

States of Jersey  
States Assembly



États de Jersey  
Assemblée des États

# Economic Affairs Scrutiny Panel

## Rural Economy Strategy Sub-Panel



**Rural Economy Strategy  
2011 - 2015**

Presented to the States on 14<sup>th</sup> October 2010

**S.R.11/2010**

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## **Chairman's Foreword**

To many of us, the Jersey countryside represents a vital part of the Island's heritage and cultural identity. Throughout history it has been a major contributor to the Island's economy as well as supporting other sectors through the maintenance of a picturesque and idyllic landscape. Indeed, the Jersey countryside is famed the world over for its rural icons, the Jersey Cow and the Jersey Royal Potato.

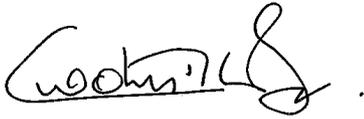
The Rural Economy Strategy governs the way we manage one of our key assets in order to maximise productivity whilst minimising impact. It is therefore of prime importance to Jersey's economy and warrants the extra level of scrutiny afforded it by our Review.

We were delighted to discover a great deal of optimism within the sector. The fact that the industry in Jersey looks to have relatively robustly weathered the effects of the economic downturn thus far should not be underestimated, and is testament to the resilience of the sector and the attitude of its businesses and human capital. Indeed, in 2009 the agriculture sector recorded real term growth of 5% and has now seen five consecutive years of real term growth in GVA (Gross Value Added). This measurement does not fully cover the wider benefits of the sector including tractor sales, harbour dues, staff employed at the dairy and other directly related areas.

Due to changes in global markets, in common with other sectors, the rural economy of Jersey faces change. With this uncertainty in mind, whilst applauding much of the content of the proposed strategy, we feel it is time to provide the sector with a greater degree of long term direction. This is necessary in order to rise up to face the shifting challenges of today's world: climate change, the energy gap, food security and ever increasing competition from global markets. We propose the holding by the Rural Economy Section of an annual conference with the sector to discuss, debate, draft and update a long term vision for the rural economy of Jersey. The focus of the workshops shall be on the universal issues impacting upon all with the Rural Economy Strategies detailing policy for five year periods under the umbrella of an agreed long term vision.

Our goal remains a resilient and profitable rural economy as we believe that the best custodians of the Jersey countryside are profitable farms and holdings.

In presenting this report, the Sub-Panel would like to thank all those who contributed to the review including the staff of the Rural Economy Section, and, as Chairman, my thanks go particularly to Deputies Le Hérissier and Wimberley.

A handwritten signature in black ink, appearing to read 'Carolyn Labey', with a stylized flourish at the end.

Deputy Carolyn Labey

Chairman, Rural Economy Strategy 2011 - 2015 Sub-Panel

## **1. Terms of Reference**

1. To consider the performance of the Rural Economy Strategy 2005 – 2010.
2. To review the proposals for the Rural Economy Strategy 2011 - 2015.
3. To consider the implications of the introduction of the Rural Economy Strategy 2011 – 2015 for all stakeholders.
4. To examine any further issues relating to the topic that may arise in the course of the Scrutiny Review and which the Panel considers relevant.

### **1.1 Sub-Panel Membership**

For the purposes of this review, the Economic Affairs Scrutiny Panel established the following Sub-Panel:

Deputy C F Labey, Chairman

Deputy R G Le Hérissier, Vice-Chairman

Deputy D J A Wimberley

### **1.2 Main Panel Membership**

The Economic Affairs Scrutiny Panel itself comprised the following members:

Deputy M R Higgins, Chairman

Deputy C F Labey, Vice-Chairman

Deputy S Pitman

Deputy D J A Wimberley

Deputy J M Maçon

### **1.3 Expert Adviser**

The Economic Affairs Panel appointed the following expert adviser:

**Dr James Jones**

Principal Lecturer and Head of Farm Management, the Royal Agricultural College

## 2. Glossary

Abbreviations and explanation of terms used frequently in the report, in alphabetical order:

<b>CGAEP</b>	Codes of Good Agricultural and Environmental Practice
<b>CRS</b>	Countryside Renewal Scheme
<b>CSA</b>	Community Supported Agriculture
<b>DEFRA</b>	Department for Environment, Food and Rural Affairs (UK)
<b>Draft White Paper</b>	Rural Economy Strategy 2011 – 2015 White Paper
<b>EDD</b>	Economic Development Department
<b>EU</b>	European Union
<b>Green Paper</b>	Rural Economy Strategy 2011 - 2015 Issues and Options Paper (Green Paper)
<b>GVA</b>	Gross Value Added
<b>JD</b>	Jersey Dairy
<b>JFU</b>	Jersey Farmers' Union
<b>JMMB</b>	Jersey Milk Marketing Board

<b>JPPL</b>	Jersey Product Promotions Limited
<b>QMP</b>	Quality Milk Payment
<b>RES</b>	Rural Economy Strategy
<b>RIS</b>	Rural Initiative Scheme
<b>RJA &amp; HS</b>	Royal Jersey Agricultural & Horticultural Society
<b>SAP</b>	Single Area Payment
<b>SLA</b>	Service Level Agreement
<b>UK</b>	United Kingdom

### **3. Executive Summary**

- 3.1 The Rural Economy Strategy Sub-Panel welcomes much of the proposed Rural Economy Strategy 2011 – 2015. We were pleased to find a vibrant industry that has achieved 5% growth in GVA in 2009 and was optimistic about the future. Overall the Rural Economy Section conducted an effective consultation exercise, with open communication with the broad range of stakeholders. That said, there were certain failings with the development of the Rural Economy Strategy 2011 – 2015 that need to be addressed. There was, for instance, a distinct lack of detailed financial information and transparency of funding schemes such as the Rural Initiative Scheme supplied at Green and White Paper stages, which made it difficult for stakeholders to comment with any degree of certainty. Another exception to the generally satisfactory consultation process was the failure to draw the marine and fisheries industry into the process.
- 3.2 Amongst the key issues that we covered was the protection of agricultural land. We found that there is continued and mounting pressure to take land out of agricultural production with potentially detrimental consequences for the appearance of the countryside, the economic potential for Jersey agriculture and the degree of food security the Island enjoys. It is therefore of paramount concern to us that there are inadequacies, widely acknowledged, in the key piece of legislation that is supposed to protect that land. Consequently we welcome the proposed review of the legislation but encourage the Department to widen the scope of it to encompass both equine use of land and loss of land to domestic cartilage, both of which are contentious uses of agricultural land.
- 3.3 The proposal in the Draft White Paper to establish a system of land classification for agricultural land has not been well received by the industry. This may be down to the fact that many stakeholders appeared confused by its purpose having failed to be convinced of its merits by the Ministers responsible. As a result, we recommend that the proposed system of land classification should not be included within the Rural Economy Strategy 2011 – 2015.

- 3.4 Looking ahead, it is clear that although there are grounds for optimism regarding succession planning within the agriculture sector at present, the situation should be monitored and new entrants actively encouraged. With this in mind we encourage the Ministers for Economic Development and Planning & Environment to liaise with the Minister for Education, Sport and Culture in order to address the anomaly in funding that we identified for 16-18 years olds to attend agricultural college, for which at present there is no automatic funding.
- 3.5 Although we acknowledge the need for an operational five-year plan, we believe it is now necessary to provide the agriculture sector with the long term vision to face the major challenges that cannot be adequately addressed within such a time-limited framework. These issues include: climate change; the energy gap; food security; and ever increasing global competition. We encourage the Ministers to establish an annual conference with the sector to discuss, debate and draft a long term vision for the rural economy of Jersey.

## **4. Key Findings**

- 4.1 There was inadequate review / evaluation by the Rural Economy Section of the performance against the 'measures of progress' of the Rural Economy Strategy 2006 - 2010. 7.1.8**
- 4.2 The document made available to the Sub-Panel detailing performance against the measures of progress was incomplete. Furthermore, this information was not made available to the public. 7.1.9**
- 4.3 There are two Ministers with primary political responsibility for the rural economy, the Minister for Economic Development (economic matters) and the Minister for Planning & Environment (environmental aspects). However, it is clear that a significant number of stakeholders feel the agricultural industry and the rural interest lack a political 'champion'. 7.2.7**
- 4.4 The Minister for Economic Development believes that all elected States Members are champions of Jersey's key industries including agriculture. 7.2.8**
- 4.5 Although not strictly part of the Rural Economy Strategy Review, issues were identified given the lack of a clear separation between administration and regulation. 7.2.10**
- 4.6 Overall the Rural Economy Section conducted an effective consultation exercise and communicated effectively with the Sub-Panel in support of the Scrutiny process, in development of the Rural Economy Strategy 2011 - 2015. 7.3.5**
- 4.7 As a result of the way the Draft Rural Economy Strategy 2011 – 2015 was constructed, the marine and fisheries industry was not drawn into the consultation process. 7.3.6**
- 4.8 There was limited financial information supplied at Green and Draft White Paper stages, which has made it very difficult for stakeholders to comment with any degree of certainty on the measures proposed. 7.4.5**
- 4.9 There is continued and mounting pressure to take land out of agricultural production with potentially detrimental consequences for the appearance of the countryside, the**

economic potential for Jersey agriculture and the degree of food security the Island enjoys. 8.1.13

- 4.10 There is wide acknowledgment of certain inadequacies of the *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974* to the extent that it will be extensively reviewed as part of the Rural Economy Strategy 2011 – 2015. 8.1.14
- 4.11 Equine use of agricultural land as a bona fide agricultural activity is a highly contentious issue, with some regarding the loss of land from production as unacceptable and others defending its legitimacy as an economic activity in its own right. 8.1.22
- 4.12 The increasing loss of agricultural land to domestic curtilage is of major concern to the agricultural sector. 8.1.27
- 4.13 There is insufficient attention and detail given to the issue of food security within the Draft White Paper. 8.1.34
- 4.14 There appears to be some confusion amongst stakeholders, from the evidence received, about the purpose of the proposal to classify land. 8.2.10
- 4.15 The Ministers responsible have failed to convince many stakeholders of the need for a system of land classification as outlined in the Draft White Paper. 8.2.11
- 4.16 The glasshouse industry remains mainly in a state of under-development or neglect brought on by a lack of support for continued production on the one hand and the hope of potential gain by redevelopment on the other. 8.3.11
- 4.17 The Rural Economy Strategy 2011 – 2015 seeks to increase the regulation and recording of farming practices affecting the environment. 8.4.7
- 4.18 Opposition to the proposals to introduce Codes of Good Agricultural and Environmental Practice (CGAEP) and Environment Plans was largely on the grounds of the overlap with (more demanding) standards applied by major commercial purchasers of farm produce. 8.4.8

