification of training and skill requirements to meet future business needs, such as cattle breeding and milk recording

1.35 There is a need to support measures that continue to encourage entrepreneurial activity, economic growth, new ideas and allow rural businesses to respond to the current environmental and economic challenges.

Policy PR 10

Rural Initiative Scheme

It is proposed that the Rural Initiative Scheme is developed to take account of the new challenges facing the rural economy, including the provision for the development of new markets, vocational training and grants to promote the development of best practice.

An annual report will be made public detailing approved RIS initiatives and the support that they receive.

Collaborating to develop local markets and address food security

1.36 The world's population is set to grow from 6.7 to 9.2 billion by 2050⁽²⁸⁾, with a predicted need to double food production by that date. This food has to be produced by increases in yields and the reduction in waste as there is a finite area of agricultural land. The UK's Chief Scientific Advisor believes that food security will present significant future challenges. Jersey is potentially vulnerable to supply shocks and higher prices as energy and shipping costs increase and will not be isolated from the effects of global shortages.

1.37 The majority of the Island's produce is exported to mainland UK, with only a small proportion of local produce available locally⁽²⁹⁾. Single Area Payment returns indicate that farm produce sold for local consumption was worth £20.3 m (2008), representing some 18% of local Jersey sales.

1.38 The Jersey Household Expenditure Survey (HES)⁽³⁰⁾ demonstrates the potential opportunities that exist in the Jersey market place. For example, expenditure per household on poultry, beef and pork amounts to £2.00, £1.90 and £1.00 per week respectively that equates to an annual spend of £3.7 million on poultry, £3.5 million on beef and £1.9 million on pork, of which very little of this meat is produced in Jersey. Therefore, a high quality abattoir service which meets internationally recognised regulatory requirements for slaughtering livestock for human consumption is vital, if the markets for locally produced meat are to be optimised, but is also an essential requisite to realise EU export markets.

1.39 Striving for self-sufficiency in food in Jersey is unrealistic under existing consumption patterns, in an era in which we import food from around the globe, especially so on an Island where needs will fluctuate over time. However, there is a need to understand levels of demand for local food. There needs to be a stronger alliance between Government and market suppliers, consolidating the supply chain, bringing businesses together from different parts of the food chain in Jersey. This will allow businesses to work more collaboratively, ensuring that they collectively satisfy consumer demands and that every business involved from farm to point of sale has this as their objective. Such a partnership approach would improve relationships, improve transparency, take out cost, build trust and ultimately generate untapped value at that part of the chain where farming and food businesses meet.

28 [United Nations, 2007. World Population prospects: The 2006 Revision, Executive Summary.](#)

29 [Comparison of Food Prices in Jersey and the United Kingdom, 2005. Jersey Competition Regulatory Authority](#)

30 [Jersey Household Expenditure Survey, 2004/5. Statistics Unit, States of Jersey.](#)

1

PROFIT

Policy PR 11

Collaborating to develop local markets and address food security

The Rural Initiative Scheme will continue to support the applications for research and development into innovative and more efficient production techniques and the development of new markets.

Policy PR 12

Collaborating to develop local markets and address food security

States of Jersey to conduct a processing infrastructure survey to identify future opportunities and investment requirements to encourage the reduction in usable waste e.g. using meat or vegetables not suitable for export for processed products and encouraging the production of a wider range of demand driven food crops.

Policy PR 13

Collaborating to develop local markets and address food security

States of Jersey to commit to supporting the provision of a high quality abattoir. The interface between users of the abattoir service and the States of Jersey, as the operator, will continue to be developed through the recently formed Abattoir Users Group.

Policy PR 14

Collaborating to develop local markets and address food security

States of Jersey to establish and provide the secretariat for a Jersey Food and Farming Partnership (JF&FP), bringing together the business support services provided by Rural Economy, Jersey Enterprise and Genuine Jersey/Jersey Product Promotion Limited, together with those businesses which market and produce food in Jersey.

Countryside Renewal Scheme

1.40 The aim of the Countryside Renewal Scheme (CRS) is to conserve and enhance the environment and landscape of Jersey. In particular, it is there to support the maintenance and improvement of biodiversity, reduce pollution, promote environmentally sustainable farming and improve access to the countryside. The scheme was launched in the spring of 2005 and offers grants to support voluntary environmental projects.

1.41 The scheme includes a range of specific activities, such as the provision of footpaths, planting hedges, managing grassland and heathland to promote biodiversity, as well as building new slurry stores to help prevent diffuse pollution. Applicants are also able to propose their own ideas, through the 'special project' option.



Figure 5 Hedgerow creation under the Countryside Renewal Scheme.

1.42 Environmental monitoring is fundamental in measuring the success and impact of the scheme. The success of CRS is assessed as part of the 'State of Jersey' monitoring programme. The most appropriate indicators to monitor land use changes and land management regimes under CRS have been identified, in order monitor the status, distribution, abundance and changes over time, of key groups of species, across a variety of habitats Island-wide.

1.43 The Environment Department is committed to reporting back in 2011, to determine environmental trends, so Jersey can prioritise its actions in order to maintain and improve the quality of Jersey's countryside.

Policy PR 15

Countryside Renewal Scheme development

The Countryside Renewal Scheme has now been running for five years and during 2010/11, the scheme will be reviewed in detail, covering all aspects of design, content, delivery and monitoring. In particular, the review will ensure that grants are targeted towards enhancement measures identified by the Environment Plans, States of Jersey strategic plans (e.g. Biodiversity Strategy, Energy Policy) and are consistent with the delivery of international obligations under Jersey's existing suite of Multilateral Environmental Agreements (MEAs).

1 PROFIT

Policy PR 16

Countryside Renewal Scheme development

The Countryside Renewal Scheme will provide new components for encouraging the development of local businesses to provide independent advice, training and contract services in relation to CRS applications. Some research, auditing and monitoring work could also be undertaken by such businesses, either as a service provided for an applicant or under a States of Jersey contract. There is a clearly identified opportunity for the development of local advisory expertise in this area.

In addition, the CRS will identify specific countryside enhancement projects that could be put out to tender, to create a market for the delivery of environmental goods and services and encourage the development of a local rural knowledge economy.

Supporting business growth and development

1.44 The Rural Economy Section and [Jersey Enterprise](#) both provide advice and support for business growth and development. The Rural Initiative Scheme (RIS) targets the rural economy, whilst Jersey Enterprise focuses on providing support to small and medium sized businesses in all sectors, save the finance industry. Both the RIS and the Jersey Enterprise grants are funded by the Economic Development Department with some level of overlap in objectives and delivery with regard to the rural sector.

Policy PR 17

Supporting business growth and development

States of Jersey to review its business advice and grant provision models, in order to identify how the Rural Economy Section and Jersey Enterprise can deliver the most efficient and integrated service to the rural sector, as part of the development of the new five year Enterprise and Business Development Strategy 2011-2015.

Protecting the Jersey brand

1.45 Due to the Protected Designation of Origin (PDO) and Certification Marks, only Jersey Royal potatoes grown in Jersey can be sold as a Jersey Royals within Europe. Nevertheless, there is a risk to the Jersey Royal brand, as a result of recent

applications to register names such as Cornish, Suffolk and Ayrshire Royals. The States of Jersey and the industry have invested a great deal of time and money to develop the brand image and this investment needs to be protected and where possible, advantage taken of market support from the EU for the promotion of the PDO.

Policy PR 18

Protecting the Jersey Brand

States of Jersey will defend the Protected Designation of Origin and trade mark and seek market opportunities to exploit the benefits that Protected Designation of Origin status brings to the Jersey Royal potato, through increasing consumer awareness of the importance of regional and speciality foods.

Policy PR 19

Protecting the Jersey Brand

States of Jersey to maintain the links with The Protected Food Names Association (PFNA), formed by UK producers (including Jersey) of protected regional food products. The PFNA, which boasts a combined turnover of £1 billion, will be looking at areas such as the marketing of the Protected Food Names (PFN) logos (e.g. PDO) in the UK.

