

STATES OF JERSEY

SCRUTINY COMMITTEE BLAMPIED ROOM, STATES BUILDING

<u>Present:</u>	Deputy Rob Duhamel (Review Chairman)
	Senator Ted Vibert
	Deputy Gerard Baudains
	Senator Jean Le Maistre
	Deputy Phil Rondel
	Deputy Bob Hill

EVIDENCE FROM:

Jersey Potato Expert Marketing Board

Messrs Michael Cotillard & Michael Anderson

on

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(10:30:36 to 16:06:28)

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EVIDENCE OF MARTYN ANDERSON and MICHAEL COTILLARD

(JERSEY POTATO EXPORT MARKETING BOARD)

DEPUTY DUHAMEL: Good afternoon. Thank you for coming. I have got to read you the Riot Act first, so there we are. It is important that you fully understand the conditions under which you are appearing at this hearing. You will find a printed copy of the statement I am about to read you on the table in front of you.

Shadow Scrutiny Panels have been established by the States to create opportunities for training States Members and Officers in developing new skills in advance of the proposed changes of Government. However, during the shadow period, the Panel has no statutory powers and the proceedings are public hearings and are not covered by Parliamentary privilege. This means that anyone participating, whether a Panel Member or a person giving evidence is not protected from being sued or prosecuted for anything said during hearings. The Panel would like you to bear this in mind when answering questions and ensure that you understand that you are fully responsible for any comments you make, but we obviously wish you to make some comments nevertheless.

MR COTILLARD: Okay.

DEPUTY DUHAMEL: If I can kick off the proceedings, your organisation, I mean, basically, the monies weren't forthcoming and there was a lot said before, during and after the debate and we'd really like to start off by asking how your organisation would have benefited had the funding been approved and to what extent would that benefit have been?

MR COTILLARD: From our industry's point of view and from our panel or board's point of view, obviously not having the funding has had a great effect on us, in terms that our funding has been cut in half in the last year, so obviously it has a great effect upon what we can do. Obviously not as much affects us as the outstanding court cases at this moment of time, which have basically shackled the board from the day of coming into existence, so we have never been able to operate as we are supposed to have been able to do. I think what is happening within the industry at the moment is testament to the lack of ability to what the board could have or could not have done.

Could I just ask a question myself? As you will obviously know, I was heavily involved in the last agricultural policy that bought the wind to the States. Have you separated off the agri-environment section of it to the direct aid completely, because that was never ever supposed to happen? Has that now happened?

SENATOR LE MAISTRE: Can I answer that?

DEPUTY DUHAMEL: Yes, sure.

SENATOR LE MAISTRE: The purpose of scrutiny is to look at particular issues.

We will be looking at the Water Law in a fortnight and the harbour later on. So there are a number of subjects that have been taken by Scrutiny and are effectively being taken in isolation that you can't totally divorce from the things that actually surround that. Obviously the Agri-Environment Scheme relates to the performance of the industry because it was a partnership, always seen to be a partnership, to deliver environmental goods. So I hope that sort of answers that.

MR COTILLARD: Yes, because I have, if you like, one underlying thought. I think you can get ... As Jean knows, we all attended so many meetings at the time and at the end of the day you have to sort of come back to bare roots in terms of why you have got an Agri-Environmental Policy at all, why have any aid to the dairy industry, farming industry whatever. Basically, I still maintain the position to this day that the environment is undecided. If you fly over it, the vast majority of it agriculturally based. You have no young farmers coming to the industry. I can't name you one, if you look at people under 40 years old.

So, as far as I am concerned, you take the whole thing down to basics. Somehow you take a decision. You either support the agricultural industry financially to the level of our competitors, which is what we were promised in 1972, which my personal belief has never happened, and you actually get some young people who want to make a living out of farming and that has got to be their future, or you employ a bucket load of civil servants and manual workers to keep the Island looking as it does if you fly over it to this day. If you decide not to do that, well, I think, basically it is a simple position that one has to decide where one goes and how one wants to do it. You can look at all the fine detail of policies and however you like, but the bottom line is the industry is not viable to the degree that young people want to come into it.

I'm quite happy to talk personally. I have two sons. One of them is doing a physics degree at this moment in time. How do you say to a child: "Come on the farm. This is going to be your future for ever and a day", when it is all they want to do, they actually love the industry, but you know very well they are going to go bankrupt in five or ten years down the road? You

cannot. There needs to be some degree, some underlying degree, of support to the industry.

I believe that basically Government has meddled and meddled and meddled with the industry over the years and I think, if you take a straw poll of the majority of the farmers on the Island, they feel that Jean's policy report, which he took to the States, was like make or break, if you like, for the industry in terms of does the industry believe that Government is going to support it? Basically what happened is we got a policy and we didn't get the funding in support of the policy. Well, effectively, you had no policy. So I think the vast majority of the people in the industry now believe that, effectively, Government has abandoned them.

If you take the Department of Agriculture at this moment in time, I think we have one member of staff left. If ever we have another agricultural review, we don't have an agricultural review unless that one member of staff can write it. You have an environmental review, because you have a huge Environment Department nowadays, obviously which this fits under.

I personally, and that is a political point of view, I personally take the view it is far, far, far cheaper to keep the farmers on the land and go down that route than employing loads of civil servants and manual workers, with pension plans and whatever goes with all that lot. I think it is very short sighted of what Government has gone at this moment in time. I think they will suffer for it in the long term.

DEPUTY DUHAMEL: I think we take on board those comments, but we have got to be a little bit careful because the scrutiny process that we have actually centred on has got a narrow focus.

MR COTILLARD: Yes.

DEPUTY DUHAMEL: And what we are looking at wasn't the extent to which the agricultural policy has been picked up or not picked up. It is the focus on the Agri-Environmental Scheme within it.

