

## ***Briefing No.12: Towards a National Compact for Food and Farming***

***We need to “work out the basis on which we want sustainable farming for the long term, and what price we are all prepared to pay for that as well...”***

***Rt Hon Tony Blair MP, March 2001***

**The foot and mouth crisis in the countryside** is the latest in a series of disasters for agriculture and food policy, and it underlines the inability of the Ministry of Agriculture (MAFF) to develop a truly integrated policy for the countryside. Labour's 2001 election manifesto has signalled the creation of a new Department of Rural Affairs to replace MAFF (the devolved administrations in Scotland, Wales and Northern Ireland already have departments for rural affairs), and for a commission on food and farming to advise on new directions for policy in the wake of the latest crisis in the countryside.

The work of the new commission and department needs to be informed by a wide-ranging, participative public debate on the future of the countryside, and of farming within it. One of the outcomes needs to be a new national framework for the future of food production and farming, which gives the UK a food and farming sector that respects and protects the environment, produces wholesome food and makes a decent living for farmers and rural communities dependent on agriculture.

### ***Introduction to the Issues***

Three significant problems confront Labour in relation to food and farming policy.

**First**, the scandals of recent years in food production - especially the BSE crisis - and the controversies over GM crops, have hit public confidence in official claims and procedures on food safety and in farming generally.

**Second**, farmers' grievances against the Government, as displayed in the fuel crisis, have their roots in the decline in income for producers as supermarkets and imports have driven down the price to farmers of dairy products and meat, and as global competition in food products becomes ever tougher. This trend, in turn, has produced a countryside damaged by intensive farming techniques and increasingly dominated by big farms. How can farmers' incomes be improved and better environmental standards be ensured, enhancing the quality of the countryside as well as of food?

**Third**, there is a significant problem of access to affordable fresh and high quality food for households on low incomes: exclusion from mar-

kets for fruit, vegetables and wholesome meat products contributes to ill health and adds to the multiple problems of deprivation.

This is part of a wider problem in food production - the emphasis since the last war on pesticide and fertiliser intensive production of cheap food subject to mass processing. Recent scandals and emerging evidence about the damage done by intensive farming have led to rising concern about the pollution of the countryside and about the health risks to which consumers are exposed by industrial farming and food manufacturing.

Food and farming policy brings together key issues for Labour - social exclusion, countryside problems, and public trust. Dealing with these in a positive, 'joined-up' way could help revive consumer trust in food policy, bring new support in rural areas, and add to the effectiveness of our policies against social exclusion.

A new Labour government will urgently need to work with producers, consumers and NGOs to develop a new compact for food and farming.

# Expanding production of, and access to, organic and low-impact foods

**Intensive farming has been encouraged** by the globalisation of food markets, pressures to follow new 'scientific' production methods and the growth of large farms at the expense of small producers. Decades of subsidy have provided incentives for the heavy use of pesticides and fertilisers and for the removal of hedgerows and trees to produce ever larger fields.

The consequences include a loss of biodiversity, reduction in crop varieties, a steady decline of small farms, rising pollution of water courses and soils, more soil erosion, greater vulnerability to flooding, and high levels of dependence on subsidies. The benefit from all this has been cheap and abundant foods, but the price paid is now recognised as excessive. We produce far more than we need, and we pay perverse subsidies for excess production - subsidies that damage the environment and erode the diversity of the landscape, wildlife and local economy.

The excesses of the high-subsidy, high-intensity agricultural sector have now produced a situation in which public trust has been badly damaged, and in which the confidence of overseas markets in UK livestock products has been all but destroyed. Government finds itself paying for a business whose operations command little confidence and produce large-scale external costs to the environment that require large expenditure to put right.

The situation is much the same in the rest of the EU, where the Common Agricultural Policy (CAP) has ensured support for intensive farming and generated many of the environmental, social and economic costs that we can now see all too clearly. In the wake of the BSE and foot and mouth crises, there is a growing consensus in the EU that urgent and radical reforms are needed to make the CAP environmentally and economically sustainable. This represents a major opportunity for Labour to lead a debate and progress policy innovation on food and farming across the EU.