Marketing Support for Jersey Produce

1.46 It is unclear what level of generic marketing support is required by the rural sector in the future and how this can be best coordinated. Further consideration should be given to determine how direct and indirect marketing can be best achieved and the relative roles of Government and industry.

Policy PR 20

Marketing Support for Jersey Produce

States of Jersey to review the level of generic marketing support currently provided to the rural sector in order to identify future marketing needs and roles and responsibilities to ensure a fully coordinated approach.

1 PROFIT

Fisheries

Capture fisheries

1.47 The traditional fishery of Jersey is mainly shellfish (90% by weight), with the remainder being wetfish. A large proportion of the shellfish catch (approximately 70%) is exported and is required to meet a range of regulatory standards to ensure the sustainability of fish stocks⁽³¹⁾.

1.48 The commercial harvesting of the Island's fish stocks (shellfish and wet fish) is subject to possession of a fishing licence and an access permit. There are only a limited number available and are traded openly, so significant funds must be available for a licence purchase before buying a vessel. The objective of the majority of fishermen is to obtain the best profit from the exploitable stock; a situation that is usually balanced by a lowering of economic return as the stock is exploited.

1.49 Fishing effort (number and the type of fishing boats/gears) around Jersey is controlled by licensing and permits. The Island's fish stocks are generally fully exploited. As such, any extra fishing effort will lead to the individuals catch being reduced.

Policy PR 21

Capture fisheries

Increased fishing effort (number of licenses issued, increased catching efficiency of gear) should only be supported when backed up by evidence that the stock is able to withstand extra fishing pressure. Research will be undertaken to examine the need for Marine Protected Areas (MPAs). This would involve work to confirm which areas would be most beneficial and a full consultation process with the public to establish the level of protection within MPAs.

1.50 Some fisheries, while reasonably successful, may not be 'environmentally friendly' (for example, scallop dredging, suction dredging that can damage the sea bed). Other gears also catch species (by-catch), other than those which are targeted. By-catch species are often of lower value but are nevertheless important in the economics of the fishing operation.

31 Customs and Excise and fish traders estimated figures *pers. comm.*

Policy PR 22

Capture fisheries

States of Jersey to review fishing methods and to provide technical advice on new fishing gear/methods that have less impact on non targeted species and the environment and review whether additional legislation needs to be drawn up, implemented and regulated by Government. Provision of gear may be supported by funding from sources outside of the main government framework e.g. The Ecology Trust Fund.

Aquaculture

1.51 Jersey benefits from high primary productivity (plankton) and large inter-tidal areas. The farming of mussels and oysters in these areas has substantially increased during the last ten years⁽³²⁾.

1.52 As well as fish farming, the inter-tidal area is valuable for many other reasons e.g. birdlife, low water fishing, walking and visual perception.



Figure 6 Pacific Oyster aquaculture in the Royal Bay of Grouville.

32 [Fisheries and Marine Resources Annual Report 2008, May 2009. Environment Department, States of Jersey.](#)

1 PROFIT

Policy PR 23

Aquaculture

States of Jersey to establish an agreed level of sea bed and inter-tidal area use for aquaculture, that takes into account the overall space of the marine resource, other users and demands on the inter-tidal area. This will be accomplished by analysis of an aquaculture strategy report ⁽³³⁾ currently in progress together wide consultative process with the public.

1.53 Jersey has disease-free status for oysters and can benefit from this (for example, through production of disease free juveniles). However, the proximity to the Continent and high summer sea temperatures mean that there is always a risk of disease infection from neighbouring coasts.

Policy PR 24

Aquaculture

States of Jersey to operate a 'closed' system i.e. no imports, as far as practicable is a recommended disease control measure and support onshore initiatives that may benefit from disease-free status e.g. hatchery or juvenile production of commercially important aquaculture species.

1.54 There are redundant greenhouses and good quality streams in Jersey. These could be used to encourage fresh water farming of species (for example, cold water ornamentals such as koi carp).

Policy PR 25

Aquaculture

States of Jersey to encourage fisheries initiatives for fresh water through technical advice and provision for aquaculture within the [The Draft \(Jersey\) Island Plan](#) and improvement of local freshwater quality.

33 an output of an Integrated Coastal Zone Management Strategy: 'Making the Most of Jersey's Coast'. Planning and Environment Department States of Jersey

Export of fish products

1.55 Most of the Island’s caught and farmed catch is sold fresh. Fish and shellfish are a high-value product and good mark ups and increased shelf life can be achieved through added processing (for example, controlled atmosphere packaging, boil in the bag meals of mussels/scallops).

Policy PR 26

Export of fish products

States of Jersey and the industry (fishermen and fish traders) to investigate the processing needs of the industry and to support initiatives where appropriate, through assistance in obtaining technical advice and supporting projects.

Support can also be given to marketing in the form of eco-labelling ⁽³⁴⁾by independent authorities. There will be a cost in provision of advice and management changes to run under eco-rules.

Assistance by government to resolve customs issues⁽³⁵⁾⁽³⁷⁾in trans-border shipping movements.

1.56 Jersey has a limited market for farmed and caught shellfish and fish. A large proportion (between 50-70% ⁽³⁸⁾) is exported. Transport and procedures for fish products exported to the Continent can be improved.

Policy PR 27

Export of fish products

States of Jersey to support export initiatives for both fish transport and handling. Providing best practice advice to carriers interested in new routes and support provision of technical advice in shellfish handling transporting techniques.

34 with regard to fisheries, eco-labelling involves the independent assessment of management to ensure a sustainable fishery
35 (e.g. export of produce from Jersey to EU and VAT registered areas. Negotiations under [Protocol 3 to the UK's Act of Accession 1972](#) ⁽³⁶⁾
37 are in the process of being reviewed by the Economic Development Department
38 Customs and Excise and fish traders estimated figures *pers. comm.*

1 PROFIT

Charges for States of Jersey services

1.57 The States of Jersey provides a number of services to a range of customers, including the rural economy, Government departments, the agricultural industry and the general public.

1.58 These services fall into two main categories: statutory services which have to be provided and non-statutory services which are discretionary. These services are currently either charged at full or partial cost recovery or provided free of charge.

1.59 These services can be broadly categorised into three groups:

- Environmental/Island/Public benefit
- Statutory
- Commercial/Private gain

Policy PR 28

Charges for States of Jersey services - Environmental/Island/Public Benefit

Non-statutory pest monitoring and reporting, advisory, diagnostic and education services are to remain free of charge as they provide a source of environmental intelligence to the Environment Department and the information gathered is in the Island/public interest.

Policy PR 29

Charges for States of Jersey services - Statutory

Statutory plant pest and animal disease monitoring/eradication will also remain free of charge. Again, in the event of an outbreak it is a legal requirement and in the public interest that they are controlled and eradicated.

Policy PR 30

Charges for States of Jersey services - Commercial/Private gain

Where there is a commercial benefit or private gain from the service provision, these will be charged at full cost recovery e.g. soil, water and tissue analyses including Potato Cyst Nematode counts. These charges will also apply, even where statutory inspections are required for business purposes, where the exporter benefits from the issuing of a certificate e.g. for issuing plant passports, phytosanitary certificates, animal health export certificates etc.

Risk management tools

1.60 The risk of failing to achieve the expected technical performance on a farm is long established and is perceived by many farmers to be the core risk associated with farming. But farmers face a range of risks within their businesses. Some they share with other businesses, some are unique to farming. Human risk - such as staff illness or injury - and risk of damage to assets are shared with other businesses. However, farmers also need to manage risks such as poor yields, exchange rate movements, environmental impacts and the weather, which is a major risk and one that climate change could magnify.

1.61 Rural enterprises are needing to do more to address key risks to their businesses and with the shelter of the subsidy system gradually disappearing, the States of Jersey should encourage wider use of risk management instruments.

Policy PR 31

Risk management tools

Evidence of use of risk management measures to be adopted as a condition of receipt of grants and subsidies.