- 4.19 Farmers are paid by the Transport and Technical Services Department to receive its green waste for use as a fertiliser and soil conditioner. 8.4.17**
- 4.20 Opinions are divided as to whether farmers should be funded by the States to accept its green waste. 8.4.18**
- 4.21 There is concern amongst the agricultural sector as to the compliance issues arising from using the green waste produced by the Transport and Technical Services Department. 8.4.19**
- 4.22 The present method of disposing of green waste is a cost to the public purse. 8.4.20**
- 4.23 The Sub-Panel acknowledges the argument in favour of parity in both the level of and nature of support given to farmers in the EU and Jersey, and consequently it appears logical to maintain an area based decoupled payment. 9.1.14**
- 4.24 A major concern about the Rural Initiative Scheme is its apparent lack of transparency. In addition, there are concerns about scheme administration. 9.1.27**
- 4.25 The effectiveness and value of the Countryside Renewal Scheme can only be judged in the context of funding proposals that are not made available in the White Paper. 9.1.36**
- 4.26 Promoting efficiency in dairy production by directly subsidising animal breeding, costings and milk recording has been useful in achieving goals set out in the Roadmap vision for the future of the dairy industry in Jersey. 9.1.48**
- 4.27 The results of performance recording are used to provide comparative data for farmers and for use by industry representatives and by government. 9.1.50**
- 4.28 The viability of dairy production in Jersey depends on maintaining throughput at the new dairy at least at current levels. This means that almost total current farmer loyalty to the Jersey Milk Marketing Board and the supply of at least current levels of fresh milk from the new dairy is a prerequisite of the Jersey Milk Marketing Board's business plan. 9.1.61**

- 4.29 Wholesale and retail milk prices in Jersey are well above those in France or the UK. The Jersey Milk Marketing Board could seek to increase prices to substitute for the loss of Quality Milk Payment, but this carries with it certain risks for Jersey Dairy including possible calls for the importation of fresh milk. 9.1.62**
- 4.30 There is overlap in function between the Rural Economy Section administering the Rural Initiative Scheme and Jersey Enterprise providing general support and business advice for Small to Medium Enterprises (SMEs). 9.1.70**
- 4.31 There is little or no demand from the agricultural industry for formal adoption of risk management planning. 9.1.78**
- 4.32 The management of disease risk by the use of appropriate regulatory measures by government is in the interests of the whole of the agricultural industry and consumers. 9.1.80**
- 4.33 The States of Jersey has neither the resources nor the need to sponsor stand alone agricultural research unless the problems under investigation are specific to the Island. 9.1.90**
- 4.34 The proposed withdrawal of Jersey Product Promotions Limited (JPPL) funding from 2013 as outlined in the Draft White Paper has been much criticised, and the success of JPPL and Genuine Jersey appear to have provided a solid case for continued funding. 10.1.11**
- 4.35 Licensing supermarkets operating in Jersey by seeking to control their sourcing of product is neither feasible nor desirable in the context of offering free consumer choice. 10.2.3**
- 4.36 The costs of import and export were raised as an area of concern for the agriculture sector. 10.3.4**
- 4.37 Awareness of agriculture and wildlife is important in maintaining public appreciation of the value of the countryside. Farmer's groups, schools and organisations such as the Royal Jersey Agricultural & Horticultural Society, Jersey Farmer's Union and National Trust for Jersey can all play their part in continually raising awareness. 11.1.8**

- 4.38** There is a tension between organisations that see public access as being necessarily as of right and farmers and landowners who prefer it to be on a discretionary basis. 11.1.17
- 4.39** There is some disagreement amongst stakeholders regarding where, and by which organisations, allotments should be managed. 11.1.26
- 4.40** The Draft White Paper identifies succession planning within the rural economy as an area for concern but this view was not shared by some key industry stakeholders. 11.2.15
- 4.41** Whilst there is some concern about an ageing farm population and lack of successors on farms there is confidence amongst the farming organisations that whilst the industry remains buoyant and profitable young people will come forward. 11.2.16
- 4.42** There is an anomaly in the absence of States of Jersey funding to support young people wishing to study at agricultural college overseas post-16 years of age and pre-University. 11.2.22

## **5. Recommendations**

- 5.1 The performance of the Rural Economy Strategy 2010 – 2015 against published Key Performance Indicators (KPIs) should be monitored annually. The annual results should be made available publicly, be well publicised and discussed with all stakeholders at an annual conference. 7.1.10**
- 5.2 An annual full stakeholder conference should be established by the Rural Economy Section to discuss, debate, draft and update a long term vision for the rural economy of Jersey and to discuss and resolve ongoing and emerging issues. 7.1.11**
- 5.3 The Ministers for Economic Development and Planning & Environment must present a clear signal to the agricultural industry that they are championing its cause within the States Assembly. 7.2.9**
- 5.4 Consideration should be given by the responsible Ministers to establishing a clear separation between administrative and regulatory functions. 7.2.11**
- 5.5 Jersey's marine and fisheries industry should not be included within the Rural Economy Strategy. It warrants its own comprehensive strategy which should be developed by January 2012. 7.3.7**
- 5.6 Indicative financial information should be provided alongside content to illustrate White Paper proposals. 7.4.6**
- 5.7 The Sub-Panel welcomes the Review of *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974*, which should include the effectiveness and equity of the application of the legislation with the aim of broadening its scope and tightening definitions of what constitutes non-agricultural use. 8.1.15**
- 5.8 The responsible Ministers must thoroughly examine the use of agricultural land for equine use and, although no evidence was received on the matter, leisure and sport use, as part of its Review of *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974* and considered in future strategies. This Review must include an evaluation of the case for the introduction of a Register of horses and a Register of land used for equine purposes. 8.1.23**

- 5.9** The responsible Ministers must thoroughly examine the use of agricultural land for domestic curtilage as part of its Review of *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974*. 8.1.28
- 5.10** The responsible Ministers need to address the issue of food security and produce a strategy and long-term vision for Jersey in consultation with the industry and the public by January 2012. 8.1.35
- 5.11** The proposed system of universal land classification should not be included within the Rural Economy Strategy 2011 – 2015. 8.2.12
- 5.12** The Rural Economy Strategy should not be advocating partial or enabling development until all other options have been exhausted. 8.3.12
- 5.13** A set of minimum standards for environmental compliance by all Island agricultural producers should be developed by the Rural Economy Section, taking into account those standards demanded by commercial purchasers of farm produce so as to avoid unnecessary duplication and the expense of developing the standard and enforcing compliance. 8.4.9
- 5.14** The Rural Economy Section should liaise with Transport and Technical Services Department to ascertain whether improvements could be made, and the necessary analysis undertaken, to make green waste more acceptable to the agriculture industry. The results of this should be publicised and shared with the industry. 8.4.21
- 5.15** The Rural Economy Section, Transport and Technical Services Department and the agriculture sector should work together to make the best use of this valuable resource (green waste). 8.4.22
- 5.16** The Sub-Panel supports the Draft White Paper recommendation to undertake a review of rural sector funding in Jersey, vis á vis the EU in general and Single Area Payments in particular. 9.1.15
- 5.17** The States of Jersey should continue with Single Area Payments but the relevant Ministers should seriously consider whether the mechanism of the payment provides the best use of funds in supporting the Jersey farmer. This Review should consider whether applying equivalent, if not exactly identical, support to EU counterparts is a

**better mechanism than following CAP policy instruments just in order to achieve parity. The work should be undertaken in full consultation with the industry and a Report published by August 2013 in time for inclusion in the Rural Economy Strategy 2016 – 2020. 9.1.16**

- 5.18 The Sub-Panel welcomes the proposed continuation and widening of the remit of the Rural Initiative Scheme, but with stricter funding allocation, greater transparency, a need to clarify criteria for eligibility for potential applicants and the publication of an Annual Report. 9.1.28**
- 5.19 The Sub-Panel supports the continuation of the Countryside Renewal Scheme but agrees that the proposed Review is required. The Review should include proposals on how to introduce greater transparency on funding proposals and allocation. 9.1.37**
- 5.20 As with the Rural Initiative Scheme, an Annual Report of the Countryside Renewal Scheme should be published detailing the grants made and the reasons for these. 9.1.38**
- 5.21 In order to be justifiable, dairy services should become self-financing. 9.1.49**
- 5.22 Recording of certain financial information from the dairy industry should still be supported by Government in order that performance in the industry can be evaluated against targets towards the industry becoming self-supporting under the Roadmap plan. However, milk recording and cattle breeding services should cease to be subsidised as recommended by the Draft White Paper. 9.1.51**
- 5.23 The Sub-Panel considers there is merit in phasing out the Quality Milk Payment. Consideration should be given, by the Ministers responsible, to creating a cut off point in terms of the number of cows eligible and progressively reducing this over time rather than progressively reducing the level of payment per cow (as proposed in the Draft White Paper). This has the merit of protecting the most vulnerable smaller producers from the full effect of the cuts whilst at the same time placing emphasis on milk production rather than cow numbers as a means of maximising returns. 9.1.63**
- 5.24 The Sub-Panel accepts that a phased withdrawal of the Quality Milk Payment is desirable but believes that as a priority proper analysis should be undertaken as to**

the implications and to ensure that performance improvements necessary to substitute for the payment are realistic and achievable. 9.1.64

- 5.25 The Sub-Panel supports the Draft White Paper's call for a review of business advice and suggests that business advice should be consolidated and more clearly demarcated. 9.1.71
- 5.26 The Draft White Paper proposal (PR31) to provide evidence of use of risk management measures as a condition of receipt of grants and subsidies is unnecessarily prescriptive and should be removed from the Rural Economy Strategy. 9.1.79
- 5.27 Animal diseases are far more containable in Jersey than would be the case either in Continental Europe or in the UK, making an exceptionally high health status a realistic and worthwhile aim. The Rural Economy Section should ensure that the maintenance of exceptionally high health status is a priority goal thus benefiting the marketing of Jersey produce. 9.1.81
- 5.28 The Sub-Panel supports the Draft White Paper's recommendations to provide some support for the Plant Health Laboratory and a Priorities Board to focus small scale research funding, but with the remit to address specific cases of need in Jersey. 9.1.91
- 5.29 The Ministers should undertake a Review of the benefits and disadvantages, from a farmer's perspective, of Jersey formally entering the European Union. 9.1.92
- 5.30 Jersey Product Promotions Limited funding should not be withdrawn by the Rural Economy Strategy 2011 - 2015. 10.1.12
- 5.31 Sourcing of local produce should be achieved based on availability, quality and promotion rather than restriction through licensing. Local supermarkets should be actively encouraged by the relevant Ministers to source from Jersey and support the Genuine Jersey marque. 10.2.4
- 5.32 The relevant Ministers should consult all parts of the agriculture industry regarding its concerns with the problems associated with importing and exporting goods and publish their findings. 10.3.4

- 5.32 The Sub-Panel supports the Draft White Paper recommendation to promote Community Supported Agriculture and other schemes to raise awareness and understanding of the rural economy but suggests that formal measures may not be necessary to meet the broad aims. 11.1.9**
- 5.33 The provision of allotments should be encouraged by Government but the management of provision should be left to non-Governmental organisations and interest groups. 11.1.27**
- 5.34 Although there are grounds for optimism regarding succession planning within the agriculture sector at present, the situation should be monitored and new entrants actively encouraged. 11.2.17**
- 5.35 The relevant Ministers should formally approach the Minister for Education, Sport and Culture with a view to addressing the student funding anomaly. 11.2.23**