One key development that should be at the heart of reform programmes for food and farming is the expansion of the market in organic foods in particular and in innovative low-impact farming more generally - farming that respects the environment and minimises the use of pesticides and other chemicals. SERA, along with SUSTAIN, Friends of the Earth and the Soil Association, amongst others, supports the Organic Targets Campaign which is calling for 30% of agricultural land and at least 20% of all food marketed in the UK to be organic by 2010.

The organic market is growing rapidly but from a

very low base - 70% of produce is imported and less than 3% of UK farmland is organically managed, leading to small volumes, high prices and lack of home-produced organic food. Government grants for organic conversion do not meet demand. While some supermarket chains are now taking steps to give farmers incentives to convert, there is a need for public support for conversion on a much larger scale if we are to see a major domestic production sector for organic foods and if organic foods are to become affordable for the mass of consumers.

Significantly for Labour, in making links between environmental policy and social inclusion issues, there is also an important connection with health, which is emerging as a more important factor in consumers' attraction to organic produce than green values. In a *Which?* survey of 2000 consumers this year, 29% said that they had switched to organics for some staple foods and of these

60% cited health reasons as the key factor.

The results of research by the consumer consultancy The Henley Centre reinforce this point. The Henley Centre's survey shows that some 60% of respondents buy organic produce some or most of the time. The main motivation reported for choosing organic is the association with a healthier lifestyle.

The numbers reporting take-up of, or interest in, organic food vary little by income, class, sex and age, underlining the potential mass demand for organics if prices are lowered as a result of broader market development and large-scale conversion by farmers. Organics are bought by the affluent, but it is important for Government to note that consumers in all classes and

income bands would like to buy more but are deterred by price. More affordable organic produce is a key goal for any policy designed to enhance consumer choice and combat 'food poverty'.

It should be a priority to review the procedures and sums involved in support for organic conversion and products. There should be a policy to favour organic and low-input farming in the subsidy regime, with all support for intensively-farmed produce phased out over the next 5-10 years. At present, the rate of conversion is too low and the incentives for organic production are too limited, compared to those available for intensive farming. However, changes to favour organics need to be part of a much wider reform of the overall subsidy regime, which needs to be changed to offer support for environmental stewardship and much more diverse use of farmland - for woods and forestry, for fuel crops and for other uses, including new dwellings where appropriate.



Photo: Friends of the Earth, Lawrence Bruce

# Joined-up strategies for modernising farming and environmental subsidies

It is vital for Labour to build on the steps already being taken to redirect farm subsidies towards activity that protects and manages the rural environment ('stewardship' of the countryside).

This includes protection and restoration of hedgerows, care for biodiversity, sustainable forestry, and planting of crops for fuel (such as willow). Moving agriculture faster in these directions should be a priority for Government so as to restore public confidence in the farming industry, which has been badly damaged by recent scandals and by the poor environmental record of agribusiness. This will also help provide farmers with a clear route to new markets, techniques and goals that will secure them a better livelihood.



Photo: Gery Roberts

Other benefits include:

- Reduction in soil, air and water pollution from pesticides and fertilisers;
- Modernisation of the farming sector, allowing a long-term reduction in subsidy as new, more profitable markets are developed. There is growing consumer demand for "value-added" regional and local produce with high environmental standards i.e. healthy food from a healthy countryside;
- Reduction in problems of social exclusion and poverty in rural areas, as farmers are given support to develop growth markets;
- Reduction in imports of organic foods;
- Diversity in farming - avoiding risky reliance on intensive farming and on a future dominated by GM techniques;
- Increased choice for UK consumers - expansion of the market for organics will lower prices relative to 'mainstream' foods and make them more affordable and accessible for families on low incomes, especially in urban areas;
- Encouragement for innovation in organic and low-impact farming in the UK;
- An attack on the perception that Labour is 'anti-countryside' and unsympathetic to the farming sector, and that it favours GM technology over other approaches to food production.

The redirection of subsidies will also lead to a reduction in the total number of farms. This is already hap-

pening, although not necessarily in the right way as so many producers are being driven out of business by their inability to compete with products from overseas which are not produced to the same standards as those in the UK. There will need to be packages of support to help farmers move into other lines of work, as well as to convert to organic or low-input regimes.