The need for research and development

1.62 In the past, the States of Jersey provided an extensive Research and Development (R&D) service for the agricultural industry, addressing a range of crop production and economic issues. However, the value of this R&D was questioned. Industry felt that much of the work conducted was not relevant, or that the data could be sourced elsewhere. Consequently, there is now no specific R&D programme, team or budget.

1 PROFIT

1.63 Currently some small-scale R&D work is undertaken by the Plant Health Laboratory on a 'needs must' basis from a modest budget (<£5,000 p.a). This concentrates on control measures against non-indigenous, statutory and harmful organisms which are both environmental and economic issues.

1.64 However, a number of issues over the last few years have highlighted the need to reconsider an R&D capability in Jersey. These include a wide variety of issues, some of which are currently being investigated:

- Potato Cyst Nematode control (yield related / pesticide reduction)
- Pesticide Maximum Residue Limits (statutory / public health)
- Oak Processionary Moth (statutory)
- Volunteer potato control (yield related / pesticide reduction)
- Gypsy Moth (statutory)
- Horse Chestnut Leafminer (statutory)
- Bio-fumigants (pesticide reduction)
- Alternatives to pesticides for blight control (pesticide reduction)
- Diffuse pollution
- Climate change scenarios
- Biofuels
- Carbon footprint
- Economic and environmental resilience to change

Policy PR 32

The need for research and development

States of Jersey to continue the independent work of the Plant Health Laboratory, responding to threats, emerging issues and statutory situations e.g. Oak Processionary Moth, Gypsy Moth, statutory diseases such as Foul Brood of honey bees, and research into pesticide alternatives such as *solanum sysimbrifolium* biocontrol of Potato Cyst Nematode.

States of Jersey and the rural sector to set up a Priorities Board to develop a long-term research and development strategy.

PEOPLE

2 PEOPLE

2 PEOPLE

Rural skills, training, advice and education

2.1 The [Jersey Annual Social Survey](#)⁽³⁹⁾ indicates that nearly half (46%) of all those involved in the rural sector are aged between 16 and 24 years. Percentages fall significantly between the ages of 25 to 44 years before rising to 32% between the age group 45 - 54 years.

2.2 There are concerns that there is a lack of long-term opportunities for individuals to remain in the industry and the adverse effect it will have on the long-term sustainability of the sector.

2.3 As part of the overall strategy of Skills Jersey to review each sector, a comprehensive examination will be undertaken on the rural economy to gather labour market intelligence including the size of businesses, sector growth, business activity and jobs and the respective qualifications needed for these positions and salaries. It will also be important to determine the key skills shortages and recruitment problems for the sector. From the data collated, a strategy can be developed for the sector to identify current skills gaps and how this can be addressed to meet future needs.

Policy PE 1

Rural skills, training, advice and education

For those currently in the rural sector a skills specific support service will be developed that will:

- Provide a package of vocational training that will form part of continuous professional development; and
- The Rural Initiative Scheme will be expanded to provide for vocational training based on business needs.

Policy PE 2

Rural skills, training, advice and education - Succession Planning

States of Jersey will look at overcoming some of the issues of recruitment and develop opportunities for new entrants including:

- Working with industry and industry representative bodies to offer work placements and promote opportunities in the sector to learners and their advisers
- Developing apprenticeships and access to other vocational and academic training and qualifications e.g. investigating opportunities for 16-18 year olds to attend agricultural college in the UK
- Mentoring support from those with extensive knowledge of the industry for new entrants; and
- Providing assistance in developing financial frameworks, such as share farming models, to allow existing, or new entrants the possibility of buying into current businesses
- An extensive review of existing trusts and funds to be undertaken to ascertain what is available, what the support can be used for and the criteria required

Access to the countryside

Access to the countryside

2.4 Rural businesses are increasingly receiving public support for maintaining and enhancing the rural landscape. The local population, businesses and tourists derive value from being able to access an attractive countryside. Therefore it is important to maximise the opportunities for public access. Approximately 50% of the Island is classed as agricultural land. However, current access provision is concentrated within coastal margins and some inland valleys, with limited routes across farmland.

2.5 There is sometimes conflict between ramblers, cyclists and horse riders due in part to the current network primarily designed for one group or another. In a small area like Jersey, it is not always possible to provide separate facilities for every individual user group. Provision for multiple users must, therefore, be a primary consideration.

2 PEOPLE

Policy PE 3

Access to the countryside

States of Jersey to develop a strategic document that identifies voluntary opportunities for new and better access to the countryside, ensuring these new routes link with and improve existing access routes and, are safe from working machinery and do not interfere with planted crops. This document will form the basis for the involvement of user groups and access providers in order to agree an action plan and target the Countryside Renewal Scheme towards strategic access options.

Allotments

2.6 Allotments are a good example of community agriculture as they provide the community/public an opportunity to get directly involved with the rural economy by working the land and growing food for themselves and their families. The benefits of allotments can be found in the Allotment Working Group Report, Allotment Strategy for Jersey and are supported in the [The \(Draft\) Jersey Island Plan](#)⁽⁴⁰⁾. There is concern that allotments may impact on the agricultural land bank, but the Allotment Working Group Report identifies a minimal requirement for 52 vergées to satisfy demand within Jersey. This should be able to be satisfied from small, non-productive areas near residential developments without having a major impact on the agriculture industry.

Policy PE 4

Allotments

States of Jersey to provide initial support for the development of allotments and to allow non bone fide agriculturalists or smallholders to occupy the land where land is subject to [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#) provided it is does not form an essential part of an agricultural holding.

40 <http://consult.gov.je/portal/>

PEOPLE

Community Agriculture

2.7 Rural businesses are embedded within the community. Community Agriculture (CA) or Community Supported Agriculture (CSA) is co-operation and support between a farmer and those who eat the food they produce. It is a partnership where the responsibilities, risks and rewards of farming are shared.

2.8 The consumers commit themselves to supporting the farm and providing a fair income for the farmers and benefit by receiving fresh, healthy food, having a connection with the land and a knowledge of where their food comes from and how it is grown.

2.9 Farmers receive a more secure income and a higher return for their produce.

2.10 All the produce from the farm is shared between the supporting consumers or sold locally if there is a surplus. They therefore have closer links with their local community, develop the potential to raise working capital and financial support, ensure food is locally sourced and reduce imports.

Policy PE 5

Community Agriculture (CA) or Community Supported Agriculture (CSA)

States of Jersey to investigate the scope for Community Supported Agriculture through liaison with the industry, education (countryside classrooms) and rural skills training.

Nutrient budgeting and green waste compost

2.11 Green waste is composted garden waste produced by an open windrow system at La Collette. Farmland is often viewed as a place of disposal for organic manures. There is little evidence of organic manures being taken into account by the farmer when undertaking nutrient budgeting, which could lead to unnecessary fertiliser use.

2 PEOPLE

Policy PE 6

Nutrient budgeting and green waste compost

States of Jersey to support the voluntary use of green waste compost, promote best practice and to introduce nutrient budgeting and management planning into the Environment Plan to ensure that:

- The nutrient value of wastes and manures are correctly calculated to reduce the risk of diffuse pollution
- Waste is turned into a useful material i.e. a fertiliser
- Improved soil structure (soil conditioner)
- Nutrient availability (low risk of pollution compared with slurry used as a fertiliser)
- Less environmental impact (lower leaching if applied at correct time to maximise the use of nutrients)
- Disease suppression
- Less artificial fertiliser imported

Climate change - mitigation and adaptation

2.12 In order to respond to climate change Jersey requires a modern, skillful, adaptable, efficient and profitable agricultural industry, which is able to implement the changes necessary for a sustainable future. Increased temperatures, drier summers, wetter winters, reduced availability and higher costs of fossil fuels and fertilisers and the need to reduce greenhouse gas emissions will all challenge current husbandry practices, presenting new problems and opportunities.