## 6. Introduction

- 6.1 Jersey's countryside is widely acknowledged to be a vital asset. The importance of Jersey's unique rural environment, both directly and indirectly, to its economy, culture and heritage should not be underestimated. However it is a dynamic working countryside which has to respond to economic and social pressures, some of which may conflict with each other and some of which may just provide benefits for private individuals or companies without being in the wider public interest. As a result the Rural Economy Strategy aims to influence the way the rural economy develops to maximise the benefits for all recognising that the choices we make today will shape the character of the Jersey countryside for tomorrow.
- 6.2 The Rural Economy Strategy (RES) is a five-year strategy with the aim of growing the rural economy in line with the objectives of the States Strategic Plan, whilst protecting and enhancing Jersey's countryside. The RES was adopted as States policy in June 2005 and implemented on 1st January 2006 for a five year period ending 31st December 2010. Most significantly, the RES 2005 - 2010 marked a significant shift away from production-based agricultural and horticultural subsidies to a system of support where production is 'decoupled' from the receipt of subsidy payments. As part of this process support was also targeted at diversifying farming business income through adding value to farm produce and encouraging non-agricultural activities. Funds were also directed towards encouraging farmers to provide public benefits by undertaking measures aimed at, for example, improving public access to the countryside or benefiting wildlife. This shift in emphasis away from production support towards decoupled forms of support mirrored changes taking place in the EU and other parts of the world.
- 6.3 The RES 2011 – 2015 is due to come into effect on 1st January 2011 subject to States approval. The Issue and Options Green Paper was launched for public consultation in March 2010 followed by the release of the Draft White Paper in July 2010. The Final White Paper is scheduled for lodging in late October 2010. The RES 2011 – 2015 seeks to build upon the previous RES and, in general, attempts to reduce the sectors reliance upon Government financial support whilst enhancing alternative forms of States assistance. It represents in general a continuance and an extension of the decoupled and broadened approach to agricultural and rural policy of the 2005 - 2010 RES.
- 6.4 The Economic Affairs Panel agreed in January 2010 to form a Sub-Panel to examine the performance of the Rural Economy Strategy 2005 – 2010 and to assess the proposals for

the Rural Economy Strategy 2010 – 2015. Deputy R G Le Hérisssier agreed to join the Sub-Panel with Deputies C F Labey and D J A Wimberley.

- 6.5 The Sub-Panel commenced its Review in March 2010, and set about gathering the views of stakeholders and the public, starting with an advertising campaign in the Jersey Evening Post. The Sub-Panel wrote directly to stakeholders of the rural economy for their views using a list supplied by the Rural Economy Division. Public Hearings were held with the Minister for Economic Development and the Assistant Minister for Planning and Environment, as well as with the Jersey Farmers' Union, National Trust for Jersey, Jersey Product Promotion Limited, Albert Bartlett Limited, Royal Jersey Agricultural & Horticultural Society and Jersey Milk Marketing Board, Channel Islands' Co-operative Society, Mr D.Richardson of Morville Farm, Jersey Royal Company Limited, and Skills Jersey. The Sub-Panel undertook site visits to: DEFRA, Albert Bartlett Limited, Jersey Dairy, Classic Herd Limited, Field Farm, Me and the Farmer Limited, and Holme Grown.
- 6.6 All of the evidence that the Sub-Panel has gathered and considered; the background information, the public hearing transcripts and written submissions that led to its findings and recommendations outlined below can be viewed on the Scrutiny website at [www.scrutiny.gov.je](http://www.scrutiny.gov.je) or by contacting the Scrutiny Office.

## 7. Development of the Rural Economy Strategy 2011 – 2015

### 7.1 Reviewing the Rural Economy Strategy 2005 - 2010

7.1.1 The Rural Economy Strategy 2005 - 2010 contained a list of measurements of progress against which the performance of the strategy could be assessed. Accompanying this list was a commitment to conduct a full review of the strategy in 2009 to ascertain if the outcomes outlined had been achieved.

<i>The Rural economic Strategy will</i>	<i>Success Indicator</i>	<i>Measured By:</i>
<i>Implement an economic development policy to encourage economic growth</i>	Sustainable economic growth in the rural economy.	<ul style="list-style-type: none"> <li>• Gross Value Added sector analysis</li> <li>• Tax revenue for sector</li> <li>• Business registrations</li> <li>• Financial data from rural sectors</li> </ul>
<i>Explore and promote new opportunities for the rural economy.</i>	Withdrawal of production-led subsidies for agriculture	<ul style="list-style-type: none"> <li>• Year on year reduction of production based subsidies from 2006.</li> <li>• Total withdrawal of production led subsidies by 2010.</li> </ul>
	A wider range of rural enterprises	<ul style="list-style-type: none"> <li>• Land use survey</li> <li>• Gross incomes imports/exports</li> <li>• Market survey</li> <li>• Statistics</li> <li>• Number of Smallholders</li> </ul>
	Improved productivity and efficiency	<ul style="list-style-type: none"> <li>• GVA per employee</li> <li>• Skills audit (TEP) e.g. NPTC registration</li> </ul>
<i>Protect and promote Jersey's environment as one of its most important assets</i>	Development of environmental improvement and rural enterprise initiatives	<ul style="list-style-type: none"> <li>• Increased land area covered by environmental initiatives.</li> <li>• Increased compliance with Codes of Good Agricultural practice measured by: <ul style="list-style-type: none"> <li>• Increased number of approved Crop Protection Management Plans.</li> <li>• Increased number of approved Farm Manure and Waste Management Plans.</li> </ul> </li> </ul>
	Diversified land-use which ensures protection of green-land	<ul style="list-style-type: none"> <li>• Land use survey</li> <li>• Species survey</li> <li>• Habitat survey</li> </ul>
	Increased public access to the countryside	<ul style="list-style-type: none"> <li>• Footpath length</li> <li>• Bridle path length</li> <li>• Cycle path length</li> </ul>

7.1.2 Following its request the Sub-Panel was supplied with a breakdown of performance against the 'measures of progress' from the 2005 RES (See Appendix), which covered a number of the measurements. However, it was not comprehensive and, more importantly, was not publicly available as the Sub-Panel would have expected given its importance for

<sup>1</sup> Rural Economy Strategy: Growing the Rural Economy 2005

stakeholders to be able to judge the current policy's effectiveness during consultation on the draft proposals for 2011 and beyond.<sup>2</sup>

7.1.3 In terms of the Department's view of the impact of the RES 2005 we heard from the Minister for Economic Development who, after acknowledging that there is always room for improvement, pointed out the positive economic impact that he felt could be attributed to the RES 2005:

*'...If you look, for example, at G.V.A. (Gross Valued Added), you see a year on year increase over the period 2005 to date and I think that is an encouraging point and there are a number of other indicators which show that perhaps the strategy, as I would have hoped, and I believe, is going to deliver.'*<sup>3</sup>

7.1.4 We heard from a number of stakeholders that the RES 2005 was largely felt to have been a positive step for the industry.<sup>4</sup> These included the President of the Jersey Farmers' Union who told us that:

*'I think it has generally been successful in as much as we still have a very vibrant farming industry. There is a lot of optimism in the growing sector. Rentals for land have increased so there is obviously a demand for land and the industry is moving forward. So I think you could say it has been a success. There are always areas where it could be improved.'*<sup>5</sup>

7.1.5 In addition we also heard from the Chief Executive Officer, R.J.A.&H.S who informed us that there was a lot about the Rural Economy Strategy 2005 - 2010 that was very good and which represented quite a major shift away from the previous policy. He concluded:

*'...I think the industry was a bit circumspect about some of these shifts. But in hindsight they have not been bad, so there are a lot of good things in the current strategy.'*<sup>6</sup>

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<sup>2</sup> Summary interim report for the Rural Economy Strategy Scrutiny Sub-Panel, EMRE

<sup>3</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>4</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

<sup>5</sup> Public Hearing, JFU, 3rd June 2010

<sup>6</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

7.1.6 It was, however, of some concern to us that whilst there was general satisfaction with the impact of the RES 2006 – 2010, this did not seem to be based upon the achievement against the performance measures because this information had not been made public in a clear, single source format. Rather they were based upon individuals' broad perceptions which, although indicative, is not sufficient enough validation upon which to confidently plan a further five year strategy.

7.1.7 Furthermore the specific comments about satisfaction with the RES 2006 – 2010 seem to be based largely on the improved fortunes of agriculture as evidenced by increased competition for land, land rentals etc. which may not be something that the RES 2006 – 2010 should be taking the credit for. This prosperity may be caused as much by the efforts of farmers and the organisations who have sought to expand the market for Jersey farm produce rather than any specific cause and effect with RES measures. However competition by farmers for land is also not the only criteria on which the success of the policy should be judged. But we were short of detailed analysis of performance against measures of success of the previous strategy.

7.1.8

**Key Finding:**

**There was inadequate review / evaluation by the Rural Economy Section of the performance against the 'measures of progress' of the Rural Economy Strategy 2006 - 2010.**

7.1.9

**Key Finding:**

**The document made available to the Sub-Panel detailing performance against the measures of progress was incomplete. Furthermore, this information was not made available to the public.**

7.1.10

**Recommendation:**

**The performance of the Rural Economy Strategy 2010 – 2015 against published Key Performance Indicators (KPIs) should be monitored annually. The annual results should be made available publicly, be well publicised and discussed with all stakeholders at an annual conference.**

7.1.11

**Recommendation:**

**An annual full stakeholder conference should be established by the Rural Economy Section to discuss, debate, draft and update a long term vision for the rural economy of Jersey and to discuss and resolve ongoing and emerging issues.**

## **7.2 Political Representation**

7.2.1 The Sub-Panel learnt that within the agricultural industry there is a split in political responsibility between the Minister for Economic Development (economic matters) and the Minister for Planning & Environment, who has ultimate responsibility for environmental aspects. In addition the Transport and Technical Services Department is responsible for the abattoir. At a political level, the Ministers for Economic Development and Planning & Environment have delegated responsibilities to Assistant Ministers. The logic behind this split was explained by the Assistant Minister for Planning & Environment, Deputy R.C. Duhamel:

*'I think that is absolutely right. We have to realise that agriculture is a business and agriculture has to take place in the countryside and there are environmental considerations for that business so it is a bipartite function.'*<sup>7</sup>

7.2.2 The Minister for Economic Development was asked when making decisions what kind of liaison there was between the two departments:

*'... we view the importance of agriculture not purely in economic terms. That is why what I describe as the partnership that exists between Economic Development and Planning and Environment as key and there are ongoing discussions on areas where there is obvious crossover in decision-making which impacts environmental issues with economic impact and vice versa.'*<sup>8</sup>

7.2.3 The Sub-Panel asked stakeholders whether they viewed as adequate the level of political championing of rural issues within the States. The President, Jersey Farmers' Union said:

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<sup>7</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>8</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

*‘Absolutely not. That is no disrespect to the present Assistant Minister ... There is nobody championing our cause whatsoever in the States. If there was, somebody would be having a go at vehicle registration duty, for example. When it first came in it was the President of the Committee of Agriculture who proposed a refund.’<sup>9</sup>*