MR COTILLARD: Within it.

DEPUTY DUHAMEL: Yes.

MR COTILLARD: But I would have to be honest and say my personal view, as Jean knows, I was heavily involved at the time and the reasons Jean got the support for it was effectively the fact that the two were going to be linked, the direct thing. There was not going to be one separated from the other.

DEPUTY DUHAMEL: Right.

MR COTILLARD: I think, if you end up separating it, you lose the support of the farmers within the Island, because there was effectively no money in it for the growers of the Island. The growers were effectively going to be carrying out goods for the services of the Island, to keep the Island looking pretty effectively at cost, you know. I mean, you might as well be a gardener. You know, you are not a farmer, so you might as well go gardening. That is all you are doing, but on a bigger scale.

DEPUTY DUHAMEL: So, in your view, and in the view of your organisation, the actual financial backing of the agri-environment part of the scheme wasn't sufficient to actually enable you to deliver?

MR COTILLARD: It certainly wasn't, not at the time and not the policy that went to the States at the time. I haven't really, to be honest, followed up the policy since that point of view because there was no funding to implement it, so there

was no point spending a load of time looking at something which was never going to happen, in my view.

DEPUTY DUHAMEL: Right. In terms that we are here today, although the new committee is looking at it and we had a strategic policy debate the other day which, to some extent, has actually picked up on that, there may well be some dovetailing of the type of aspirations that were embodied in Jean's report when he brought it, but maybe in a slightly different form, but none of those policy initiatives will be available until 2006. In the intervening period, seeing as we have gone from 2002 to 2006, to what extent will the lack of funding for these initiatives be detrimental to the business you are in?

MR COTILLARD: I don't think it will be detrimental to the growers because I don't think the growers get anything out of it.

DEPUTY DUHAMEL: Because this wasn't enough money in the first place, yes.

MR COTILLARD: It had stopped. The direct aid side of the industry is going down and down and down. To be fair to Jean, I mean, I held the position from Year One and I think maybe what you say is libellous, but I think it is absolutely true. The industry for years and years and years has been told there is no new money available to the industry. There is the view that the Department of Agriculture was out of control with the amount of civil servants it had. There was this long held view that you saw in the press that there was as many civil servants as there were farmers effectively, and we were promised that the industry needed to get itself sorted out, there was sufficient money available to support the industry and the industry did everything they could to sort out the Department of Agriculture and work with Government

over that. We then hit this financial crisis and, effectively, every penny that was ever saved went straight back to Treasury. A fat lot of good that was for the farmers. They are no better off. As I say, our board personally is 50% underfunded. I now have an option of working a two day week. You know, how do you move things forwards?

DEPUTY DUHAMEL: And one last point here before I open it to the rest of the Panel. In terms of the environmental disbenefits, to what extent would you be concerned about any, if any, kind of things not actually taking place within the previous policies that were offered up as an initiative?

MR COTILLARD: I think there are very few. Obviously there will be a few tweaks that Jersey would like to see that are particular to Jersey as an island and tweak things around, but there are so many supermarket protocols nowadays that effectively if you don't comply with that you don't supply, and you can't not supply to somebody who sells 80% of the crop, so you have to comply. So effectively under the supermarket protocols that exist nowadays, I mean, you know, Tesco's have their own schemes, there are loads of different schemes and supermarkets try to out do the others in terms of environmental benefits and green image, that effectively most of what I think was proposed at the time will be covered, the vast bulk of it. I mean, there are obviously little bits and pieces that are slightly different.

DEPUTY DUHAMEL: But covered at the farmers' cost?

MR COTILLARD: Yes. So effectively the farmers are incurring all the costs of these sort of bits and pieces anyway. What they are not getting is the funding to cover the costs from the grower's point of view. Whether it comes from an environmental bit and you get your money back or whether it is coming in

direct aid, at the end of the day, from a grower's point of view, it is a cost. I don't think the growers really are too upset which way they get their money back, whether it is direct aid or environmental, but, as I said, much of the environmental stuff that was going to have to be implemented at the time effectively was nothing more than costs recovery and that is not going to keep farmers on the land.

DEPUTY DUHAMEL: We have had two points of view put forward today from various bodies. One is that the amount or the number of verges that would actually come out of production and cause problems in environmental terms would ... well, we have had two divergent opinions. On one side, some organisations said it would be a lot and, in the other case, they said it would be not very much at all. From your particular view, prefaced by your remarks about any land coming out of production not being or not looking as if it is agriculturally managed, do you actually see any of the land that has been spoken about as coming out of production, if it went a more natural way, as being a problem to the Island as a whole or not?

MR COTILLARD: I think one of the potential things is that obviously we represent the potato industry and one of the major things that is going to happen in the future -- I have not had confirmation of exactly what is going to happen, but under the sort of Nature's Choice and Assured Produce Schemes -- is that Jersey at this moment has a derogation in terms of growing potatoes on the same land year after year after year. There is a view that this is going to disappear fairly soon. So if we have to move to a more rotational basis, effectively, Jersey is going to need every inch of land it has got on this Island to keep an industry going. So if you have to start setting land aside for two

years, one year or whatever that you can't rent or you can't produce out of, Jersey will keep every vergee of land going, as long as you have got a basic farming industry that is viable. But, at the end of the day, whether a field is in grass for a couple of years in the cattle industry when, you know, exchange of land takes place between growers and the cattle industry, I believe that there would be very little land on this Island that will not be used.

DEPUTY DUHAMEL: And, as far as your industry is concerned, this moving back to the more kind of "old fashioned" methods of production would be seen as obviously being beneficial in modern environmental terms?