2.13 To mitigate against climate change, the rural sector will need to:

- Reduce green house gas emissions arising from agricultural practices
- Investigate fully the potential to grow biofuels
- Consider fully the anaerobic digestion, of agricultural and other organic wastes, to reduce fossil fuel imports
- Invest in and implement methods leading to the more efficient use of energy

2.14 The States of Jersey and the rural sector are working in the following areas:

- Green waste composting to assist the building of soil organic matter ⁽⁴¹⁾
- Genetic improvements to improve the efficiency of milk production (i.e. more milk per cow)
- Diet formulations designed to reduce methane emissions from livestock

41 See Environment Plan and 'Water issues' section

PEOPLE

- Implementation of Codes of Good Agricultural and Environmental Practice (CGAEP)⁽⁴²⁾
- Long-term slurry storage to improve utilisation of greenhouse gas producing compounds and reduce reliance on inorganic fertiliser
- Green cover crops to minimise soil erosion, nutrient loss to the environment and increase soil organic matter
- Energy Audits to improve energy efficiency
- Grants for energy efficiency measures
- Fertiliser recommendations to optimise use of inorganic fertiliser and to maximise the use of organic manures

2.15 Reduced energy demand and greenhouse gas mitigation measures are required to avoid the predicted increase in energy use and the growth in carbon emissions. This has led to proposed measures to bring about a 20% reduction on predicted 2030 levels of domestic, government and industrial section use by 2030⁽⁴³⁾.

Policy PE 7

Climate Change - mitigation and adaptation

States of Jersey to promote reduced reliance on fossil fuels in the rural economy through the development of a series of best practice guidelines similar to those associated with the [Farming Futures](#) guidelines⁽⁴⁴⁾ in the UK⁽⁴⁵⁾ to help mitigate and adapt to climate change and highlight measures to reduce fossil fuel use.

Policy PE 8

Climate Change - mitigation and adaptation

To protect and increase natural carbon storage by enhancing the amount of carbon stored in agricultural soils through evaluation of soil types and husbandry techniques, timeliness of operations and by increasing soil organic matter through use of cover crops and green manures. This evaluation will form part of the Environment Plan in addition to identifying opportunities for encouraging woodland management, tree planting, protection of wetlands, and hedgerow establishment e.g. through the Countryside Renewal Scheme.

42 See Codes of Good Agricultural and Environmental Practice sub-section under 'Biodiversity issues in the rural economy' section

43 [Energy Green paper: Fuel for Thought? Environment Department, 2007. States of Jersey.](#)

44 such as Genetic Modification (GM) and climate change, anaerobic digestion, ground source heat pumps, solar thermal heating etc.

45 www.farmingfutures.co.uk

2 PEOPLE

Policy PE 9

Climate Change - mitigation and adaptation

States of Jersey to facilitate adaptation and/or mitigation of climate change by providing additional components and criteria within the Countryside Renewal Scheme and Rural Initiative Scheme such as;

- Improved productivity as a result of reduced energy use and a more efficient use of chemicals/fertilisers/livestock feeds.
- Better management of livestock wastes through, for example, anaerobic digestion of agricultural and organic wastes to reduce fossil fuel imports.

Genetically Modified (GM) Organisms

2.16 In 1999 the States of Jersey, took the decision for the Island to remain free from growing GM crops⁽⁴⁶⁾ however, the sale in Jersey of foods and medicines containing GM ingredients has not been outlawed. In the light of the recent decision (March 2010) by the European Commission to approve the cultivation of the genetically modified potato variety "Amflora" for industrial starch production following an extensive review of environmental and safety issues, the States of Jersey should review its stance on the growing of GMOs.

2.17 "GM, like nanotechnology, is not a technological panacea for meeting the varied and complex challenges of food security, but could have some potential to help meet future challenges. Safety must remain our top priority and the Government will continue to be led by science when assessing the safety of GM technologies. The Food Standards Agency is taking forward a programme of consumer engagement which will provide an opportunity to discuss with consumers their understanding of GM, their understanding of the benefits, and their concerns"⁽⁴⁷⁾.

2.18 GM crops and technology could remove a potential barrier to adapting to climate change impacts, such as wetter winters and drier summers, providing that safety remains the top priority and could also underpin sustainable growth and localised food production.

46 [Deputy A.S. Crowcroft Proposition on Genetically Modified Organisms \[P33/99\]](#)

47 [Food 2030. Department for Environment, Food and Rural Affairs, January 2010 p.61](#)

PEOPLE

Policy PE 10

Genetically Modified (GM) Organisms

States of Jersey to evaluate its position on GM crops to ensure the Island's Government and agricultural industry have given full and proper consideration to the latest technology.

Amenity value of the countryside

Agri-tourism

2.19 Agri-tourism is a valid form of diversification for the farming industry and provides welcome additional income to the individual business and in certain communities, considerable benefit to the rural economy⁽⁴⁸⁾.



Figure 7 Managed footpaths are both attractive and valued by the public.

2.20 Jersey was the first holiday destination in the world to be given Green Globe status in recognition of Jersey's contribution to 'green' tourism, involving such schemes as coastal footpaths, cycle tracks and the green lane network. The Green Globe was developed in 1994 in response to the Rio Earth Summit, and is an environmental management programme for travel and tourism companies and tourism destinations, that has members in around 100 countries. Jersey Tourism promotes the Island as a tourist destination based on, amongst other attractions, the beauty of the countryside.

2.21 Developing agri-tourism can promote the Island's rural landscape and traditional farming practices and provide additional revenue for the Island and farmers. The Tourism Department is keen to promote and encourage:

- Farm stay developments, such as self-catering in farm style accommodation (for example; '[Featherdown Farm](#)' in Ireland / UK⁽⁴⁹⁾)
- Farm tours, such as food trails and walks and horse-riding etc.
- Local products through small-scale producers

48 [The Draft \(Jersey\) Island Plan supports amenity value of the countryside in Objective EVE 1 Tourism; Policy EVE 3 Tourism Support Facilities in the Countryside, and Policy NE 8 Access and Awareness.](#)

49 <http://www.featherdownfarm.co.uk>

2 PEOPLE

Policy PE 11

Agri-tourism

States of Jersey to consider the development of an agri-tourism strategy and action plan for Jersey.

Policy PE 12

Community Supported Agriculture (CSA) supporting agri -tourism

There is an opportunity to combine Community Supported Agriculture with agri-tourism. E.g. Hamptonne Country Life Museum could be developed as a traditional mixed working farm providing accommodation for people to enjoy working holidays, tending crops and caring for the animals, similar to the Willing Workers On Organic Farms (WWOOFers) scheme.

ENVIRONMENT

3 ENVIRONMENT

3 ENVIRONMENT

Biodiversity issues in the rural economy

3.1 Biodiversity is the variety of living things and can be used as a measure of the environmental health of our own Island. The United Nations Conference on Environment and Development (the 'Earth Summit') held in Rio de Janeiro in 1992 was the largest ever gathering of world leaders, it was testament that environmental issues should receive the highest priority on the world's political agenda.

3.2 150 Heads of State signed the Convention of Biological Diversity, which requires Governments to draw up national plans and programmes for the sustainable use and conservation of biological resources. Jersey's semi-natural areas provide the backbone for the Island's biodiversity and are prioritised within the:

- [Biodiversity Strategy, 2000](#)⁽⁵⁰⁾.
- [Countryside Character Appraisal, 1999](#)⁽⁵¹⁾.
- [The State of Jersey, 2005](#)⁽⁵²⁾.
- [States Strategic Plan, 2009-2014](#)⁽⁵³⁾.

3.3 Consequently, nature conservation is beginning to emerge more clearly in Jersey, through the development of the Countryside Renewal Scheme the continuing designation of ecological Sites of Special Interest and the identification of Environmentally Sensitive Areas⁽⁵⁴⁾.

3.4 Despite its small size, Jersey is highly prized for its rich and diverse habitats and the particular mix of wildlife is unique. Coastal heath and cliff slope, woodland, meadows, sand dunes and the marine and inter-tidal zones represent key habitat types in the Island and need to be protected from the effects of development or economic activity in the countryside.