7.2.4 In addition the Chief Executive, National Trust for Jersey told us:

*‘I am not aware that there is a leading light or champion.’<sup>10</sup>*

7.2.5 He continued to explain that, in his view, rural affairs needed a bit more of a voice in government, which he thought it probably lacked at the present time. The Sub-Panel heard a different view from the Director, Jersey Royal Company, who, when asked whether the sector had a champion within the States, responded by questioning the need for one.<sup>11</sup>

7.2.6 The Sub-Panel asked the Minister for Economic Development whether he considered there to be a champion for agriculture within the States Assembly:

*‘“Champion” is a word that is used a lot in many different industries. Yes.*

***The Deputy of Grouville:***

*Who would that be within Government?*

***Senator A.J.H. Maclean:***

*I would first of all hope that all elected Members of the States were the champions of our key industries and I think that is demonstrated by the obvious support we have seen, for example, in recent debates with regard to tourism. It was clear to me that discussions that went on within the House showed that many Members feel very strongly and I feel little doubt that the same applies to agriculture.*

***The Deputy of Grouville:***

*So 53 champions for agriculture?*

***Senator A.J.H. Maclean:***

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<sup>9</sup> Public Hearing, JFU, 3rd June 2010

<sup>10</sup> Public Hearing, National Trust for Jersey, 4th June 2010

<sup>11</sup> Public Hearing, Jersey Royal Company Limited, 13th July 2010

*I would hope that there would be a significant number of elected States Members that would see the value, not just - and this is the key issue - of the economic input of agriculture to the economy but also the environmental and social aspects, which are so important. That is an underpinning factor as to why we pay certain grants and subsidies. It is not just for the economic return. It is also because it is essential that we have the countryside as an integral social part of what makes Jersey special.<sup>12</sup>*

7.2.7

**Key Finding:**

There are two Ministers with primary political responsibility for the rural economy, the Minister for Economic Development (economic matters) and the Minister for Planning & Environment (environmental aspects). However, it is clear that a significant number of stakeholders feel the agricultural industry and the rural interest lack a political 'champion'.

7.2.8

**Key Finding:**

The Minister for Economic Development believes that all elected States Members are champions of Jersey's key industries including agriculture.

7.2.9

**Recommendation:**

The Ministers for Economic Development and Planning & Environment must present a clear signal to the agricultural industry that they are championing its cause within the States Assembly.

7.2.10

**Finding:**

Although not strictly part of the Rural Economy Strategy Review, issues were identified given the lack of a clear separation between administration and regulation.

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<sup>12</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

## 7.2.11

**Recommendation:**

**Consideration should be given by the responsible Ministers to establishing a clear separation between administrative and regulatory functions.**

### 7.3 Scope, Structure and Consultation

7.3.1 The Rural Economy is defined as ‘the cumulative revenues from business activity derived from the use of agricultural land and the countryside’.<sup>13</sup> The RES 2011 – 2015 Draft White Paper is divided into three sections – Profit, People, and Environment. Matters covered within Profit include: Subsidies, development of local markets, and support for business growth and development. The section on People, amongst others, addresses: Skills development, Community Supported Agriculture (CSA), and access to the countryside. The Environment heading incorporates: land classification, legal protection of agricultural land, and proposals for glasshouses.

7.3.2 The two Assistant Ministers with delegated responsibility for rural affairs explained that the RES needs to enhance the economic, environmental and social value of the land in which the majority of rural economic activity is undertaken. They added that 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. In addition, they emphasised the point that profitability is essential to all businesses, however, the RES must move away from simply gauging its success in terms of costs, output and income. They argue that 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.<sup>14</sup>*

7.3.3 Given the definition given to the Rural Economy by the RES 2010 – 2015 Draft White Paper (see 7.3.1) the Sub-Panel was surprised to discover proposals covering fisheries and the marine environment. This point was also made by the Chief Executive, National Trust for Jersey who told us that:

<sup>13</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>14</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

*'It is quite odd, I suppose in some ways, that you have the fisheries in there, because that is the marine environment as opposed to the rural environment. So it seems to me a bit of an odd title to give to it, when really its focus is on agriculture... It just does not seem to tie up really.'*<sup>15</sup>

7.3.4 Further questions were raised during the Draft White Paper consultation by the Jersey Aquaculture Association (JAA) that give further weight to this argument. The JAA claimed that, not only were policies regarding aquaculture that subsequently appeared in the Draft White Paper not included at all in the Green Paper, but that the industry had not been consulted at any stage during the strategy's development. Furthermore, the JAA has said that the Jersey Aquaculture Strategy (JAS) report to which some of the proposed policy makes reference, has yet to be seen by the industry, despite having been submitted to the Department by its consultants five months previously. In their view any policy commitment based on that report must be done with industry consultation and on an informed basis. To continue without doing so would not be acceptable to the Association's members.<sup>16</sup>

7.3.5

**Key Finding:**

**Overall the Rural Economy Section conducted an effective consultation exercise and communicated effectively with the Sub-Panel in support of the Scrutiny process, in development of the Rural Economy Strategy 2011 - 2015.**

7.3.6

**Key Finding:**

**As a result of the way the Draft Rural Economy Strategy 2011 – 2015 was constructed, the marine and fisheries industry was not drawn into the consultation process.**

7.3.7

**Recommendation:**

**Jersey's marine and fisheries industry should not be included within the Rural Economy Strategy. It warrants its own comprehensive strategy which should be developed by January 2012.**

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<sup>15</sup> Public Hearing, National Trust for Jersey, 4th June 2010

<sup>16</sup> Written Submission, Jersey Aquaculture Association

## 7.4 Lack of financial Information to support RES options and proposals

7.4.1 The Sub-Panel heard that the view of a substantial number of stakeholders was that the consultation process on the RES Green Paper was flawed because it did not include details of any financial information. The President, Jersey Farmers' Union acknowledged that it was normal States practice to develop a strategy but it seemed to him, particularly in this present climate, that some kind of financial information on what those options cost should have been included.<sup>17</sup> This point was reiterated by the Crop Agronomy Consultant working for Albert Bartlett Ltd:

*'There is no funding mentioned in the Green Paper, perhaps purposely, looking at the Economic Development Department's 2012 Business Plan. They are looking to slice another chunk off the rural economy budget.'*<sup>18</sup>

7.4.2 The President, R.J.A.&H.S explained that in his view more financial information was critical to be able to comment on the Green Paper. For example, he cited the example of PR11 – Rural Initiative Scheme, saying that it was hard to comment on some £2.5 million of expenditure without more supporting information.<sup>19</sup>

7.4.3 When questioned about the distinct lack of financial information contained within the Green Paper the Minister for Economic Development responded:

*'My view is that with the Green Paper it was important to get as much out in the open as possible and have a meaningful and open debate. If you start costing things you start immediately people concentrating on the cost rather than the other benefits. I think the priorities then are not seen as appropriately and correctly as they should be. The White Paper is a time when you need to attach costs. At that point, clearly, it is going to be a far more meaningful process as we could afford.'*

***The Deputy of Grouville:***

*So the White Paper will be costed?*

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<sup>17</sup> Public Hearing, JFU, 3rd June 2010

<sup>18</sup> Public Hearing, Albert Bartlett Limited, 15th June 2010

<sup>19</sup> Written Submission, R.J.A.&H.S. and JMMB

**Senator A.J.H. Maclean:**

Yes.<sup>20</sup>

7.4.4 Despite these specific assurances the Sub-Panel has been frustrated at the continued lack of financial information in the draft White Paper. The Sub-Panel anticipated a breakdown of costings attached to each policy rather than having to wait for the inadequate Indicative Budget Forecast to appear on the final two pages of the document. We say inadequate because there is insufficient detail provided, breakdowns of previous grants awarded are not included, and the distinct lack of clarity regarding support programmes such as Countryside Renewal Scheme (CRS) when read in tandem with the relevant sections.

7.4.5

**Key Finding:**

**There was limited financial information supplied at Green and Draft White Paper stages, which has made it very difficult for stakeholders to comment with any degree of certainty on the measures proposed.**

7.4.6

**Recommendation:**

**Indicative financial information should be provided alongside content to illustrate White Paper proposals.**

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<sup>20</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

## **8. Use of Agricultural Land and Protecting the Environment**

### **8.1 Safeguarding the agricultural land bank**

#### **8.1.1 The legal context**

8.1.2 There are essentially two main areas of Jersey law which cover the usage of agricultural land; planning legislation (e.g. the Island Plan) and specifically in relation to safeguarding the agricultural land bank *The Agricultural Land (Control of Sales and Leases)(Jersey) Law, 1974*.

8.1.3 The Island Plan (2002) provides a framework of policies and proposals for land-use planning for Jersey incorporating many relating to agriculture and the countryside generally. For instance, the areas (including agricultural land) designated as Green Zone are given a high level of protection with a general presumption against all forms of new development for whatever purpose, with the exception of enabling or linked development. Whilst the Island Plan offers a certain level of safeguards for agricultural land it should be seen in conjunction with the specific safeguarding provided by *The Agricultural Land (Control of Sales and Leases)(Jersey) Law, 1974*.

8.1.4 Under *The Agricultural Land (Control of Sales and Leases)(Jersey) Law, 1974* landowners are prevented from selling or letting the land for non-agricultural purposes, or to *non-bona fide* agriculturalists or smallholders. Agricultural land is defined under this law as '*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*'. There are fewer controls on the activities which can take place on the remaining agricultural land falling outside the scope of the 1974 law nor any requirement for it to be occupied by an agriculturalist, merely for it to remain 'available' for agricultural use.

#### **8.1.5 Changes proposed by the Draft White Paper**

8.1.6 The RES outlines:

- Maintaining *The Agricultural Land (Control of Sales and Leases)(Jersey) Law, 1974* in its present form
- *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 bona fide agriculturalists will be reviewed including the right for ex bona fide agriculturalists and smallholders to continue to occupy agricultural land.

- 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.