A decisive plan to withdraw subsidy from intensive producers will need to be managed carefully, as it could simply lead to consolidation of ever larger farms relying on intensive methods to compete on the world market. There will need to be partnerships with the supermarket sector to design support packages that can promote organic

and low-input farming and environmental stewardship, while ensuring that price rises do not damage the interests of the poor.

In the interim, SERA believes that we have a 'right-to-know' how much each farmer is being subsidised through the Common Agricultural Policy. CAP subsidies currently favour the largest (and richest) farm owners.

Overall, it will be important to avoid developing a policy that simply appears to tend to the needs of producers, or to be a narrowly-focused 'countryside' policy. The emphasis should be on a strategy that gives a new deal for consumers and farmers, and for town and country, bringing their interests together - rather than dividing them, as the regime of intensive agriculture has done.



Photo: Friends of the Earth

# ***Towards a National Compact for Food and Farming***

The first priority for the new Department of Rural Affairs, the new commission on food and farming and key partners such as the Environment Department, farmers' groups, the Countryside Agency, English Nature and equivalents in the devolved administrations, should be stimulating a national debate on the content of a national compact on food and farming, and a thorough review of ways to prevent crises such as BSE and foot and mouth. This dialogue should encompass participative approaches to consultation and decision-making. SERA argues that a **National Compact for Food and Farming** should include these elements:

- A **national summit**, linking farmers, consumer groups, supermarkets and Government, to produce a **national accord on the rights and responsibilities of producers, consumers and retailers** and on the need for food production to be based on high standards of health, animal welfare and stewardship of a diverse and environmentally sound countryside;
- Recognition that post-war subsidy to farming has tended to **reduce diversity** - of farm types, production techniques, crop varieties, wildlife and products - and that new patterns of public support will promote **diversity, choice and care for the rural environment**;
- Major expansion of support for conversion to **organic farming** (to achieve 30% of agricultural land to be organic by 2010) and incentives for transition to **low-impact, environmentally-friendlier farming techniques** for producers unable or unwilling to go fully organic;
- Promotion of healthier foods and environmentally-beneficial farming, via the Food Standards Agency and **purchasing by the public sector** (especially for catering in schools and hospitals);
- Continuation of the policy of **careful and tightly-monitored** testing of GM crops, with an open debate on the results and policy options. A **Citizens' Commission on Environmental Risk** will allow the participation of members of the public in the decision-making process;
- Support for the development of **farmers' markets in country towns and also in cities**, as an expansion in consumer choice alongside promotion of organics by supermarkets;
- Expansion in subsidies for **countryside stewardship and energy crops**, with reductions in support for conventional farming phased over several years;
- Strong promotion of radical CAP reform beyond the steps taken in the EU's Agenda 2000 initiative, positioning Labour as the leader in modernising the CAP and pushing for a **Common Sustainable Rural Economy Policy**.

The recent crises in the countryside represent an opportunity for radical reform in an area that has gone unmodernised - or has been modernised in perverse and excessively costly ways - for decades. The national mood and the growing concern in the EU at the damage done by the CAP mean that the next Labour government has the potential to turn mistrust and dismay at our farming system into support for a truly joined-up rural policy that links consumers and producers, environment and agriculture, and farming with the wider economy and society. This is a challenge that must be seized in Labour's second term.

## **About SERA...**

This briefing was produced by SERA - Socialist Environment and Resources Association. SERA is an independent environment group, affiliated to the Labour Party. Our members include over 100 MPs, 6 of whom are Cabinet Ministers. SERA believes that social and environmental concerns must be addressed together and works to integrate green thinking into Labour Party policies. SERA campaigns by organising events such as conferences and seminars, and publishes regular briefing papers and a magazine entitled 'New Ground'. For more information about the issues discussed in this briefing paper, please contact SERA. To join SERA, please complete this form and click 'submit' then send a cheque made out to "SERA" for (£18 waged, £11 low-waged, £5 unwaged) to the address below:

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