3.5 Farming has a significant impact on biodiversity. Many farmers are providing a range of habitats for wildlife on farmland through farming activities and through the CRS. Farming provides the landscape within which we live and, the rich cultural heritage that we benefit from and the produce that we require.

50 The State of Jersey: a Report on the Condition of Jersey's Environment. Environment and Public Services Committee, 2005. States of Jersey

51 Jersey Island Plan Review: Countryside Character Appraisal. Planning and Environment Committee, 1999. States of Jersey

52 The State of Jersey: a Report on the Condition of Jersey's Environment. Environment and Public Services Committee, 2005. States of Jersey

53 States Strategic Plan 2009-2014. States of Jersey, 2009.

54 [The Draft \(Jersey\) Island Plan recognises the issues and challenges facing the natural environment over the next ten years and beyond in Objective NE 1 Natural Environment; Indicator NE 1 Natural Environment; Policy NE 1 Conservation and Enhancement of Biological Diversity; Policy NE 2 Species Protection; and Proposal 6 Landscape Management Strategy.](#)

ENVIRONMENT

3.6 The States of Jersey has committed itself to international agreements⁽⁵⁵⁾ to protect biological diversity and should integrate consideration for biological diversity into all local decision making including the Rural Economy Strategy.

3.7 Modern farming techniques, the impact of larger agricultural equipment on roads and infrastructure, use of pesticides and intensive methodologies which have the potential to have a negative affect on the natural environment. However, the use of modern farming techniques and technology can go hand-in-hand with modern biodiversity conservation techniques.

Policy E 1

Best practice in farming

States of Jersey to develop and implement a comprehensive range of best practice guidance specific to the protection of roads and infrastructure, the maintenance and enhancement of biodiversity on farms to comply with both Jersey's local and international agreements and obligations⁽⁵⁶⁾

Codes of Good Agricultural and Environmental Practice (CGAEP)

3.8 Codes of Good Agricultural and Environmental Practice (CGAEP) are practical guides to help farmers and growers meet their legal obligations. They explain the legislation and provide advice on best practice. Implementing the advice contained within Codes of Good Agricultural and Environmental Practice ensures that environmental impact is minimised whilst allowing agricultural development to continue.

Policy E 2

Codes of Good Agricultural and Environmental Practice

States of Jersey to develop Codes of Good Agricultural and Environmental Practice (CGAEP) to include the above and to require documentary evidence from those receiving public support that the CGAEP are being complied with.

55 e.g. [United Nations Convention on Biological Diversity, 1992](#).

56 See Codes of Good Agricultural and Environmental Practice sub-section

3 ENVIRONMENT

Timetable:

- Water Code updated in 2009
- Soil Code Consultation 2010 - 2011⁽⁵⁷⁾
- Air Code Consultation 2011⁽⁵⁸⁾

Environment Plan: rural businesses improving biodiversity through targeted farm management

3.9 Farmers and landowners play a crucial role in managing, preserving and improving all aspects of the rural landscape. Jersey's countryside is home to a wide range of plants, insects, reptiles, amphibians, birds and mammals which can be affected by inappropriate habitat management. The quality of life of the Island's human population is enhanced through enjoyment of a well managed countryside where they can relax; enjoy fresh air, wildlife and a beautiful landscape.

3.10 The countryside is also a working environment from which those employed in the sector seek to produce profitable sustainable businesses, whilst preserving the quality of the Island's natural resources such as soil, air and water. The above is a complex balancing act, requiring farmers and landowners to acquire a wider range of knowledge and skills and to plan in order to ensure their businesses remain viable, whilst maintaining and enhancing the quality, biodiversity and beauty of the environment in which they work.

3.11 For each farm and land area, there is a need to identify what is most important - key environmental features - and how best to manage them. This will help to target support in the most beneficial places and ensure that the farm is managed with regard to the best environmental practice.

57 See Agricultural industry planning needs 'Land Classification' sub-section

58 [Air Quality Strategy](#) to be developed by the States of Jersey in 2010.

Policy E 3

Environment Plan

Each farmer and/or landowner receiving public support is required to produce a plan detailing how they will implement Codes of Good Agricultural and Environmental Practice (CGAEP), best practice guidelines, safeguard the Island's natural resources, mitigate against climate change and enhance biodiversity on their land holdings.

Each farm and holding will have different features, habitats, resource issues and biodiversity building a picture of the Island's countryside, stating its current condition and identifying opportunities for improvement. This document will be called an 'Environmental Plan (EP)' and include mandatory items such as:

- Resource protection plans, implementing the provisions of the Water, Soil, and Air Codes
- Implementing Animal Welfare Codes
- Producing an annually updated Farm Manure and Waste Management Plan
- Producing an annual crop nutrient budget
- Completing a map of the holding identifying important environmental features and a record of their current condition
- Energy audits

Identifying key features within an Environment Plan

3.12 Measures to protect soil and water and to ensure high welfare ⁽⁵⁹⁾ standards will be mandatory. However, the Environment Plan will also identify and provide recommendations for the maintenance and enhancement of key features on land covered by the plan. This will include areas of woodland, wetlands, wet meadow and other permanent grassland, ponds, marsh, dunes, heathland, cliff slope and boundary features (banks, hedges, trees and ditches), species protected by law and Biodiversity Action Plans, and opportunities to create wildlife corridors, potential links to the current countryside access network and restore damaged features.

59 see Livestock health planning section

ENVIRONMENT

Policy E 4

Environment Plan - better targeting of grants

The work required in developing Environment Plans will be supplemented through the development of a Countryside Renewal Scheme (CRS) component, these funds to be available to all farmers and landowners for two years after the adoption of this policy. This Countryside Renewal Scheme component would contribute to the cost of employing individuals and/or companies with relevant expertise, and a full knowledge of the States wildlife and biodiversity objectives, to help survey the holding and compile the Environment Plan documentation.

Following completion of this initial work, it is proposed that annual updating of the Environment Plan would become conditional on the receipt of States aid payments. Countryside Renewal Scheme funding will then be targeted at the optional environmental enhancement projects identified in the Environment Plan, in order to improve targeting of public money into areas that deliver the greatest benefit and value for money. Likewise Rural Initiative Scheme funds can be targeted at the energy efficiency and climate change mitigation projects.

Wildlife corridors

3.13 Semi-natural areas and areas of high biodiversity are fragmented in Jersey and therefore, require links that allow for wildlife to move between them (i.e. connectivity). Valley - side woodland, valley-bottom meadow, marsh and wetland areas, hedgerows and walls and banques are all defined as being valuable in a local context. Opportunities for improving habitat condition and connectivity such as enhancement or provision of hedgerows, field margins or land parcels should be supported.

Policy E 5

Wildlife corridors

The [The Draft \(Jersey\) Island Plan](#)⁽⁶⁰⁾ identifies potential habitat corridors, which may be used to identify opportunities to target management regimes

States of Jersey to continue and develop the Countryside Renewal Scheme components, regarding boundary features. Increasing connectivity provides wildlife corridors and target applications that increase connectivity between semi-natural areas and areas of high biodiversity to enhance ecological processes.

Understanding wildlife in the countryside

3.14 Research into the Island's local ecology is essential. Research ensures that management of biodiversity, conservation policy and legislation is appropriate and adheres to international obligations. Regular monitoring is necessary to identify changes within the rural environment to ensure that Jersey's local and international obligations are being met and to demonstrate a successful response from industry.

Policy E 6

Monitoring Changes in Biodiversity

[The State of Jersey, 2005](#)⁽⁶¹⁾ will be supported by an annual Rural Habitat Statement (due to be published 2010). The Rural Habitat Statement outlines key issues in the rural environment relating to Biodiversity.

Jersey Biological Records Centre

3.15 A large number of people use the countryside on a daily basis and these people could potentially be helpful in building a picture of the Island's wildlife, by recording what they see. More information is needed on the precise status of species in the wider countryside. The development of simple methods for recording species would allow the users of the countryside (inc. farmers) to provide valuable data that would add to the natural history knowledge base in Jersey.