### **8.1.7 Is the 1974 law appropriate, effective and enforceable?**

8.1.8 Concerns were expressed to us by a number of stakeholders regarding how appropriate, effective and enforceable the *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974* is. The Chief Executive Officer, R.J.A.&H.S told us there has been a relaxation of that policy to enable landowners not necessarily to let land to *bona fide* agriculturists at all. He explained that:

*'... the 1974 Control of Sale of Leases Law is a clumsy piece of legislation and basically inherited land falls outside of its scope. It does not cover all of the agricultural land in the Island, which is why you can get this anomaly where on the agricultural returns the department can establish that there is an increase in agricultural land, which sounds counterintuitive but it does make sense because what is happening is more land is coming into the net of being controlled. It is not an increase in land ... it does not take a rocket scientist to wander around the Island and realise that land is coming out of agricultural production.'*<sup>21</sup>

8.1.9 The Chairman, Jersey Milk Marketing Board explained;

*'I think it is fair to say that that particular law is now unenforceable and the question is should it be replaced with another piece of legislation or regulation.'*<sup>22</sup>

8.1.10 We also heard from The Chief Executive, National Trust for Jersey:

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<sup>21</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

<sup>22</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

*'...you have a system in place to control your land usage, which does not apply to all land. So, until you sort that out you are going to have trouble safeguarding your land bank for agricultural usage.'*<sup>23</sup>

8.1.11 The President, Jersey Farmers' Union summarised the industry's concerns:

*'We are concerned at the continual erosion of the land bank, if you like, the workable agricultural land which has been lost to all sorts of things. Building is one, amenity use is another, and domestic curtilages increasing in size, and it is frightening to see how much land is being lost. It is also being lost to horses, it is being lost to orchards which are considered commercial but in actual fact they are really put there to protect the property owner's land, so he has basically got an orchard as a garden. Yes, they harvest a crop of apples for La Mare vineyards or whoever but in actual fact it is not really farming and the economic activity from it is not what it would be as if it was in mainstream farming.'*<sup>24</sup>

8.1.12 Given those concerns we asked the Assistant Minister, Planning & Environment whether the law needs updating:

*'I think the difficulty is that laws are not able to be applied retrospectively to certain conditions that did not apply previously.'*

**The Deputy of Grouville:**

*Should it be looked at now?*

**Deputy R.G. Le Hérissier:**

*Is your department pushing for an update of the law?*

**Deputy R.C. Duhamel:**

*I do not know.*<sup>25</sup>

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<sup>23</sup> Public Hearing, National Trust for Jersey, 4th June 2010

<sup>24</sup> Public Hearing, JFU, 3rd June 2010

<sup>25</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

8.1.13

**Key Finding:**

There is continued and mounting pressure to take land out of agricultural production with potentially detrimental consequences for the appearance of the countryside, the economic potential for Jersey agriculture and the degree of food security the Island enjoys.

8.1.14

**Key Finding:**

There is wide acknowledgment of certain inadequacies of the *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974* to the extent that it will be extensively reviewed as part of the Rural Economy Strategy 2011 – 2015.

8.1.15

**Recommendation:**

The Sub-Panel welcomes the Review of *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974*, which should include the effectiveness and equity of the application of the legislation with the aim of broadening its scope and tightening definitions of what constitutes non-agricultural use.

**8.1.16 Equine use of land**

8.1.17 In particular the Sub-Panel heard from a number of stakeholders who raised the issue of the increasing use of agricultural land for equine activities. The Chairman, Jersey Milk Marketing Board explained that there has been an acceleration in land being used for supposedly temporary occupation for horses but that the quality of fencing and stabling suggests a degree of permanence. He continued to articulate the effect on the rental price of agricultural land:

*'It is such a waste. It really is. It is forcing up rents, coupled with the competition for potato land between the two marketing groups, and the dairy industry has been left piggy in the middle. The worst thing of all, is that while we have got traceability of our cows, we have got traceability of sheep, we have got traceability of pigs, we have got traceability in our chickens, we are pretty close to having traceability of bees, but there is no traceability on horses.'*

8.1.18 He went on to outline the frustration regarding the lack of protection under the existing legal framework:

*'I find it absolutely staggering that people can willy-nilly, on the basis of perceived wealth, just take over land and put a couple of horses on it.'*<sup>26</sup>

8.1.19 The JMMB and R.J.A.& H.S called for the re-classification of equine use as non-agricultural.<sup>27</sup>

8.1.20 In contrast, the Sub-Panel received positive comments from members of the public regarding the occupation of agricultural land for equine activity. It was welcomed as an example of diversification of agricultural land use as well as forming an essential part of Jersey's heritage. Other benefits were outlined including:

- Helping to keep Jersey countryside 'green'
- Equine grazing produces 'natural' fertiliser which does not have the adverse effect on Jersey's water supply which results from the use of chemical fertilisers in intensive crop production
- Horses do not create an excess of demand for water, unlike, for example, the growing of potatoes where spraying has an adverse effect on water supplies at the most vulnerable time of year
- Horses bring pleasure to thousands of people on the Island, as evidenced by the popularity of the Race Club and Jersey Drag Hunt and other riding associations
- An insurance policy should the traditional farming industry suffer economic difficulty
- Complementarity with other business activities e.g. tourism
- Creation of local employment opportunities as compared with the heavy dependence of the farming industry on cheap foreign labour
- Creation of revenue generating businesses<sup>28</sup>

8.1.21 The Sub-Panel heard that the matter of equine use had arisen during lean times for the farming industry, when people were granted permission to erect stables and keep horses on agricultural land as demand for the land by farmers was low. However, it is questionable whether given the present health of the agricultural industry that arguments for equine to fill

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<sup>26</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

<sup>27</sup> Written Submission, R.J.A.&H.S. and JMMB

<sup>28</sup> Written Submission, Mr. D.W. Roberts

the vacuum left by the retreat of agriculture really carry much weight. There was support for a register of horses and for a register of land used for equine purposes.<sup>29</sup>

8.1.22

**Key Finding:**

**Equine use of agricultural land as a bona fide agricultural activity is a highly contentious issue, with some regarding the loss of land from production as unacceptable and others defending its legitimacy as an economic activity in its own right.**

8.1.23

**Recommendation:**

**The responsible Ministers must thoroughly examine the use of agricultural land for equine use and, although no evidence was received on the matter, leisure and sport use, as part of its Review of *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974* and considered in future strategies. This Review must include an evaluation of the case for the introduction of a Register of horses and a Register of land used for equine purposes.**

**8.1.24 Domestic curtilage**

8.1.25 The Sub-Panel was informed of issues relating to the extension of domestic curtilage onto agricultural land. Amongst several concerns heard regarding the loss of agricultural land to domestic curtilage, the Vice-President, R.J.A & H.S explained that he saw:

*'...a lot of land going out of agriculture when properties are exchanged, when people buy houses they are paying a lot of money for properties...and the last thing they want to do is farmers to be farming in the fields adjacent to where they are so.... People are planting apple trees and it is not because they want to have apple trees there or that they have got a use for the apple trees. They just want to keep us away from their properties.'*<sup>30</sup>

8.1.26 The Assistant Minister for Planning & Environment acknowledged that the Planning Department receives a lot of applications to extend their domestic curtilage from wealthy

<sup>29</sup> Written Submission, Ms. C. Perchard

<sup>30</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

individuals who want to incorporate the surrounding fields, fields which would then be lost to the sector.<sup>31</sup>

8.1.27

**Key Finding:**

**The increasing loss of agricultural land to domestic curtilage is of major concern to the agricultural sector.**

8.1.28

**Recommendation:**

**The responsible Ministers must thoroughly examine the use of agricultural land for domestic curtilage as part of its Review of *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974*.**

**8.1.29 Food security**

8.1.30 The Draft White Paper briefly outlines measures to address food security: continuation to support innovation within the Rural Initiative Scheme, conducting a processing infrastructure survey to encourage the reduction in useable waste, the provision of a high quality abattoir, and the establishment of a Jersey Food and Farming Partnership (JF&FP).

8.1.31 The Minister for Economic Development explained that the Department gives food security a high priority and the focus of the RES is to see more locally-grown produce available. However it is necessary to remember that the shift away from supporting agricultural production towards decoupled support has removed much of the financial incentive that could be applied to maintaining production. Therefore without questioning the sincerity of the Minister's support for food security and the availability of locally-grown produce the means at his disposal to ensure that this happens may not be all that powerful.<sup>32</sup>

8.1.32 We heard from stakeholders who identified food security as a pivotal issue to Jersey and expressed disappointment at the lack of attention given to an area of such importance within

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<sup>31</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>32</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

the Draft White Paper. The Chairman, Jersey Milk Marketing Board, told the Sub-Panel that Jersey needs to decide whether it wants the capability to feed itself in the future.<sup>33</sup>

8.1.33 The Chief Executive, Co-operative Society explained that:

*'...our food security at this moment in time is totally dependent on the U.K. In the context of that, I think it is incumbent on Government to recognise the vulnerability that is there...I have attended sessions with the Minister for Planning and Environment...and you do not get any real sort of sense that there is any urgency or there is joined-up government, that there is any thought being put into that.'*<sup>34</sup>

8.1.34

**Key Finding:**

**There is insufficient attention and detail given to the issue of food security within the Draft White Paper.**

8.1.35

**Recommendation:**

**The responsible Ministers need to address the issue of food security and produce a strategy and long-term vision for Jersey in consultation with the industry and the public by January 2012.**

## **8.2 Land classification to assist land use planning**

8.2.1 Jersey's soil and agricultural land has no classification system other than a subjective 'poor' or 'good' to identify the most productive areas. This is set to change under proposals in the Draft White Paper to introduce a land classification scheme. Amongst other things this will enable the identification of land suitable for commercial agriculture and can be used in conjunction with the *Agricultural Land (Control of Sales and Leases) (Jersey) Law 1974*.

8.2.2 The Director, Environmental Management and Rural Economy stressed the importance of this proposed policy:

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<sup>33</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

Public Hearing, Chief Executive, Channel Islands Co-operative Society, 15th June 2010

<sup>34</sup> Public Hearing, Chief Executive, Channel Islands Co-operative Society, 15th June 2010

*'The land classification...is absolutely fundamental. If you do not know what the land is beyond the face value determination and what is the most appropriate use on an Island where you have to optimise land use ... and I think we are operating a little bit blindly...farmers are resisting change a little bit and I think we already have some kind of very, very basic land classification system but it is nowhere near contemporary enough to deliver our management decisions.'*<sup>35</sup>

- 8.2.3 The Department outlined that the purpose of the land classification system was to identify land and soil quality in Jersey, so that informed decisions can be made regarding the best use of one of the Island's primary non-renewable resources. Based on discussions with the National Soil Research Institute at Cranfield University the one-off project would be completed within twelve months at a cost of approximately £150,000.<sup>36</sup>
- 8.2.4 The introduction of a land classification system received support from the Chief Executive, National Trust for Jersey. He explained that planning applications are already passed for comment to agriculture advisers at Planning & Environment and it would be more appropriate and less subjective for those judgements to be made with reference to a classification system. He added that the Countryside Character Appraisal scheme already classifies Jersey land in terms of character, but he emphasised that the main advantage of a comprehensive land classification system was the introduction of a greater degree of rigour in controlling land usage.<sup>37</sup>
- 8.2.5 The Sub-Panel heard from a number of stakeholders who were opposed to the introduction of a system to classify all agricultural, environmental and amenity land. The JMMB & R.J.A.&H.S. described the land classification scheme as being not needed and additional, unnecessary bureaucracy.<sup>38</sup> The Director, Jersey Royal Company, when asked about the merits of a land classification scheme, said:

*'Why would you need a pile of bureaucrats to go around rating land? I mean, you can basically know what is good and what is not by virtue of what has worked and*

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<sup>35</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>36</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>37</sup> Public Hearing, National Trust for Jersey, 4th June 2010

<sup>38</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

*what has not. You know, I think if somebody is mad enough to put a crop in it...there must be some return coming from it or it would not be done.*<sup>39</sup>