MR COTILLARD: My concern about it is that I have heard rumours that it is two years in four, two consecutive years or there are various different rumours that I am hearing, and there is nothing factual at this moment, to my knowledge.

DEPUTY DUHAMEL: Yes.

MR COTILLARD: My concern is that the industry won't actually have sufficient land available to maintain the industry that we have today in terms of size. I mean, you will physically will not be able to produce the potatoes that we are selling at this moment in time.

DEPUTY DUHAMEL: It has been suggested that Planning and Environment are looking at legal changes at the moment, at the end of which would enable landowners to actually allow their land to be sold out of agriculture to be incorporated into residential curtilages. Would your industry actually support that move or be entirely against it, bearing in mind that you need all the land you can get?

MR ANDERSON: Can I just throw a figure into this?

DEPUTY DUHAMEL: Sure.

MR ANDERSON: I am reading from a report. In the last 34 years the land has declined by 26%. It only declined by 7.6% in 1989, whereas the number of growers going out of the industry has declined considerably by about half in that period. But the land is not being taken up. But there has been a gradual decline over 34 years. It says that there is 26% of land around somewhere.

DEPUTY DUHAMEL: Right, right. Okay. Deputy Rondel?

DEPUTY RONDEL: You mentioned two modern protocols early on.

MR COTILLARD: Yes.

DEPUTY RONDEL: How do you justify the supermarkets having protocols for land use and yet we see ... we have been told today by one of the farmers that came up earlier, sorry, the Landowners Association, that tractors are out in the field digging in mud basically and there are ruts in the field 12 inches deep? How does that stand up ----

MR COTILLARD: How do you square the circle?

DEPUTY RONDEL: How does that stand up with the protocol?

MR COTILLARD: I would imagine most ... The system that operates at the moment -- and I am not telling you that any system is perfect, but the system that has been implemented by the marketing companies of the Island at the moment -- is, in my opinion, not correct, but effectively ever grower has a quota for the day. So if you are growing in heavier soils, you have to dig that quota on that day because, if you don't, you lose it. So if potatoes are £500 a tonne and your quota is, say, 10 tonne, you have to dig that day otherwise you lose £5,000. So those growers go out and dig. Obviously people in sandy soil out at St Ouen's and what-have-you, they don't have to the same degree that same problem.

I believe a more equitable system should be worked, where growers within a group can say “Well, look, okay, the weather is not very good, but we will all go and dig in sandy soil and next week we will come back in heavier soil”, but unfortunately, at the moment, that is not the system that is implemented. So I think, to the grower’s defence, at this moment in time that is a decision made by marketing companies as very much out of their hands. So they either have to take a decision to lose the money or go out there in rough conditions and dig, effectively.

DEPUTY RONDEL: So, in relation to the environment, that goes by the board totally.

MR COTILLARD: I think nowadays, to be absolutely honest, machinery is so big, with chisel ploughs and so on and so forth, that that land could be basically broken up, you know, subsoils at the end of the season and I think, you know, within six months, you wouldn’t know it ever happened.

DEPUTY DUHAMEL: Senator Vibert?

SENATOR VIBERT: I wonder if you have been able to put a cost per vergee on carrying out the protocols that you now have to carry out, because you are having to bear the cost of that?

MR COTILLARD: Correct.

SENATOR VIBERT: And it is actually doing, to some degree, what the Agri-Environmental Scheme was going to try and do.

MR COTILLARD: Yes.

SENATOR VIBERT: So there is a cost factor involved in that. I wonder if you have been able to offhand work out for us what you think the amount would per per vergee would be?

MR COTILLARD: To be absolutely honest, I haven't even attempted to. But obviously it has got to be slightly more expensive to the small grower because, in terms of computer programmes and so on and so forth, if you are using it across 500 verges or if you are using it across 200 verges you have to equate the cost. I haven't tried to work it out, to be honest, with you. I would be totally guessing if I gave you a figure.

SENATOR VIBERT: The reason I ask the question is if we were minded to say, if this committee was minded to say, that, as a result of not achieving this, the farmers are out of pocket and ought to be compensated for the fact that they are doing this, carrying out the Agri-Environmental Scheme without the subsidy, without the amounts they were going to get, whether we could put an amount in or an amount in that we believed that ought to be paid to them. That is the reason why I am asking the question. It would be very helpful to know.

MR COTILLARD: I would have thought it would be fairly easy to work it out. I mean, there is a fixed list of what has to be done, so somebody just has to sit down and cost it at the end of the day.

SENATOR VIBERT: Is it possible for your organisation to do that for us?

MR COTILLARD: We can do that in conjunction with the Farmers Union, yes, no problem at all.

SENATOR VIBERT: That would be very handy, I think.

DEPUTY DUHAMEL: Yes, Senator Le Maistre?

SENATOR LE MAISTRE: You have made the comment which links the protocols in Assured Produce etc to environmental elements, which of course are true. Would you nevertheless accept that the original concept which lay behind the

Agri-Environmental Scheme was to actually lift above the line so that there would be an advantage which was greater than competitors so that we could actually claim, for example, if the whole Island had bought into the Agri-Environmental Scheme, that that would be a very good marketing potential advantage, so that components within the scheme, like tree planting and hedgerow issues, were actually designed to take us above that line?

MR COTILLARD: Yes.

SENATOR LE MAISTRE: What do you think the view is of the industry on those elements, whether they support them or don't support them?

MR COTILLARD: As I said in the beginning, there were certain things in there before that were Jersey things. You know, the vast majority were picked up under the Assured Produce Scheme, but there are certain elements, as you are saying there, which were Jersey things. There are certain things you need to look at. I mean, in the UK you have buffer zones for every field. Well, if you look at the size of some of the buffer zones and had that all the way round some of the Jersey fields, you would have a little postage stamp in the middle that you would actually be working, you know, so you have got to tweak these things around to where you are living really.