60 <http://consult.gov.je/portal/>

61 The State of Jersey: a Report on the Condition of Jersey's Environment. Environment and Public Services Committee, 2005. States of Jersey

ENVIRONMENT

Policy E 7

Jersey Biological Records Centre

States of Jersey to develop simple wildlife recording methods and protocols that can be used by anyone interested in collecting information to record data on wildlife and local ecology. These records will be held by the States of Jersey in a records centre which will greatly assist in the development of informed decisions to promote and enhance biological diversity across the Island's countryside.

Water issues

Tackling Diffuse Pollution from agricultural sources

3.16 A plentiful supply of good quality water is essential for human activities and for the health of local ecosystems. Agriculture is the largest land user in Jersey and therefore, has a key role to play in the protection and enhancement of our shared water resource.

3.17 Jersey, in common with many places in the rest of Europe, has elevated nitrate levels in streams and groundwater. Studies have shown that although not the sole contributor, agricultural activities are a major contributor of nitrate in surface and groundwater. At certain times of year, Jersey Water is unable to comply with the 50 mg per litre limit of nitrate⁽⁶²⁾ in the public mains water supply because of nitrate contamination in ground and surface water supplies.

3.18 As well as having a detrimental effect on the environment, losses of fertiliser, soil and pesticides can be costly for farmers, and are unsustainable. Increasingly, the market is also demanding that food is produced in a sustainable and environmentally friendly manner.

Policy E 8

Tackling Diffuse Pollution from agricultural sources

A Diffuse Pollution Pilot Project (DPPP) will work with land owners and users to better understand the issues and define and implement practical agricultural best management practices in several water catchments in the Island. Water quality in these areas will be monitored throughout to assess the impact that these changes have on water quality.

ENVIRONMENT

3.19 The DPPP will be a voluntary scheme that will use a participatory approach with the local farming community. By identifying good practices, piloting the introduction of management measures and facilitating skills updates, the DPPP will also contribute to and underpin preparations for the requirement for an Environment Plan for each farm as set out elsewhere in this document⁽⁶³⁾.

3.20 In the trial areas, at the same time as best management practices are being planned and implemented, targeted water quality data will be collected to assess the impact of the best management practise interventions. The lessons learned from the pilot scheme will then be used to develop strategies for Island-wide implementation. This scheme will also be integrated with the Countryside Renewal Scheme, so that any additional components introduced into the CRS are compatible with the DPPP scheme objectives.



Figure 8 An adequate supply of good quality water is essential for all.

3.21 In the longer term, if these voluntary measures prove to be unsuccessful, the designation of Water Catchment Management Areas under the Water Pollution (Jersey) Law, 2000 will be considered. Under these provisions, it would be possible to 'specify conditions for the prevention, control, reduction or elimination of pollution or of the risk of pollution in controlled waters'.

Livestock health planning

3.22 Farm health planning has developed considerably over the last few years but can vary hugely ranging from a single sheet of paper from an agricultural merchant to a detailed veterinary plan. The benefits of producing a comprehensive health plan include animal health and welfare becoming a high priority for farm staff with production improved through adherence to a structured plan.

3.23 Improved animal health leads to improved welfare, decreased use of medicines and improved productivity. Farm health planning includes identifying problems and solutions e.g. calf diarrhoea, Johne's control, liver fluke control or possibly proving herd freedom from specific diseases e.g. Bovine Viral Diarrhoea (BVD), Infectious Bovine Rhinotracheitis (IBR), Leptospirosis.

3.24 Health planning includes reviewing current status by reference to records such as production and mortality, diet, blood sampling and/or faeces sampling. Information is reviewed to identify knowledge gaps, as well as identifying areas for improvement, setting targets, agreeing actions e.g. routine vaccinations and other treatments e.g. milk fever control.

63 See Environment Plan in 'Biodiversity issues in the rural economy' section

ENVIRONMENT

Policy E 9

Farm health planning

States of Jersey in conjunction with the Veterinary profession, to assist dairy and livestock producers in producing comprehensive animal health and welfare plans for their farms. This would be achieved by inviting suitable qualified professionals to provide Continuing Professional Development and training opportunities for livestock owners and the veterinary profession.

3.25 A lack of adequate safe livestock handling facilities is a disincentive to routine inspection and treatment of farm animals e.g. footcare, vaccination, and dagging sheep. The inability to handle stock and provide treatment quickly and efficiently in order to relieve pain and suffering is unacceptable. Good handling facilities are welfare friendly for stock, safe for stockhandlers and should be an essential item of farm equipment. The provision of financial support for the purchase of suitable handling facilities will increase livestock productivity, reduce the time taken to handle and treat stock, safeguard farm staff and improve the health and welfare of farm animals.

Policy E 10

Improving livestock handling and animal welfare

States of Jersey to implement, with the livestock industry and veterinary profession, a review of farm facilities and husbandry practices with reference to improving livestock handling and animal welfare. In addition, in consultation with the livestock industry, update the Jersey Codes of Practice for the Welfare of Farm Animals, including items such as, the possible elimination of the use of tethers; routine vaccinations and unnecessary mutilations (e.g. tail docking pigs); handling facilities and bobby calf facilities and care.

3.26 The health of farm livestock in Jersey has long been recognised as being of a very high standard compared to other countries. Maintenance of these high health standards has involved import restrictions on live animals and certain animal products to ensure diseases are not imported. Clinical history and sporadic testing indicate that IBR, BVD and Leptospirosis are not present in the Island. However, Jersey would have to undertake a testing programme and apply to the EU for official recognition.

3.27 The current interest in exporting cattle from Jersey would be greatly assisted if the Island was officially designated free from the above diseases via official EU testing regimes.

ENVIRONMENT

Policy E 11

Disease free status and cattle exports

States of Jersey to continue to work in partnership with the livestock industry to achieve recognition of herd freedom from Infectious Bovine Rhinotracheitis, Bovine Viral Diarrhoea and Leptospirosis in order to promote disease free status and assist cattle exports.

Agricultural industry planning needs

Safeguarding the agricultural land bank

3.28 The appearance of Jersey’s countryside is largely a product of human intervention, mainly through farming. Agriculture has been going through changes for several decades, due to changing technologies and economic forces. Tourism is targeting a ‘greener’ more discerning visitor and leisure and recreation are making new demands on rural areas. In addition there is increasing demand for land for housing, light industry, community or social uses which are also putting the agricultural land bank under considerable pressure. However, the ratio of land that comes into the land bank through transactions versus that which is lost through change of use is 10:1 (see Figure 9).