- 8.2.6 The Crop Agronomy Consultant, Albert Bartlett Limited, explained that the rental market for agricultural land already serves as an adequate classification scheme as it provides an excellent indicator of how land is valued and rated by the industry.<sup>40</sup>
- 8.2.7 The JFU in its submission outlined their 'total opposition to this pointless proposition' as they had not encountered anyone in favour or a valid reason for undertaking the work. They expressed surprise that the proposal was raised at all.<sup>41</sup>
- 8.2.8 The Sub-Panel understands that all agricultural land is valued and that the Department's proposed system is simply a scientific study of land quality to assist practitioners to make better informed decisions regarding use of land. However, further concerns were raised about the potential dangers of classifying agricultural land as it was felt this would lead to the unintended consequence of varying 'degrees of usefulness' being informally applied. In essence, explicitly identifying one piece of land as being of lesser quality than another may increase pressure to develop upon 'less useful' agricultural land with the consequence of the permanent loss of the land to agriculture.<sup>42</sup> It was felt that the introduction of a land classification scheme in the context of current pressures to develop would have a negative effect upon the retention of agricultural land for use by the industry.
- 8.2.9 Furthermore, the Sub-Panel also heard that the recently established website to promote the availability of agricultural land (replacing the system requiring landowners to advertise in the local newspaper) should be more widely promoted and allowed to prove itself. It was felt that this would further negate the necessity of introducing a land classification scheme.<sup>43</sup>

8.2.10

**Key Finding:**

**There appears to be some confusion amongst stakeholders, from the evidence received, about the purpose of the proposal to classify land.**

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<sup>39</sup> Public Hearing, Jersey Royal Company, 13th July 2010

<sup>40</sup> Public Hearing, Albert Bartlett Limited, 15th June 2010

<sup>41</sup> Written Submission, JFU

<sup>42</sup> Public Hearing, JFU, 3rd June 2010

<sup>43</sup> Written Submission, R.J.A.&H.S. and JMMB

8.2.11

**Key Finding:**

**The Ministers responsible have failed to convince many stakeholders of the need for a system of land classification as outlined in the Draft White Paper.**

8.2.12

**Recommendation:**

**The proposed system of universal land classification should not be included within the Rural Economy Strategy 2011 – 2015.**

### **8.3 Derelict and redundant glasshouses**

8.3.1 As a result of 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. However, 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.<sup>44</sup>

8.3.2 The Draft White Paper stipulates that 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

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

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

8.3.4 The Minister for Economic Development told the Sub-Panel:

*'...I think that in many respects people look at a glasshouse site ... and we do sadly see them around the Island falling into disrepair, because the owners feel that it is one step towards moving it to building. I do not think you should necessarily view it as such. They were given originally planning permission to put the glasshouse up*

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<sup>44</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

*on agricultural land as an agricultural entity and it should be returned where possible to agricultural use.*<sup>45</sup>

8.3.5 We also heard from the Assistant Minister for Planning & Environment who told us that, although he had not seen very many that had been returned to agriculture, it did not follow that the Department was not of that mind. He informed us that, personally, he thought that all glass that had been used for agricultural purposes possessed a further economic value which may well be related to agriculture:

*'I would much rather pursue a course of action that kept the structures as glasshouses and allowed a semi-agricultural or light industrial use to take place within those structures rather than putting them into residential complexes or something else.'*<sup>46</sup>

8.3.6 The Department received support for its proposals regarding modern and derelict / non-viable glasshouses from, amongst others, the JMMB / R.J.A & H.S. and the JFU on the proviso that land was returned to agriculture. However, the JFU made the point that it felt the States had been somewhat short-sighted in withdrawing support for the glasshouse sector.<sup>47</sup>

8.3.7 This view was backed up by a number of stakeholders including both Beauvoir Nurseries (Grouville) Limited and Fauvic Nurseries Limited who were both highly critical of what they regarded as the catastrophic impact the previous RES had upon the glasshouse sector.<sup>48</sup> Indeed, whilst speaking of the 'mutilation' of the sector, Beauvoir Nurseries told the Sub-Panel they did not hold out much hope with the Department's approach in 2010:

*'Having studied the Green Paper, it is quite obvious that you have totally deserted the Glasshouse Industry in its entirety. There are only TWO references to the Glasshouse Industry in the whole document, and they are not very good at all. You only talk of derelict and redundant glasshouses! There is no positive direction for the glasshouse industry stated.'*<sup>49</sup>

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<sup>45</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>46</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>47</sup> Written Submission, JFU

<sup>48</sup> Written Submission, Fauvic Nurseries  
Written Submission, Beauvoir Nurseries

<sup>49</sup> Written Submission, Beauvoir Nurseries

8.3.8 An example of glasshouse regeneration that it might be argued demonstrates that the retention of glasshouses is not a lost cause, was provided to the Sub-Panel by the Chief Executive, Channel Islands Co-operative Society. Talking about a grower who had lost a contract to supply a UK supermarket with tomatoes, he said:

*'He then had a problem with fairly significant, reasonably good quality and fairly modern greenhouses: "What do I do with them?" So he wandered into my office one day...He sat down and he said: "Can I grow you a few strawberries, Jim?" I said: "Well, yeah." I said: "We have got an outdoor strawberry producer that supplies us. As long as it complements what he is doing, you can grow us a few strawberries." This was probably in the autumn in October time or something like that. He phoned me up just before Easter and he said: "Do you want to come up and see your strawberries?"...we went up...and he had two greenhouses there the size of football pitches full of strawberry plants..."What the hell have you done? I mean, you have cornered the world strawberry jam market. There is no way under the sun we are going to clear all these strawberries." But we did.'*

8.3.9 He continued:

*'The lesson in that is that, you know, that was a crop where, previously, we had probably bought about 10 per cent of our annual demand locally. He now supplies probably 70 per cent of our total annual demand. We exported strawberries to Guernsey. We bring mushrooms, for instance, in from Guernsey to Jersey so it is a 2-way traffic...He had to invest some capital and he also had to invest a lot of time and effort to learn how to grow strawberries because he had never done it before but we sell the best and the freshest strawberries in the world now and we sell them in vast quantities. He makes a good profit out of it and my customers get a first class deal.'*<sup>50</sup>

8.3.10 We heard from the National Trust for Jersey which is generally opposed to partial or enabling development, such as that proposed for derelict or non-viable glasshouses. Commenting generally about partial or enabling development the National Trust for Jersey told us that:

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<sup>50</sup> Public Hearing, Chief Executive, Channel Islands Co-operative Society, 15th June 2010

*The Trust is unable to support this policy given the potential implications for the rural environment. It is also difficult to understand how this policy is compatible with the ethos of the agricultural industry being custodians of the countryside.*

*The Trust believes that over the years the agricultural industry has benefited from several planning concessions and it remains unclear as to whether this has truly helped to secure the long term future of the industry and by default protect Jersey's countryside i.e. the rural asset. The Trust would therefore suggest that a review should be undertaken to assess what has been achieved to date before any further concessions are granted.<sup>51</sup>*

#### 8.3.11

**Key Finding:**

**The glasshouse industry remains mainly in a state of under-development or neglect brought on by a lack of support for continued production on the one hand and the hope of potential gain by redevelopment on the other.**

#### 8.3.12

**Recommendation:**

**The Rural Economy Strategy should not be advocating partial or enabling development until all other options have been exhausted.**

## 8.4 Environmental issues

### 8.4.1 Increased environmental regulation and cross compliance

8.4.2 In order to protect the natural environment and biodiversity of Jersey, as well as to honour international commitments, the Draft White Paper proposes the development of a range of measures including Codes of Good Agricultural and Environmental Practice (CGEAP) and individual Environment Plans for farms.

8.4.3 Codes of Good Agricultural and Environmental Practice (CGEAP) 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 CGEAP ensures that environmental impact is minimised whilst allowing agricultural development to continue. It is proposed that documentary evidence of compliance with CGEAP is made compulsory

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<sup>51</sup> Written Submission, National Trust for Jersey

for those receiving States financial support.<sup>52</sup> The key features of the proposed Environment Plan are detailed in Section 8.4.12.

8.4.4 The proposals to reduce the effects of farming upon the environment through CGEAP and Environment Plans have been greeted favourably by the Jersey Farmers' Union. They emphasized that farmers were aware of the need to reduce to a minimum their effect on the environment and were fully in agreement with the introduction of Environment Plans. Nevertheless, they wanted to ensure that farmers could continue to access the Countryside Renewal Scheme (CRS) to assist compliance with such measures.<sup>53</sup>

8.4.5 The Sub-Panel encountered some resistance to the introduction of further environmental measures with the JMMB / R.J.A. & H.S. suggesting that suppliers were already subject to industry-leading standards demanded of them by, for instance, large UK supermarkets. Any attempt by Jersey to introduce its own system of standards would be seen as unnecessary duplication:

*'If you sell your produce to a multiple retailer or through any form of marketing scheme, if you have your farms ... it is not "if", we all have to have our farms inspected to various protocols, and I think we could deliver a lot of the cross compliance objectives through that form of inspection rather than having to go through yet another system of bureaucracy.'*<sup>54</sup>

8.4.6 The view that Jersey could simply adopt industry standards rather than re-inventing the wheel at taxpayer's expense was raised by the Jersey Royal Company.<sup>55</sup>

8.4.7

**Key Finding:**

**The Rural Economy Strategy 2011 – 2015 seeks to increase the regulation and recording of farming practices affecting the environment.**

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<sup>52</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>53</sup> Written Submission, JFU

<sup>54</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

<sup>55</sup> Written Submission, Jersey Royal Company

8.4.8

**Key Finding:**

**Opposition to the proposals to introduce Codes of Good Agricultural and Environmental Practice (CGAEP) and Environment Plans was largely on the grounds of the overlap with (more demanding) standards applied by major commercial purchasers of farm produce.**

8.4.9

**Recommendation:**

**A set of minimum standards for environmental compliance by all Island agricultural producers should be developed by the Rural Economy Section, taking into account those standards demanded by commercial purchasers of farm produce so as to avoid unnecessary duplication and the expense of developing the standard and enforcing compliance.**

**8.4.10 Nutrient Budgeting and green waste compost**

8.4.11 Green waste is composted garden waste and is 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 Jersey farmers when undertaking nutrient budgeting, which could lead to unnecessary fertiliser use.