But in terms of how the Island or how the farming industry would accept some of the additional things, I don't think or I can't remember ever having been in a discussion with anybody about it, because I think we came out of the States Chamber when effectively no money was voted for it and thought "Well, you know, that's not going to happen", sort of thing. So I don't really remember any conversation about it. I would have thought ... I mean, if you are a farmer, effectively you love the environment in which you

work. I mean, we live on an Island that is pretty windy, so most people are going to want trees, you know, and so on and so forth. So I can't think of any grower out there, to my knowledge, who hates the environment, who wouldn't be happy to see trees planted. The one to the south of a field, who had the trees to the south of your field, may not be quite so happy as his neighbour on the other side of the hedge who has got them to the north, but these things have to be sorted out.

SENATOR VIBERT: If you damage the environment, you damage your future income.

MR COTILLARD: Precisely, yes.

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Yes, can I move slightly across and talk about the environment? Currently we see, not only for this year but for a number of years now, we have seen polythene left round the Island and your colleagues on the Farmers Union and the Landowners Association have both made comments when I have put the question. Can you give us reasons -- not reasons, but can you give me your views -- on why we are seeing a fair amount of discarded polythene, not of this year but from previous years, still around the countryside and, given that a number of farmers have got out of the industry ----

MR COTILLARD: They left it behind when they left.

DEPUTY RONDEL: And left it behind.

MR COTILLARD: Yes.

DEPUTY RONDEL: And it is now the landowner's or whoever their responsibility. Do you believe that your Association have some responsibility to the environment in seeing that this is all cleared up?

MR COTILLARD: I don't think there is a grower out there who likes to see plastic. I think what happened is we ended up with a couple of years where the States effectively didn't know how to get rid of it. One time it was going down Bellozanne and then Bellozanne were saying it produced too much heat and they could not get enough household waste in the incinerator at the same time and effectively the period over which it was taken got delayed and people left it on hedges and we ended up losing a year basically. Then they sent it up to Scotland, if I remember rightly. To cut a long story short, you ended up with a series of delays and delays and delays and I think a lot of growers, myself included, you don't really want to bring all your plastic into one place because, if ever you have a fire, you will get one heck of a big fire. It would be better to have it spread out, but not necessarily on hedgerows of fields, but some secluded spot somewhere, I agree with you.

I agree with your comments. You know, it shouldn't be left around and I think wants a proper disposal system in place. The system we have at the moment is hugely expensive. I mean, I have done three loads within the last few weeks and I can tell you it costs somewhere around £600 a trailer load to get rid of it. It is seriously not cheap and if you are not making money, which the industry is not, there is not a lot of incentive to load a trailer up and then get a bill for £600 every time you turn up at Public Services. The easy option is to leave it where it is and say "Next year I might be able to afford to get rid of it."

SENATOR VIBERT: It is the same principle as fly tipping, isn't it? You make the disposal of the refuse too expensive and then people are going to dump it.

MR COTILLARD: Exactly.

DEPUTY DUHAMEL: Deputy Hill?

DEPUTY HILL: Yes, could I come in? Just talking about plastic, I do not know whether it is just me or where I live, but is there as much plastic being used today as there was?

MR COTILLARD: No.

DEPUTY HILL: Because there doesn't seem to be.

MR COTILLARD: There is not. There certainly isn't. Obviously the very early land will continue to have plastic on it, but we have got to the point over the last few years where we don't seem to be selling as many potatoes. Certainly we are not moving as many potatoes early in the season, so what is happening is the crop is bulking up, you end up with oversized potatoes, customers are now forcing you to reduce what was sort of 55mm oversize whittled down to a 50. What is the point of producing potatoes if you are going to end up going out the end of the gravy line and dumping them? There is absolutely no point at all. So basically people are now reducing the amount of area they cover under plastic and obviously reducing their costs at the same time.

DEPUTY HILL: I have actually got a couple of questions, if I could. Just to give the emphasis about the large and the small grower, or large and small farmer, what sort of acreage would you consider to be a small grower today?

MR COTILLARD: I suppose anybody under a couple of hundred verges I would regard nowadays as fairly small.

DEPUTY HILL: But there is not that number, surely, who can farm that much?

MR COTILLARD: I don't know. I mean, if you looked at what was the Department of Agricultural statistics at the time a few years ago when there used to be allegedly 800 growers and I used to count up about 250, it was depending on what they registered as a grower. There is not a lot of ... Well, there is. That is a lie. There is a lot of small growers, but it has changed. Years ago, before potatoes quotas came in, you could have a very smaller grower out in St Ouens in L'Etaq, digging, you know, a small area of potatoes very early, the same for Mr Baudains' sort of area along the end of the road there. You know, they would dig their crop, declare it early at a high price and they make a decent living. Unfortunately, the system has now changed to a quota system, where effectively you can be digging very early fields quite late into the season. I mean, I know quite a few growers in the Val de la Mare area, for instance, who could grow very early potatoes and don't even try because they know they'll never lift them.

DEPUTY HILL: So there is a fault within the system really then?

MR COTILLARD: There is no such thing as a perfect system, it has to be said. You know, we used to have "stop digging" orders years ago. All that encouraged was growers to go out and bigger and bigger machinery to dig more potatoes in a shorter period of time and those with the shallowest pockets couldn't afford it and effectively they went out of business. There is no such thing as a perfect system.

DEPUTY HILL: Okay. Just leading on from that, there is talk about the fact or there was a perception that the Agri-Environmental Scheme really was down

to prop up a lot of small growers, small farmers. Would you subscribe to that view?

MR COTILLARD: No. I don't think so.

DEPUTY HILL: You don't think so?

