

3.18 The Connétable of St. John of the Minister for Economic Development regarding a review of the agricultural grants system:

Will the Minister undertake to review the grant system which provides funding to the agriculture and horticulture industry, and if not, why not?

Senator A.J.H. Maclean (The Minister for Economic Development):

I am going to make the Connétable's day. Yes. In fact, my department has already begun reviewing the current Rural Economy Strategy including the level and extent of agricultural grants and subsidies with a view to preparing a Green Paper for public consultation. By way of background the provision of grants or direct aid and rural development support for the farming industry are policies within the Rural Economy Strategy 2011-2015. This strategy honours the States commitment made when the U.K. joined the Common Market in 1973 to ensure that Jersey farmers should remain on a level playing field with their European competitors. Thank you.

The Bailiff:

Connétable, do you wish to ask a supplementary?

The Connétable of St. John:

That is what I was hoping would happen and I would like to thank the Minister for his reply.

The Bailiff:

You are overcome with shock, Connétable.

The Connétable of St. John:

Very much so.

Senator A.J.H. Maclean:

If I may say so, the Minister is shocked as well, there is no supplementary.

3.18.1 Deputy R.G. Le Hérisier:

Could the Minister confirm which agricultural activities are supported by the European Union and is that replicated in Jersey? In other words, does the European Union support both dairy and potato growing? Secondly ...

The Bailiff:

Well, I think that is probably enough for now.

Senator A.J.H. Maclean:

Yes, there are a wide range of grants available in the E.U. (European Union), and indeed, for that matter, the U.K., which is an important market. Quite frankly the subsidies that we have, or grants that we have in place at the moment, which are fed through as a single farm payment in the U.K., is crossing-over various sectors. It basically utilises land and that is where our single area payment comes into play. It is not the crop, it is the land that receives a subsidy to ensure that we remain competitive in those markets, particularly the U.K.

3.18.2 Deputy R.G. Le Hérisier:

Just on clarification. Can the Minister confirm that the payments are parity payments and they fully reflect what C.A.P. (Common Agricultural Policy) assistance is given in the E.U.?

Senator A.J.H. Maclean:

I would not describe it as parity but they are broadly similar when assessed, I am reliably informed.

3.18.3 Deputy T.A. Vallois:

Can the Minister confirm, when he mentioned the Common Markets - the European Union - can he confirm that the current grants system that has been in place has created a level playing field and whether there are 2 particular areas within the agricultural industry under the current grants system that he believes absolutely needs to be addressed as soon as possible?

Senator A.J.H. Maclean:

I would not go so far as to say absolutely. I think the idea is to meet as closely as possible a competitive environment for local farmers, and that was the purpose following the 1973 Common Market decision where the U.K. joined to ensure that we did remain competitive. There has been a move and it is seen, Members will have noted, in the Rural Economy Strategy of 2011/2015 which is now being consulted upon for the next version, that grants and subsidies within the Island have been reducing, particularly in the single area of payment area which currently is at £31.50 per vergée. In 2009 that was £36. It is on a trajectory. The whole idea is to ensure to the best extent possible that farmers become more productive and can compete in their own right without the need of subsidy in the future, and I think that is a move that is gaining some weight in the E.U. and elsewhere.

The Bailiff:

Another question, Connétable, or do you wish one?

The Connétable of St. John:

I am still flabbergasted in the original reply.