8.4.12 The Draft White Paper indicates that the States of Jersey will support the voluntary use of green waste compost, promote best practice and introduce nutrient budgeting and management planning into the proposed Environment Plans to ensure:

- That the nutrient value of wastes and manures are correctly calculated to reduce the risk of diffuse pollution
- That 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 fertiliser)
- Less environmental impact (lower leeching if applied at correct time to maximise the use of nutrients)
- Disease suppression
- Less artificial fertiliser imported

8.4.13 The Director, Environmental Management and Rural Economy, explained that the Department had consulted the industry on the issue of green waste.<sup>56</sup>

8.4.14 The Sub-Panel heard broad support for the principle of green waste but concerns were expressed regarding its suitability for agricultural use as it does not possess the accreditation for compost demanded by a lot of the industry's customers.<sup>57</sup>

8.4.15 The Sub-Panel received a submission to its Call for Evidence from the Environment Scrutiny Panel who regarded paying farmers to accept green waste as a subsidy to the agricultural industry. They suggested consideration should be given to linking use of green waste to receipt of single area payments.<sup>58</sup>

8.4.16 This view was countered by the Director, Environmental Management and Rural Economy, who suggested that payments to farmers for accepting the green waste were a cost effective way of waste disposal. He acknowledged that the benefits were not universally accepted and outlined his view that the Department should not be insisting it was used by farmers.<sup>59</sup>

8.4.17

**Key Finding:**

**Farmers are paid by the Transport and Technical Services Department to receive its green waste for use as a fertiliser and soil conditioner.**

8.4.18

**Key Finding:**

**Opinions are divided as to whether farmers should be funded by the States to accept its green waste.**

8.4.19

**Key Finding:**

**There is concern amongst the agricultural sector as to the compliance issues arising from using the green waste produced by the Transport and Technical Services Department.**

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<sup>56</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>57</sup> Public Hearing, Albert Bartlett Limited, 15th June 2010

<sup>58</sup> Written Submission, Environment Scrutiny Panel

<sup>59</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

8.4.20

**Key Finding:**

**The present method of disposing of green waste is a cost to the public purse.**

8.4.21

**Recommendation:**

**The Rural Economy Section should liaise with Transport and Technical Services Department to ascertain whether improvements could be made, and the necessary analysis undertaken, to make green waste more acceptable to the agriculture industry. The results of this should be publicised and shared with the industry.**

8.4.22

**Recommendation:**

**The Rural Economy Section, Transport and Technical Services Department and the agriculture sector should work together to make the best use of this valuable resource (green waste).**

## **9. Subsidies and Financial Support**

### **9.1 The case for government financial support for the Rural Economy Strategy**

- 9.1.1 Although neither part of the United Kingdom, or the European Union, Jersey does have a relationship with the EU which is governed by Protocol 3 to the UK's Act of Accession 1972. In practice this means that whilst Jersey remains outside the EU and, therefore, the Common Agricultural Policy, the Island is regarded as being inside for the purposes of trade in goods.
- 9.1.2 Consequently, all subsidies and programmes to support agriculture are provided by the States of Jersey. The States of Jersey provides a wide range of subsidies and programmes to support its agricultural sector, many of these programmes were designed to 'mirror' those provided within the EU e.g. Single Area Payment (SAP), whilst others are reactions to local circumstances e.g. Quality Milk Payment (QMP). The type of payments and their amount parallels developments in the Common Agricultural Policy and its application in the UK, partly in order to ensure that Jersey farmers do not find themselves at a competitive disadvantage to those in what is the main market for Jersey produce. This is for practical reasons and to honour an understanding arrived at on UK accession in 1973. The competitiveness argument, and the need for parity, forms the most important part of the case for the financial support behind many of the measures included within the RES 2010 – 2015.
- 9.1.3 The application of the Common Agricultural Policy varies considerably between EU Member States and even within EU Member States. The UK and France are at opposing ends of a spectrum in their desire to implement reforms of the CAP. Consequently, France has retained a number of support elements that are still linked to production. The UK has taken the decoupling process as far as it was permitted. The UK has made agri-environment its main priority under Pillar 2 (the Rural Development part of the CAP). In France there is less emphasis on this but more on measures to assist the competitiveness of agriculture and extracting greater added value to farm produce. It would seem that that Jersey has chosen to most closely mirror its approach on that taken in the UK. But to the extent that support such as the Quality Milk Payment does still exist and there is a desire to promote the brand image of Jersey produce and capture more value from processing and marketing, Jersey has, consciously or sub-consciously, taken on some of what might be seen as 'French'

priorities. Given the good geographical access to both markets taking something from each as an influence on how agriculture is supported may make good sense.

9.1.4 The Director, Environmental Management and Rural Economy explained that the Rural Economy Strategy 2006 – 2010 was the first attempt to realign Government's relationship with the agriculture sector. He outlined the need to understand the differences between Jersey and the UK in terms of rural development and agri-environment programmes.

*'...where we have got to so far is we have got a similar scheme to the single farm payment in the U.K. We have got a similar scheme to the environmental stewardship in the U.K. We have got a similar set of schemes around rural initiative and business development and innovation within the U.K.'*<sup>60</sup>

9.1.5 He went on to explain that the overriding basis for justifying support payment schemes is that they must provide a range of benefits not simply a contribution to Gross Value Added (GVA).

#### **9.1.6 Single Area Payment (SAP)**

9.1.7 The Draft White Paper maintains that *'the Single Area Payment (SAP) underpins farming activity in Jersey and attempts to ensure that the unique character of the countryside is maintained, by purchasing public goods and services'*. Introduced by the RES 2005, it replaced production led subsidies, decoupling production from subsidy, in order to discourage crops being grown for the subsidy they attracted. This is seen to encourage market led diversification into crops and livestock, some of which previously received no subsidy.

9.1.8 The SAP is comparable with area payments under the Single Payment Scheme (SPS) within the UK.

9.1.9 Receipt of the SAP is conditional on farmers meeting certain standards and levels of environmental performance including: 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.

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<sup>60</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

9.1.10 The stated aim of the Single Area Payment 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 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 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.<sup>61</sup>

9.1.11 The Draft White Paper seeks to extend cross compliance measures necessary to receive SAP to include the requirement to produce an Environment Plan. The Environment Plan will 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<sup>62</sup>

9.1.12 In addition, the States of Jersey will undertake to compare rural sector funding in Jersey with support available within the European Union. This review will include:

- 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

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<sup>61</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>62</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

- Industry assurance schemes to audit levels of environmental performance with a view to, where possible, avoiding duplication in the Environment Plan

9.1.13 The Chief Executive, National Trust for Jersey emphasised the importance of the Single Area Payment being used to support the overall strategic objectives of the Department for the agriculture sector. He commented on the impact of the SAP on land rental and questioned whether the States should be subsidising profitable industries:

*'I think it is important that the Single Area Payment supports the overall objectives of the Environment Department in terms of its agricultural strategy and we are not just ... and then we do not just end up simply paying for someone to do a certain type of farming, which actually could stand well on its own two feet, and what it simply does that payment is that then it just gets fed into the rental figures, and the land rental figures simply increase and you are not really getting any benefits. I think Single Area Payment has to be seen to be supporting elements of the industry, which justify needing support.'*<sup>63</sup>

9.1.14

**Key Finding:**

The Sub-Panel acknowledges the argument in favour of parity in both the level of and nature of support given to farmers in the EU and Jersey, and consequently it appears logical to maintain an area based decoupled payment.

9.1.15

**Recommendation:**

The Sub-Panel supports the Draft White Paper recommendation to undertake a review of rural sector funding in Jersey, vis á vis the EU in general and Single Area Payments in particular.

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<sup>63</sup> Public Hearing, National Trust for Jersey, 4th June 2010

9.1.16

**Recommendation:**

**The States of Jersey should continue with Single Area Payments but the relevant Ministers should seriously consider whether the mechanism of the payment provides the best use of funds in supporting the Jersey farmer. This Review should consider whether applying equivalent, if not exactly identical, support to EU counterparts is a better mechanism than following CAP policy instruments just in order to achieve parity. The work should be undertaken in full consultation with the industry and a Report published by August 2013 in time for inclusion in the Rural Economy Strategy 2016 – 2020.**

**9.1.17 Rural Initiative Scheme**

9.1.18 The Rural Initiative Scheme is designed to promote growth in the rural economy by supporting diversification, enterprise, energy efficiency and innovation. Before 2005 there had been declines in both the use of agricultural land and land rental values resulting in low levels of profitability within the entire industry. Hence there was a perceived need to encourage additional income earning by adding value to farm produce and by integrating non-agricultural enterprises.

9.1.19 It was identified that new ventures would be crucial in reversing the decline in use of agricultural land. It was also identified that agricultural businesses attempting to diversify would represent a high investment risk for banks, be hampered by a high level of debt due to poor levels of profitability, and have insufficient equity against which to secure borrowing.

9.1.20 In order to secure grant funding, new and existing businesses must submit business plans which demonstrate how they 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<sup>64</sup>

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<sup>64</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

9.1.21 The RES 2011 – 2015 proposes to develop the Rural Initiative Scheme in order to take into account 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. It also commits to the publication of an annual report detailing approved RIS grants.

9.1.22 We heard from the Crop Agronomy Consultant from Albert Bartlett Limited who queried whether it was possible for the Rural Initiative Scheme to meet its objectives without the original levels of funding allocated to it:

*'...this fund (RIS) could be introduced at around about £800,000 a year. The next paper came out and the £800,000 was £500,000. The £500,000 now has been used to ... part of it has been used to subsidise the school milk scheme, so that is £200,000-odd out of that, and now it looks like that might disappear as well. So, originally here we have a strategic policy which says Rural Initiative Scheme, great idea, it is going to help the industry £800,000 and now we are looking at maybe £300,000 left in the pot. So is that policy going to achieve what it set out to do without the funding?'*<sup>65</sup>

9.1.23 The President, Jersey Farmers' Union raised concerns regarding the allocation of RIS funding and suggested that it had not always been utilised effectively, to the detriment of worthy projects:

*'The Rural Initiative Scheme and the Countryside Renewal Scheme, we think the funding has sometimes not gone to the areas where it should have gone. We would like to think in the future that will be addressed; for example school milk, we do not think that is a rural initiative budget. People were applying to the Rural Initiative Scheme for projects which warranted funding but there was not enough funding there because of the use of the money for school milk.'*<sup>66</sup>

9.1.24 We heard how there was felt to be a lack of transparency with regard to the Rural Initiative Scheme, from the President, R.J.A.&H.S:

*'There is a lot of money spent with R.I.S. and I do not see a lot of transparency. So we are asked at various times to comment on our opinion on how it has worked.'*

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<sup>65</sup> Public Hearing, Albert Bartlett Limited, 15th June 2010

<sup>66</sup> Public Hearing, Jersey Farmers Union, 3rd June 2010

*We do not have the detail so we cannot comment. We just cannot comment on it because we do not know really what it has been spent on.*<sup>67</sup>

9.1.25 The Managing Director, Farm Fuels Limited explained how in his experience the processes behind the RIS were misleading:

*'I cannot receive grant funding from the Rural Initiative Scheme because I have too many assets, which I find extraordinary that I did not get told this until the very end of the whole process, rather than being told at the very beginning. So, again, a lot of hopes are raised, a lot of effort is put in and at the end of the day nothing is achieved.'*

9.1.26 He continued:

*'I have been on a merry-go-round to get nothing with a case that is absolutely rock solid.'*<sup>68</sup>

9.1.27

**Key Finding:**

**A major concern about the Rural Initiative Scheme is its apparent lack of transparency. In addition, there are concerns about scheme administration.**

9.1.28

**Recommendation:**

**The Sub-Panel welcomes the proposed continuation and widening of the remit of the Rural Initiative Scheme, but with stricter funding allocation, greater transparency, a need to clarify criteria for eligibility for potential applicants and the publication of an Annual Report.**

### **9.1.29 Countryside Renewal Scheme**

9.1.30 The objective of the Countryside Renewal Scheme is to conserve and enhance the environment and landscape of Jersey. Specifically, it is there to support the maintenance and improvement of biodiversity, reduce pollution, promote environmentally sustainable

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<sup>67</sup> Public Hearing, R.JA.&H.S. and JMMB, 15th June 2010

<sup>68</sup> Public Hearing, Managing Director, Farm Fuels Limited, 13th July 2010

farming and improve access to the countryside. The Scheme was launched in 2005 and offers grants to support voluntary environmental projects.