MR COTILLARD: No, not in my opinion. A lot of the work that the Agri-Environment Scheme requires is sort of pay as a hand out for their doing it. So a few big farmers or smaller growers, I don't think it makes any issue. It is just the number or the area that needs to be covered. So, whether it is big growers with more staff or small growers doing it themselves, I think it comes to the same thing.

DEPUTY HILL: Some people are quite happy to keep small, keep simple and others don't.

MR COTILLARD: Yes. If you look at air quality sheets -- I mean, it is not an Agri-Environment issue, but if you look at a lot of the quality stuff within the markets that I am in -- you will tend to find that most of the people at the top ten are the smaller growers who do a particularly good job.

DEPUTY HILL: They are more hands on.

MR COTILLARD: And that is where the future of the Jersey potato is. We will never be a volume crop. We have to be a small niche quality crop. This is why I think these people are still very essential.

DEPUTY HILL: Could I just clarify a situation or question which Deputy Duhamel asked earlier? It is a little bit in line with one of the group that we had previously to you, when they were talking about the possibility of 9,000 verges of land being ----

MR COTILLARD: Unused?

DEPUTY HILL: You probably heard it before.

MR COTILLARD: I hear these rumours, but it will never happen. It won't happen.

DEPUTY HILL: It was in the newspaper today there was some discussion about it again.

MR COTILLARD: Yes.

DEPUTY HILL: So what you are saying really is you think the concerns of the Jersey Landowners Association might be misconceived?

MR COTILLARD: Yes. I don't believe it will happen, especially if this protocol comes in that you can't grow potatoes on the same land and so on and so forth. I mean, people will be desperately looking for land. If you are a very big grower and you have got to keep that tonnage up again next year because you have supermarket contracts and you are suddenly, by some stipulation, not allowed to grow on that land next year, where do you physically produce those potatoes from? You will be desperately out there looking for more land.

DEPUTY HILL: Just again, moving on from that, I don't want to use the word "blackmail", but it is almost feeling now that the landowner is no longer king, but the grower and producer is king and they can come and offer a price now on land which, you know, you may have been paying £200 or £300 a vergee for, they are offering £25 for or even lower. It may be even lower. They may say "I'll farm your land for free and cut your hedges." Are you aware of the difficulty that some landowners are having, with a view to the rating value of their land is perceived to be £80 and they are not receiving a lot. Are you aware of the problem?

MR COTILLARD: I am aware of that. I mean ----

DEPUTY HILL: You are going to get caught up with your own land as well, you would be?

MR COTILLARD: Yes. (1) I don't believe land ... I mean, I think land values are going back to what I would call a more realistic value, if you like. I mean, land values are more or less back to what we were paying within our family ourselves anyway. You know, you were ending up, when there was a lot of greed going on out there, people fighting each other and so on and so forth, that land values escalated. You can only do that if you are making money out of it. The industry is not making the money out of it, so, you know, the market finds its own realistic value. I don't believe land prices will drop much lower than where they are now, which I think is this £80, but I think you do have a big issue in terms of rateable value on land, inasmuch as only Jersey to my knowledge rates land. I don't know anybody else who rates land.

DEPUTY HILL: We have heard that before.

MR COTILLARD: It is a cost to the industry. Like I said, the growers just say ... Okay, you are paying rates effectively for the services you receive, so if growers say "Well, if the States want to cut all our hedges for us, we'll pay rates", then that's fine, but, at the moment, we are paying rates for no service.

DEPUTY HILL: It might be a difficult question to answer, because it could be fairly general but, because you can get more for an early land if a field has been calculated at zero, what is a general average for a field?

MR COTILLARD: I would have thought most land nowadays is about £80 a vergee, something like that. I've been on a lot of land negotiations within the last few weeks and £80 per vergee seems to be the mark most people are talking about.

DEPUTY HILL: Thank you, Rob.

DEPUTY DUHAMEL: Senator Vibert?

SENATOR VIBERT: I just wondered if you could just clarify for me this protocol that you were talking about. Is that a European protocol?

MR COTILLARD: No.

SENATOR VIBERT: Or is it a UK one?

MR COTILLARD: It is a UK multiples, UK retailers.

SENATOR VIBERT: Fine. That is the first thing. We have actually been told by a group this morning that they consider farmers to be the best people to look after the environment. Is that a view that your group would accept or not?

MR COTILLARD: I think they are the cheapest people to look after the environment, maybe let us put it that way. Certainly, if you mean who is best, anybody can do it if you have got the right machinery and the right equipment. You can employ anybody to do it, but it is who is the cheapest way of doing it. That is the situation.

DEPUTY DUHAMEL: I have a question. One of the schemes was to do with a farming manure and waste management plan. Presumably, as farming goes back to the crop rotation, does this mean that you are going to get a more integrated land management, whereby the dairy herds will actually go out and do their business in the right place rather than doing it in the farmyard, causing slurry problems?

MR COTILLARD: Well, I think Deputy Rondel will tell you that I only just about know the front from the back of a cow, never having had much to do with them, but, I mean, general rules, yes.

DEPUTY DUHAMEL: Yes.

MR COTILLARD: I am sure everybody in this room knows I'm involved in this vodka project and one of the big issues of that is the amount of potatoes that we have to get rid of and the Water Pollution Law at this moment in time and obviously part of the parcel is, you know, how do you get over that problem? Yes, I can see the idea of where, if we do end up with a system that there is permanent grass land -- not permanent, but two or three year layers laid down of grass -- you know, people will be running cows over that and, yes, it is a sustainable way of farming. There is no doubt about it.

DEPUTY DUHAMEL: So it could be said that, in some respects, in the shake-out that has happened in agriculture over the last ten years a lot of the farming methods have actually brought about the agri-environment initiatives that we were trying to bring about by other means?