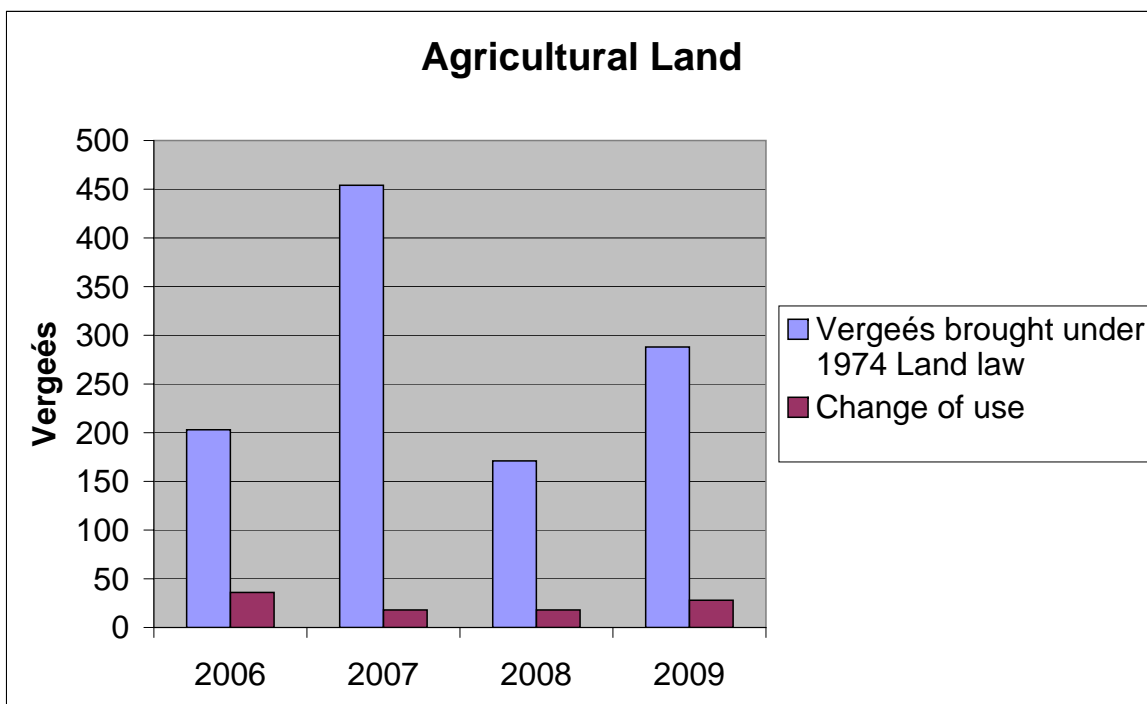


Figure 9 Agricultural Land controlled under the Agricultural Land (Control of Sales and Leases) Law, 1974 from 2006-2009.

3 ENVIRONMENT

3.29 Currently only about 50% of agricultural land is subject to the [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#). Under this law “agricultural land” means land, including land under glass, used or capable of being used for any purpose of agriculture or horticulture, but does not include any dwelling house or outbuilding. Therefore, land use is determined by Planning Legislation, on around 18,500 vergées where there is no requirement for it to be occupied by an agriculturalist or a smallholder.

3.30 Land owned by the States, the Crown and the Parishes is exempt from the [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#).

3.31 It is therefore essential that the [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#) is properly enforced. The [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#) allows for the imposition of conditions regarding the use and occupancy of agricultural land which protects agricultural land and restricts occupancy though these conditions can be amended by the Minister.

3.32 This is important in order to:

- Maintain a viable agriculture industry
- Keep brown cows in green fields
- Allow legitimate diversification
- Underpin the Rural Economy (supports local industries)
- Protect the countryside
- Provide environmental benefits
- Support tourism

3.33 However, planning and land control need to be flexible enough to allow the industry to adapt to the needs of their customers in order to remain competitive, but robust enough to prevent the erosion of a valuable and finite resource. The call for no future development on agricultural land may be counter productive, as agricultural or rural businesses may need to invest in further infrastructure to meet customer demands in the future.

3.34 The argument that allowing a free market for land use will enable the land to be put to its best economic use is considered unrealistic in Jersey and it is felt that this could result in land being removed from the agricultural land bank.

3.35 Changes within the industry in recent years, has seen an increased demand for land for potato production, dairy farming and other agricultural activities. (What constitutes an agricultural activity has been defined following advice from the Solicitor General and as such commercial liveries and orchards are recognised agricultural activities). Therefore, in order to retain land for commercial agriculture:

ENVIRONMENT

Policy E 12

Safeguarding the agricultural land bank - Maintenance of the Agricultural Land (Control of Sales and Leases) (Jersey) Law, 1974

The [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#) will be maintained in its present form to regulate the use of agricultural land.

Policy E 13

Safeguarding the agricultural land bank - Enforcement of the Agricultural Land (Control of Sales and Leases) (Jersey) Law, 1974

The [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#) will be enforced through the Land Controls and Development Section, through routine monitoring of land use with appropriate action being taken where the law is not being complied with. In addition, the criteria for smallholder and bone fide agriculturalists will be reviewed including the right for ex bone fide and smallholders to continue to occupy agricultural land.

Policy E 14

Ensuring land is retained for commercial agriculture

The States of Jersey will review the range of agricultural conditions which can be imposed under the [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#) (a, b, c, d, e, f, g and h) to ensure that land is retained for commercial agriculture where the need can be demonstrated.

Policy E 15

Safeguarding the agricultural land bank - Ensuring all land not subject to the Agricultural Land (Control of Sales and Leases) (Jersey) Law, 1974 is incorporated under the Law

The States of Jersey will investigate the possibility of extending The [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#) to incorporate all agricultural land currently not subject to the 1974 Law.

ENVIRONMENT

Land Classification

3.36 There is no official classification of the Island’s soil and agricultural land, other than a subjective “poor” or “good” to identify the most productive agricultural, environmental and amenity areas.

3.37 This will be an important tool which can be used to identify land suitable for commercial agriculture and used to determine the imposition of appropriate conditions under the [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#).

3.38 Of equal importance is that it will provide an additional level of protection for agricultural land which is not subject to the [Agricultural Land \(Control of Sales and Leases\) \(Jersey\) Law 1974](#), by classifying all agricultural land, thus giving some protection against further domestication and building applications.

3.39 The land classification system will also identify and allow the protection of the most vulnerable and valuable environmental and amenity areas, helping target Countryside Renewal Scheme components and provide an essential reference for future land use planning.

Policy E 16

Land classification scheme

States of Jersey to develop and implement a land classification scheme for all agricultural, environmental and amenity land.

New agricultural buildings and extensions, change of use, horticultural structures and strategic planning⁽⁶⁴⁾

3.40 Currently there is no strategy identifying the future infrastructure needs of the rural sector. However, the Agricultural Buildings Capacity Study provides information on agricultural buildings and their use.

64 [Draft \(Jersey\) Island Plan has a strong presumption against proposals for new agricultural buildings, extensions and horticultural structures in Policy ERE 6 New Agricultural Buildings, Extensions, and Horticultural Structures unless it can be demonstrated that the proposed development will contribute to the viability of the agricultural industry.](#)

ENVIRONMENT

3.41 As part of the Rural Economy Strategy 2005, a web page allowing businesses to advertise for sale or lease of any agricultural land or buildings that they no longer require is now available at www.gov.je⁽⁶⁵⁾. This web page allows the industry to provide information on the availability of agricultural buildings and land continuously for a three month period. This will help identify existing, but vacant, premises which may meet an existing business requirement without the need to construct a new agricultural building. Posting vacancies on the site is voluntary but it addresses concerns that the current practice of advertising in the Jersey Evening Post for three nights within a three month period is insufficient for both landlord and possible tenants.

Policy E 17

New agricultural buildings

Maintain and expand the agricultural buildings capacity database and identify short/medium and long-term strategies for development of the Rural Sector in consultation with the industry.

Derelict and redundant glasshouses⁽⁶⁶⁾

3.42 Due to decisions taken by the industry and supported by the Rural Economy Strategy 2005, a number of glasshouses are now empty giving rise to potentially redundant sites. There are also areas of dilapidated glass which are seen as having potential for development. Therefore, it is essential that before glasshouses are allowed to be removed or developed, consideration should be given to the needs of any future rural economic enterprises.

