

# Diocese of Hereford Environment, Agriculture & Rural Life

Serving the Church of England in Herefordshire,  
South Shropshire & parts of Powys & Worcestershire



THE CHURCH  
OF ENGLAND

Dear Colleague

## November Briefing 2009

A few notes which I hope might be helpful in your dealings with farmers.

### Climate change and food

Lord Stern, who wrote the 2006 Stern Review on the cost of global warming, was quoted recently in *The Times* newspaper that people would need to move towards a vegetarian diet as meat production was wasteful of water and farm animals were significant contributors to greenhouse gases. Farming organisations have suggested that this is a simple analysis of a complex issue and that livestock farming was an intelligent use of land that was less productive of other outputs and that grassland was an important carbon store. The industry also claimed that there had been a 17% reduction in methane emissions from UK agriculture since 1990 and that the sector accounted for only 1% of the UK's total CO<sub>2</sub> emissions.

Ray Hammond, a visiting lecturer at Oxford University and an expert in forecasting social and economic trends suggests that food prices will quadruple in real terms in twenty years unless climate change is addressed. Climate change will put stress on land and resources and yields of some staple crops could fall. Scenarios such as these have prompted a renewed call for spending on agricultural R&D, including the development of genetically modified crops. A report published by the Royal Society has called for a decade-long research programme investing at least £200m a year towards improved crops and sustainable crop management.

### Biodiversity

The government has announced that it will review the costs and benefits of connecting sites rich in biodiversity, such as Sites of Special Scientific Interest (SSSIs) and Areas of Outstanding Natural Beauty (AONBs) to make ecological corridors as a way of helping wildlife cope with the threat from climate change. "Re-wilding" of certain areas, where land management is largely abandoned in order to promote return to the natural (wild) habitat, is also under consideration.

### Agriculture needs new blood

A report published by the Royal Agricultural Society suggests that UK agriculture needs to attract 60,000 new entrants over the next decade if it is to maintain the level of skills and labour needed for the industry. Agriculture's 150,000 businesses accounts for 6% of total UK businesses and 2% of employment. However the average age of farmers is 55 and 41% of agriculture's employees are aged 50 or more.

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## **EU budget proposals**

Copies of the EU Commissions budget review suggest that agriculture's share of the EU budget will fall from 2013 onwards, and that there will be a review of the Common Agricultural Policy. There is expected to be more pressure to open agriculture to global markets coupled with more emphasis on environmental, upland and rural development measures ("Pillar 2" of the CAP). There is also a debate about creating a new "Pillar 3", to deal with climate change issues. Analysts trying to predict what this will mean in practise suggest that the single farm payment may be halved by 2020.

In the short term EU Agricultural Commissioner Mariann Fischer Boel is planning to spend another €280m (£255m) of public money to support the dairy sector in 2010, to be distributed according to the member state's share of EU milk quota. However the final decision has to be taken by EU finance ministers on the 19<sup>th</sup> November.

## **Rural Payments Agency criticised by NAO**

The National Audit Office (NAO), the financial "watchdog" of the government, has heavily criticised the Rural Payments Agency (RPA). It estimates that the RPA has wasted £680m of public money on unforeseen administration costs since the Single Payment Scheme was launched in 2005, including £280m set aside to pay EU Commission fines for failing to meet its delivery targets. The cost of administering payments is reckoned to be £1,743 per applicant, compared to £285 per applicant in Scotland.

## **Biodiesel production**

The International Energy Agency's Bioenergy Task Group has published a report stating that the world production of biodiesel has increased ten-fold since 2000 to 10.9bn litres, and could double by 2012. Bioethanol has also increased from less than 20bn litres a year to 66bn litres a year. However almost all of the growth is accounted for in three countries: the United States, Brazil and Germany, which together account for more than 50% and 75% of biodiesel and bioethanol production respectively. The UK is ranked sixth for biodiesel production (c3.3% of world production) and ninth for bioethanol production (0.2% of world production).

## **New coalition for rural issues**

Six national organisations have joined to form "The Rural Coalition", arguing for a new vision for rural communities and wishing to safeguard the future of the countryside. The organisation is chaired by Matthew Taylor MP, the author of a report on rural housing and employment in 2008. The six: Action for Communities in Rural England (ACRE), Campaign to Protect Rural England (CPRE), Country Land and Business Association (CLA), Local Government Association (LGA), Royal Town Planning Institute (RTPI) and the Town and Country Planning Association; represent councils, rural businesses, environmental campaigners and planners. They are pressing for new policy initiatives to ensure the countryside can meet the challenges of the 21<sup>st</sup> century.

I hope this is helpful,

Nick