MR COTILLARD: Yes. I mean, the supermarket effectively bring a lot of it around, if you like. That is where it is coming from. That is the driver at this moment at the time, not obviously the Agri-Environmental Scheme that went through the States.

DEPUTY DUHAMEL: Is there anything out of the schemes that were put forward under Agri-Environmental Scheme that you are having to endorse by going through supermarkets over and above that that you would personally like to see as a member of your marketing group to be put in place by the States?

MR COTILLARD: I have to be honest. The last I saw was the policy that went to the States, which Jean took to the States. I believe there has been some rewritten something new that has come up. I have to be honest and say I have

not seen or read that new policy, so I'd be unwise to comment upon that because I don't know what's in it.

DEPUTY DUHAMEL: Right, but there is no glaring omission at the moment, something that you feel that should be being looked at as a matter of urgency?

MR COTILLARD: I think personally -- I am slightly biased, I suppose -- but personally I think the Island looks in pretty good shape. I think it looks as good as I ever seen it in my lifetime. I don't see that there is anything wrong with it.

DEPUTY DUHAMEL: Right.

MR COTILLARD: So I don't think anybody is doing anything horrendously wrong.

DEPUTY DUHAMEL: But it would be nice to be paid for it.

MR COTILLARD: Sorry?

DEPUTY DUHAMEL: But it would be nice to be paid for it.

MR COTILLARD: Well, as I say, whether the Government feels to go down payment via an agricultural-environmental scheme is the way to go, which I believe is what is happening with the new one mainly, or whether you go down payments of so much per vergee to look after crops, it is a bit of a mishmash really. We are in a difficult situation that, from Day One, when Jersey decided not to go into the EEC, nobody in the States has ever really sat down and looked at what our competitors are having.

In my previous life as chairman of the Farmer's Union Cauliflower Winter Vegetable Committee, effectively we would no longer grow calibrese or cauliflowers on this Island because we were up against massively subsidised competition. When I actually queried with growers in the UK how,

because they didn't get intervention on cauliflowers, they said "Come over and have a look", and I've been over and had a look and they were getting a massive amount of money for dumping cauliflowers. Now, it's crazy, but, at the end of the day, we had quite a few years ago now, we had a serious frost that effectively took all the cauliflowers out of Jersey, the UK, France and most of Northern Europe. When I was a child, if you had just a few crates left, the price for a few crates shot up, you know, so you did all right. The price never moves any more because you are on a world-wide marketplace. You know, those cauliflowers were coming in from Southern Europe, so on and so forth. I said "Well, okay, but you can bring them in from Southern Europe, but somebody had to grow them in the first place. They weren't growing them on spec." They said "Yes, they were, because they were going into intervention." So that is something that was happening within Europe that Jersey seems to have lost total track of. I think this is part and parcel of the policy that went to States last time. It was the economic disadvantage that Jersey growers are facing. I do not believe anybody in the States, from the day we went in in '72 to this day, has ever kept track of what our competitors are receiving. All I know for a fact is that when I came back from that cauliflower trip, I spoke to the Economic Advisor's officer at the time -- it was John Christianson who was in place -- and I said "Who is keeping track of what is going on?" and he said "The Department of Agriculture", or officially it wasn't the Department of Agriculture then, it was Colin Powell's office at the time and it was John Christianson who was handling it. It is their responsibility. When I spoke to them, they said "No, it's not happening" and, in fact, it even got worse than that because when I told them about intervention

on cauliflowers, they told me no, it didn't exist. I was actually sitting there with the documents in my hands, saying "This was the number of it".

So nobody has done it and that position has not changed to this day and age. So people sit there and discuss what is the economic disadvantage of farmers in Jersey to Europe, and the truth is nobody knows. Not one person walking this Island knows. People have all got their theories on it, but nobody knows factually.

SENATOR LE MAISTRE: I am sorry to actually ----

MR COTILLARD: Argue about it. You can try.

SENATOR LE MAISTRE: Put a question to you, because I am not here to express an opinion, but would you recall that actually there was a table produced of all the countries, which included Japan, which demonstrated the actual payments ----

MR COTILLARD: In the OXERA report.

SENATOR LE MAISTRE: It was produced in the policy document on the Government, the amount of money coming from Government per £100 coming to the farm gate. Do you recall that in Switzerland it is something like £74 out of every 100 and in the UK it is something like £44 out of every 100 and in Jersey it is something like £18 out of every 100?

MR COTILLARD: Yes. The issue we always had is that we were trying to get figures together and, trust me, I spent a lot of time in my cauliflower days trying to find out what like for like was. You could get European figures. Then there was governmental aid on top of that. Then there became regional aid on top of that if you were in a deprived area, Cornwall, so on and so forth. I think Jean will tell you that there was this infamous of a huge pack house,

which I think Univeg built down in Cornwall that cost them ten quid. The reality was that it was about a quarter of a million or so. So it is a very, very complicated situation. I think basically our Government has taken the decision in this case of “How much money have we got and how much can we afford to give them? Let us forget what the practicalities are and what the reality of life it. It is how much money have we got left and how much can we give them to keep them going for a couple of years until we hope we have got some more.”

DEPUTY DUHAMEL: Deputy Rondel?

DEPUTY RONDEL: Yes. You mentioned earlier about possibly crop rotation, i.e., every two or three years and in the interim it would go down to grass. Putting it down to grass, would that increase the nitrates within the water courses, obviously with wash through?

MR COTILLARD: It shouldn't do. You tend to get nitrate breakdown when you plough or breeze a crop in. That is when you get the nitrate breakdowns at the time, but if you are leaving it there as a permanent layer, it shouldn't affect it. It is when you are actually turning a green crop in, you get it. This is why nowadays you don't see breezing like you use to do. People used to breeze before Christmas and effectively that tended to be against supermarket protocols because, effectively, you know, you are getting bacterial breakdown and the nitrates are leeching out of it at a time when no crop is going straight in at a time to be able to, you know, make benefit of that breakdown.