Policy E 18

Modern glasshouses

Modern glasshouses should be (in order of priority):

- Kept as production units
- Be given planning permission for other agricultural use
- Be returned to a green field site

65 <http://www.gov.je/Industry/FarmingFishing/LandControl/Pages/Agriculturallandandbuildings.aspx>

66 [Draft \(Jersey\) Island Plan Policy ERE 7 considers derelict and redundant glasshouses.](#)

ENVIRONMENT

Policy E 19

Derelict or non-viable glasshouses

Derelict or non viable glasshouses should be (in order of priority):

- Be given planning permission for other agricultural use
- Considered for partial development to fund the cost of returning to a green field site
- Be returned to a green field site

Rural Economy Strategy 2011-2015 Indicative Budget Forecast

Rural Economy Strategy 2011-2015 Indicative Budget Forecast

Rural Economy Strategy 2011-2015 Indicative Budget Forecast

The effect of this strategy on the overall budget for the rural economy is shown in the following chart:

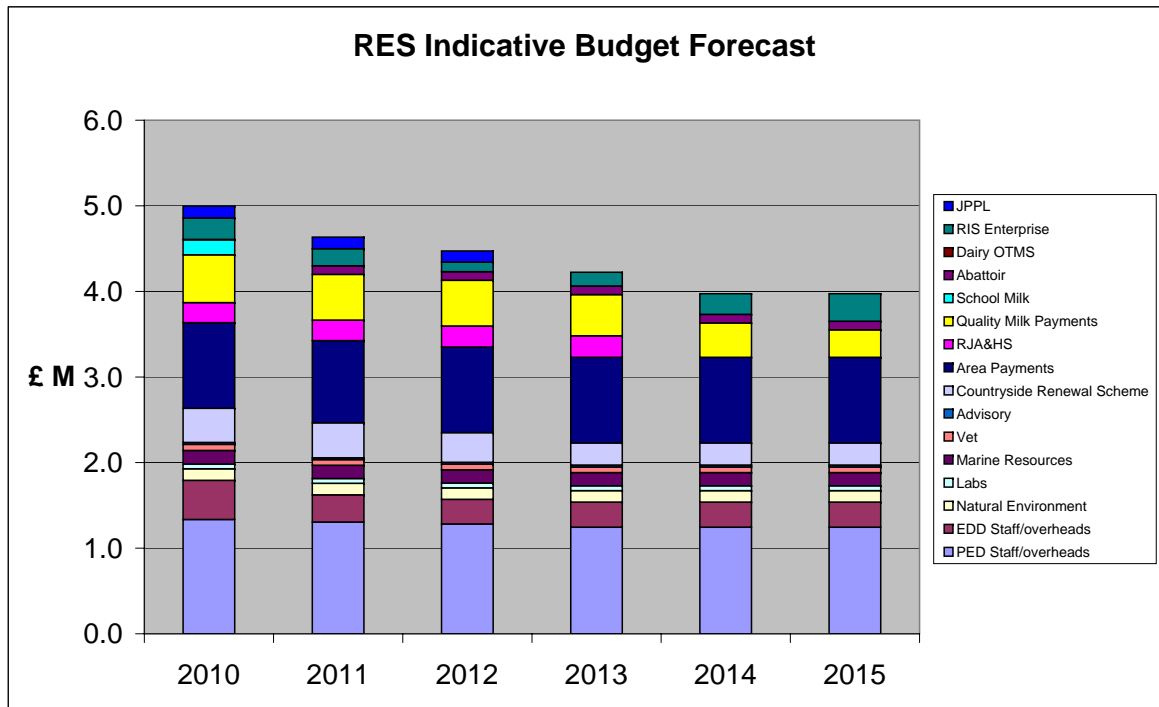


Figure 10 Rural Economy Strategy (indicative) Budget Forecast 2011-2015.

Assumptions:

- No inflation (staff or non-staff)
- All policies as set out within this document are implemented
- Agriculture growth continues as forecast
- Comprehensive Spending Review savings will be agreed and implemented in years 2011-2013

The indicative budget as represented in Figure 10 above, shows an approximate reduction from £5m to £4m over a five year period to reflect the changes outlined in this strategy.

The key movements are:

- Royal Jersey Agricultural & Horticultural Society Service Level Agreement will not be renewed from 2014 - reduction of £230,000
- School milk will be discontinued from 2011 - reduction of £180,000
- Jersey Product Promotion Limited will be discontinued from 2013 - reduction of £140,000

Rural Economy Strategy 2011-2015 Indicative Budget Forecast

- Countryside Renewal Scheme - reduction of £140,000
- Legal fees - reduction of £109,000
- Staff costs - reduction of £150,000
- Quality Milk Payment - reduction of £240,000
- Rural Initiative Scheme - increase of £70,000
- Funding for the Abattoir in 2011 - increase of £100,000

Staff costs:

Note PED staff costs include a range of environmental activities in areas such as Plant Health, Laboratory Services, Fisheries and Marine Resources, States Veterinary Service, Land Controls, Environmental Management and Advisory Services. These include statutory and legal obligations that are there to deliver wider States commitments beyond the policies within the Rural Economy Strategy.

Abbreviations

Abbreviations

Abbreviations

BAP Biodiversity Action Plans

BVD Bovine Viral Diarrhoea

CA Community Agriculture

CITES Convention on International Trade in Endangered Species

CGAEP Codes of Good Agricultural and Environmental Practice

CMD Chief Ministers Department

CPD Continuing Professional Development

CRS Countryside Renewal Scheme

CSA Community Supported Agriculture

DPPP Diffuse Pollution Pilot Project

EDD Economic Development Department

EP Environment Plan

ESA Environmentally Sensitive Area

EU European Union

GVA Gross Value Added

HES Household Expenditure Survey

IBR Infectious Bovine Rhinotracheitis

JBRC Jersey Biological Records Centre

JD Jersey Dairy

JMMB Jersey Milk Marketing Board

JPPL Jersey Product Promotion Limited

PCN Potato Cyst Nematode

PED Planning and Environment Department

PFNA Protected Food Names Association

QMP Quality Milk Payment

Abbreviations

R&D Research and Development

RES Rural Economy Strategy

RIS Rural Initiative Scheme

RJA&HS Royal Jersey Agricultural & Horticultural Society

SAP Single Area Payment

SLA Service Level Agreement

SSI Sites of Special Interest

SPS Single Payment Scheme

UK United Kingdom

Definitions

Definitions

Definitions

The review document refers to the following definitions:

Bobby calf: An unwanted calf, slaughtered within a few days of birth.

Bona fide agriculturalist: Someone employed in land dependent primary production, obtaining income from agriculture or horticulture which meets a target level of economic activity as defined by the Strategy.

Codes of Good Agricultural and Environmental Practice: guidance documents that interpret and explain legal requirements rather than describing best practice.

Cross compliance: a set of conditions administered by the States of Jersey to ensure that grant and subsidy payments received by farmers adhere to measures and actions taken to support and protection of wildlife and biodiversity, environment and the rural landscape.

Economies of scale: An economic term that refers to the reducing cost per unit as more items are produced.

Environment Plan (EP): A professional independent environmental audit undertaken on the farm that identifies the key features and best practice management tasks that will safeguard and improve the biodiversity, soil, water and landscape.

Gross value added (GVA): GVA measures the value of economic activity taking place in Jersey and can be broken down into the GVA of each sector of the economy. It is calculated as the sum of the profits of businesses and earnings of employees.

New entrants: New people or organisations that have recently commenced business within the rural sector.

Productivity: In general, productivity measures the amount of output produced per unit of input. For example, if a business can produce more output without increasing the number of inputs, its productivity has risen. For Jersey, labour productivity can be calculated as amount of output, measured by GVA in real terms, produced per unit of labour input, measured by the number of full-time equivalent employees.

Profitability: In general, accounting profits are calculated as the revenue of a business less its operating costs, including wages, input materials and overheads. For example, if a business has revenue of £1m and operating costs of £0.8m, its profit will be £0.2m. For Jersey, a measure of profits enters the calculation of gross valued added (GVA).

Public goods: goods and services provided by the government that are freely available to anyone.

Definitions

Rural economy: The cumulative revenues from business activity derived from the use of agricultural land and the countryside (i.e. businesses which derive their income from land dependent activity).

Smallholder (part time or small scale agriculturist): A person actively participating in land dependent primary production which meets a reduced level of economic activity compared with a bona fide agriculturist.

List of Respondents to the Rural Economy Strategy 2011-2015 Issues & Options paper (Green Paper)

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Sally Coenen

Comité des Connétables

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Environment Scrutiny Panel

Jennifer Holley

Jersey Farmers Union

Jersey Fishermens Association

Jersey Organic Association

Jersey Climate Action Network

Jersey Landowners Association

Jersey Milk Marketing Board & Royal Jersey Agricultural & Horticultural Society
(Joint submission)

Jersey Royal Potato Company

Jersey Trees for Life

Tony Legg

Robert Le Mottée

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Roger Noel

List of Respondents to the Rural Economy Strategy 2011-2015 Issues & Options paper (Green Paper)

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