SENATOR LE MAISTRE: It is actually the nitrates that I wanted to pick up. Part of the Agri-Environmental Scheme was actually seeking to reduce the risk of

nitrates because we have a perceived problem, if I can put it that way, in that we are considerably higher than European requirements.

MR COTILLARD: Yes.

SENATOR LE MAISTRE: What actually have you seen replacing ... is there any other initiative that can be undertaken to actually reduce the use of nitrates further or do you think you are at the limit now in terms of potatoes in particular?

MR COTILLARD: I don't think we can go any less on potatoes because obviously it is within supermarket protocols in terms of how many units you can use and so on and so forth.

SENATOR LE MAISTRE: What do they specify to?

MR COTILLARD: The last figure that I saw, it had actually gone up. It had gone up 20 units. Let me try and think off the top of my head. I think it was 180 a hectare or something like that. I am not sure what the units were, but, anyway, the last figure I had seen had gone up in terms of what was legally allowed to be used. We had come down to such a level. I don't know what your view is, but I think a lot of the nitrate problem is that it takes so long for stuff to go from what is basically surface now to drinking water down below that, you know, it could be very much what our forefathers did a few years ago throwing loads of guano and what-have-you on it. By the time that has seeped down to the drinking water and been pumped back up, those of us who still exist today get blamed for it and tarnished with it. Let us put it this way, from my personal point of view, there is no point in me throwing loads of nitrates on the soil that effectively is costing me a load of money and I'm never going

to benefit from, and I think every grower on this Island takes the same attitude. You are just throwing money away.

SENATOR VIBERT: We have just had a debate on the Strategic Plan for Jersey and there are certainly a number of us in the States who were very, very concerned about an OXERA report that said that we needed to grow the economy by 2% and only bring in skilled people to do it and to actually shrink those industries that were relying on unskilled labour. It pointed to tourism and agriculture as two industries that ought to be shrunk. I just wondered whether the industry was aware of that and, if they were aware of it, what their view of it was.

MR COTILLARD: I don't think the industry is aware of it, to my knowledge. I only heard about it because I asked Martyn to come and have a look at the thing this morning before I turned up.

SENATOR VIBERT: Well, it is now States policy.

MR COTILLARD: It is now States policy, is it? Well, they are going to struggle to shrink the industry much further than it is and have one left, basically. They either shut it down, I think, or shrinking it much further is going to be rather difficult, I think, to achieve. So presumably this means the finance industry runs the environment as well on that basis?

SENATOR VIBERT: Everything. In the view of some of us. I shouldn't express that view.

MR COTILLARD: Well, that should be interesting to see what the bank managers and finance industry do at the weekends to keep the Island looking pretty.

SENATOR VIBERT: You see, the difficulty that we face as States Members is in fact they say that that is not the case, even though OXERA said it and it is

in the plan, that they are going to encourage the development of Agriculture, but it has to be done with more skilled employees.

MR COTILLARD: I don't believe it can be done. That is the bottom line. I think, you know, if you like, any dead wood that was in the industry has disappeared a long time ago. You are down to hardcore people who know their business back to front. As I said, I come back to the beginning basically. I think the issue which faces this Island is that I can't hardly name you any people under 40 who are farming. I mean, effectively, you know, we have got a bit of a political issue, in terms that we have a company, which is almost like a monopoly company at this moment in time which has been formed and we would like to remain so. If you look at the structure of those companies and you look who is following then, you think "Where's the young people in that company?" There is no young people behind that company. So either they have a corporate structural idea that they are going to sell it in the future to some UK based farming company and move away from what we have at the moment, which is traditionally Jersey based, traditional Jersey families -- that is a very old fashioned idea and it may be that my head is stuck in history here -- but, you know, the Island, if it is going to look after its environment, needs to address the issue of back to profitability in the industry and get some young people who think that they want to make a living out the agricultural industry. Until that is achieved and until that is sorted out, you are going to have a problem.

SENATOR LE MAISTRE: Can I just come back to the protocol issue, because we need to perhaps talk about it again some time, but, just off the top of the head, could you just give me a reaction to things like wet grassland meadows, which

is the management of that part of the Agri-Environmental Scheme. Would it be in any protocols of the supermarkets or do you think that is outside their remit probably? They wouldn't look at land which was not part ----

MR COTILLARD: Not that aren't, no, agreed.

SENATOR LE MAISTRE: Other things like, if I can just take them out at random, hedgerow creation, restoration and management. Would that not normally be part of a protocol, or would it?

MR COTILLARD: No. You have to do a certain amount of environmental goals that you have to set yourself within a business plan, so it tends to be down to the grower what goals he sets himself, dependent upon what his farming situation is, you know. There would be no point in me saying "Well, I'm going to have some wet goods when I don't own any".

SENATOR LE MAISTRE: But it tends to be the management of the land on which crops are grown?

MR COTILLARD: Correct.

SENATOR LE MAISTRE: Yes. So things like woodland planting are unlikely to come in to supermarket protocols.

MR COTILLARD: No.

SENATOR LE MAISTRE: I think that is important to understand.

MR COTILLARD: No, no. I totally agree, there are certain things that I think the Island could wish for, could have a wish list, which goes beyond.

SENATOR LE MAISTRE: Heathland restoration, heathland management, those can be picked up.

MR COTILLARD: Yes.

SENATOR LE MAISTRE: But those elements would not. They would be seen as enhancement for environmental purposes, but not actually ----

SENATOR VIBERT: They don't come into crop production.

MR COTILLARD: No.

SENATOR VIBERT: That is really the point.

DEPUTY DUHAMEL: All right. Are there any further questions?

DEPUTY RONDEL: I have one final question. What is your view on land being moved across for the horse industry, stud farms and the like?

MR COTILLARD: I would actually like to see it stay within the agricultural base, i.e., you and I both know a whole farm not far from us which hasn't had any other crop on it for years and years and years. So if you were in an rotational basis there is no reason why, you know, you would swap land with somebody who has got a load of horses. You know, the years you cannot grow spuds on it, your break years, you would have your horses on it. You know, you do a land swap. I see absolutely no problem with that. I think it should stay within the rotational use. I have no problem with people have equestrian stuff at all. I think it is quite achievable. I think it is all a matter of everybody sitting down and working together, you know, and I think there is that feeling just to do so.

SENATOR LE MAISTRE: Like they did during the agricultural debate.

SENATOR VIBERT: You appear to be very strong on the belief that, as a result of this protocol, we are not actually going to have land taken away basically and we need as much land as we can really get or make available.

MR COTILLARD: Yes. You would obviously have to say to the Department of Agriculture staff, if you have one, "There you are." I think Ian Norris would

be the person who would possibly be the most up to date person on where that protocol stands at the moment, but it has certainly been mooted to the industry.

SENATOR LE MAISTRE: Just the one point actually, which I think is quite important, in terms of the use of land and potentially land which will go fallow or not used. Can I assume that your optimistic outlook in terms of land use is partly conditional on the supermarkets requiring that kind of rotation? In other words, if they don't require that rotation and the amount of potatoes required was to fall for any reason, in that kind of scenario you could have a land area which was then not farmed.

MR COTILLARD: Not farmed, yes. I think, if land rentals come down to what I think is a realistic level, I mean, I personally would be quite happy to rent ... basically you would look at your land bank that you have under lease or you own or whatever and you have an average price across the lot. So you could leave some land empty for a couple of years, just in grass for a couple of years or whatever, as long as you are still using the land. So I can't see land going out of production. I think, if it is at a reasonable level, not if you are paying a couple of hundred pound a vergee for it -- people just won't do that -- but if it has come down to a more realistic level, which I think it is getting there, I don't see a problem. There was a lot of talk of landowners having to do the branchage and pay rates on their land and have no income. I really don't see that happening. I think where you will have a problem is some of the, you know, tiny, tiny little fields, the one vergee fields or one and a half vergee fields. It is very difficult to think what you are going to do with those -- maybe horses.

SENATOR LE MAISTRE: But there is quite a lot of them, in fairness, isn't there?

MR COTILLARD: There are. I mean, I own some of them and you know what-have-you. It becomes difficult to know what you do with that. But I think, if you look at the reality of life, the Department of Agriculture in the years that I've been involved, they used to have an Alternative Crop Committee. They used to run trials on various different bits and pieces and the last figure, the last report, I saw was effectively there was 70-somewhat crops that had been tried and a lot of those were flowers, but nevertheless 70-somewhat crops had been tried and, sort of bringing it down to its absolute basics, the bottom line is Jersey can grow anything. What it can't do is grow it cost-effectively compared to our competitors, especially if it is subsidised in any way, shape or form and I think this is why we have come down to such a reliance upon the Jersey Royal, because that is the only thing that we have that is unique. We have this PDO on it and nobody else can grow it. If we didn't have the PDO on it, we would be in even more trouble, I think. So hence, this is why we have this one thing that is unique.

I think one of the issues which I think in terms of funding is where we started from is one of the ambitions of the board is to open up new marketplaces. We have been doing work in Belgium for the last few years and what-have-you. Any new marketplace, you are going to lose money hand over fist to start with. This almost slightly ties in to some of the issues that we don't have good boat links having going to the Continent or our boat links going north. Once you start moving around the houses, it becomes very expensive. Obviously people starting to order potatoes off you from wherever -- you know, Belgium, for instance, or whatever -- it is small quantities. To move

small quantities of potatoes, I think I am right in saying, was something like £200 per tonne.

MR ANDERSON: 190-ish.

MR COTILLARD: 190-ish and that is freight only. So, you know, it becomes very, very difficult to do.

MR ANDERSON: It is 40 going to England if it is a whole container.

MR COTILLARD: 50 anyway. So effectively what we were trying to do as a board was basically sort of encourage growers to undertake or market goods to undertake new markets. The big issue that we have is you travel the world or you travel Europe and you see Spanish, Egyptian, Majorcan potatoes whatever market you go to, and the only thing you notice missing is Jersey's. If you go to England, you have got the same potatoes everywhere, plus Jersey's. I think we as an Island need to widen out a little bit. I think we need to key up a little bit. That, to me, has always been a position where Government could help, in terms of the marketing side. But that budget also seems to have been cut.

MR ANDERSON: If someone appears to open a new market, it can't go in one ear out another ear and out another ear. If they don't do it consistently for five years, they won't get it.

SENATOR VIBERT: Transport links to Europe are awful from Jersey. Freight is just almost non-existent.

MR COTILLARD: They are. They are appalling.

DEPUTY DUHAMEL: Right.

SENATOR VIBERT: Hopefully we are going to be looking at that as well.

MR COTILLARD: I will come back.

DEPUTY DUHAMEL: Did you have any final comments? Did Mr Anderson wish to pick up on anything?

MR ANDERSON: No. I am not a farmer, so I'm not really qualified.

DEPUTY DUHAMEL: Nor are we. Right, so, in that case, on behalf of the Panel, I would like to thank the pair of you for your submission and your interest. Thank you.

MR COTILLARD: Thank you very much, gentlemen. Thank you.

MR COTILLARD: Thank you.

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