9.1.31 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 welcome to propose their own ideas for support.

9.1.32 It is proposed to conduct a detailed review of the Countryside Renewal Scheme. The review proposed by the Draft White Paper will cover the design, content, delivery and monitoring of the scheme. Furthermore, the review promises to 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). In addition, the CRS will provide new components for encouraging the development of local businesses to provide independent advice, training and contract services in relation to CRS applications. In conjunction, the CRS will identify specific countryside enhancement projects that could be put out to tender, thereby creating a market for the delivery of environmental goods and services and encouraging the development of a local rural knowledge economy.<sup>69</sup>

9.1.33 The Chief Executive, National Trust for Jersey told the Sub-Panel of the importance of ensuring that funding levels are maintained for programmes with long term objectives:

*'I think it is crucial that levels of funding are clarified..... The Countryside Renewal Scheme is important because it has to have long term objectives, if you suddenly slash the budget you are going to undermine the work that you may have done in the first couple of years quite severely. So you really, in some respects, might as well not have started in the first place. If you are going to have a Countryside Renewal Scheme, you have to have a long term commitment and you have to have a secure pot of funding.'*

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<sup>69</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

9.1.34 He continued to outline their positive experience of the programme:

*'...our direct experience of the Countryside Renewal Scheme has been a benefit to the National Trust in the work we do.'*<sup>70</sup>

9.1.35 We then heard from the President, Jersey Farmers' Union, who described the 'misuse' of CRS grants for non-core activities:

***'The Deputy of St. Mary:***

*Can you give some examples of what you would term in brief misuse of C.R.S. (Countryside Renewal Scheme)?*

***President, Jersey Farmers' Union:***

*I know one of the schools had their school environmental project, a very worthwhile project, I have no problems with it, but at a similar time we had one grower who applied for organic conversion and there was no money left. So there is one instance of where money is going to non-core funding activities. I am obviously not privy to every application and I do not know where it all goes but we have always thought that money should be directed into mainstream farming activities for the betterment of the environment.'*<sup>71</sup>

9.1.36

**Key Finding:**

**The effectiveness and value of the Countryside Renewal Scheme can only be judged in the context of funding proposals that are not made available in the White Paper.**

9.1.37

**Recommendation:**

**The Sub-Panel supports the continuation of the Countryside Renewal Scheme but agrees that the proposed Review is required. The Review should include proposals on how to introduce greater transparency on funding proposals and allocation.**

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<sup>70</sup> Public Hearing, National Trust for Jersey, 4th June 2010

<sup>71</sup> Public Hearing, Jersey Farmers Union, 3rd June 2010

9.1.38

**Recommendation:**

**As with the Rural Initiative Scheme, an Annual Report of the Countryside Renewal Scheme should be published detailing the grants made and the reasons for these.**

**9.1.39 Dairy Services / Dairy Industry Costing Scheme (DICS)**

9.1.40 In 2010, a Service Level Agreement (SLA) was agreed with the Royal Jersey Agricultural & Horticultural Society (R.J.A. & H.S.) 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.<sup>72</sup>

9.1.41 The SLA recognises the part these services play in a modern dairy industry and the impact that full cost recovery of these services would have on the profitability of dairy farms. The Department takes the view that demand for these services is set to diminish as businesses acquire the skills to undertake their own breeding and recording needs. Therefore the demand for central provision of these services will reduce to a level where the cost of maintaining the services can no longer be justified.

9.1.42 The Draft White Paper proposes to discontinue public support for artificial insemination, bull proving and milk recording services beyond 2013.

9.1.43 The Dairy Industry Costing Scheme (DICS) is operated under the terms of a three year SLA agreed between the Economic Development Department and the Jersey Milk Marketing Board in 2008. Under the terms of this agreement there is a £9,000 grant to assist the JMMB in employing a qualified farm secretary to collect, input and maintain financial information for farmers supplying milk to Jersey Dairy. This information is made available (confidentially) to an EDD officer to enable up to date financial information to be compiled for farmers, industry representatives and States Departments.<sup>73</sup>

9.1.44 The Draft White Paper proposes the agreement of a new Service Level Agreement for 2012 to 2014 once the existing agreement finishes on 31st March 2011.

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<sup>72</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>73</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

9.1.45 The Sub-Panel received a submission from the JMMB / R.J.A. & H.S. in which they argued for the maintenance of the dairy services as:

These are vital to ensuring production efficiency is improved and must be maintained in current form for a further five years.

This is important to properly monitor the affect of imported genetics, as requested by Scrutiny, and to do otherwise would be a dereliction of duty.

They also pay for the maintenance of the statutory ID database on behalf of government.

They also underpin the USP (Unique Selling Point) identified by the industry relating to the integrity of the Jersey brand.

They are run efficiently:

- The cost to tax payer is 31% less in 2009 than in 2002 despite a rise in RPI of 26% over the same period.
- The cost per cow in Jersey is £89.81 compared to Guernsey at £130.75.

9.1.46 They continued to explain the importance of the Dairy Industry Costings Scheme (DICS) as it is through these costings, which are shared with Government, that stakeholders can monitor profitability to drive improvement in performance, efficiency and reduce the involvement of Government money.<sup>74</sup>

9.1.47 An interesting view was expressed to the Sub-Panel by the Managing Director, Jersey Royal Company Limited, who questioned the apparent over-reliance on Government support by elements of Jersey's dairy industry. He argued that too often their first recourse appeared to be to ask for Government support without always exhausting normal private sector business channels and facing their own issues. This appeared to him to be in stark contrast to other sectors of the Jersey economy which would neither ask for, nor be given, similar levels of Government support. He highlighted this with the following analogy:

*'Romerils might not have enough car parking but they do not come to the Government with a business plan saying: "I have not got enough car parking. What are you going to do to help me?" I personally think we have to bring a screen down here between dairy and the Jersey Royal view generally, but I have to ask the question, what on earth is government doing? ...having paid already for slurry stores for some people when there are people in the industry that have borrowed*

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<sup>74</sup> Written Submission, R.J.A.&H.S. and JMMB

*money from the bank to build one beforehand...I was in dairy and I got out for partly all of those reasons.<sup>75</sup>*

9.1.48

**Key Finding:**

**Promoting efficiency in dairy production by directly subsidising animal breeding, costings and milk recording has been useful in achieving goals set out in the Roadmap vision for the future of the dairy industry in Jersey.**

9.1.49

**Recommendation:**

**In order to be justifiable, dairy services should become self-financing.**

9.1.50

**Key Finding:**

**The results of performance recording are used to provide comparative data for farmers and for use by industry representatives and by government.**

9.1.51

**Recommendation:**

**Recording of certain financial information from the dairy industry should still be supported by Government in order that performance in the industry can be evaluated against targets towards the industry becoming self-supporting under the Roadmap plan. However, milk recording and cattle breeding services should cease to be subsidised as recommended by the Draft White Paper.**

**9.1.52 Quality Milk Payment (QMP)**

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<sup>75</sup> Public Hearing, Jersey Royal Company, 13th July 2010

9.1.53 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, together with the industry's Woodacre Report, prompted the Jersey Milk Marketing Board to formulate and implement the 'Road Map to Recovery' (endorsed by the Promar Report 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<sup>76</sup>

9.1.54 In recognition that the industry recovery plan would take time to deliver the above benefits, the RES 2006 – 2010 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 to the industry. Due to delays in processing the legislation to allow the importation of bovine semen and in building the new dairy at Howard Davis Farm, the QMP has been maintained at approximately £180 per cow from 2008 to 2010 because of continued low profitability within the industry.<sup>77</sup>

9.1.55 In 2010, all the elements of the 'Road Map to Recovery' have been put in place, with the new Dairy Industry Five-year Plan, predicting significant improvements in profitability, with optimism centring on the export trade in livestock and added value milk products to the UK. Imported pure Jersey bull semen has been widely used, with the first calves being born in June 2009. The full effects of semen importation will not be fully apparent until 2018.<sup>78</sup>

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<sup>76</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>77</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>78</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

9.1.56 The Draft White Paper proposes the following for the QMP:

## 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](#)<sup>(25)</sup>
- 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 % <sup>(26)</sup>	QMP £ VALUE PER COW
2011	0	180
2012	0	180
2013	10	162
2014	15	135

YEAR	PER ANNUM REDUCTION % <sup>(26)</sup>	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**

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9.1.57 In support of the proposals we heard from the Directors of Classic Herd Limited, who told us that they did so particularly as the new dairy industry five-year plan predicted significant improvements in profitability. As such, there could no longer be any excuse for an inability to provide a viable return for dairy farmers. Therefore continued tax payer support can no longer be justified.<sup>80</sup>

9.1.58 Concern about the continued reliance upon Government support was emphasised by the Managing Director, Jersey Royal Company Limited:

*'I think the dairy industry's biggest problem is government because anytime anything goes wrong with the dairy industry, everybody flaps around and we have got to have brownfields and brown cows and greenfields and so on and it all becomes very emotive and everybody starts chucking money at them and they run into trouble at Five Oaks and they get into debt. Then government has got to find them somewhere to relocate. Well, we have got a business that is quite a lot larger than the whole of the dairy industry and the Government has not bought us a site and it has been the best thing for us because we have had to think seriously about what we are doing and why we are doing it.'*<sup>81</sup>

<sup>79</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>80</sup> Written Submission, Classic Herd Limited

<sup>81</sup> Public Hearing, Jersey Royal Company, 13th July 2010

9.1.59 Nevertheless, the JMMB and R.J.A. & H.S. have been robust in their argument that the QMP should continue until such time as there is a sustained improvement in industry profitability (as measured by EBITDA). Their argument includes:

- The dairy industry currently works on extremely tight margins, and, as such, significant changes in revenue flows will directly affect farm profitability
- Cuts in the QMP will have to be passed on and will lead to a likely increase in wholesale milk prices of 10 to 12%.
- The phasing out of the QMP is being set in train before any of the key measures identified by the dairy industry and agreed with Government have been allowed to prove themselves.<sup>82</sup>

9.1.60 The Chairman, Jersey Milk Marketing Board said, in summary:

*'...if for whatever reason Government decided to go ahead with these particular recommendations to wind the quality milk payment out over a short period of time, we would either have a choice of reducing profitability on the farm or increasing our prices, which would make us uncompetitive or less competitive.'*<sup>83</sup>

9.1.61

**Key Finding:**

**The viability of dairy production in Jersey depends on maintaining throughput at the new dairy at least at current levels. This means that almost total current farmer loyalty to the Jersey Milk Marketing Board and the supply of at least current levels of fresh milk from the new dairy is a prerequisite of the Jersey Milk Marketing Board's business plan.**

9.1.62

**Key Finding:**

**Wholesale and retail milk prices in Jersey are well above those in France or the UK. The Jersey Milk Marketing Board could seek to increase prices to substitute for the loss of Quality Milk Payment, but this carries with it certain risks for Jersey Dairy including possible calls for the importation of fresh milk.**

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<sup>82</sup> Written Submission, R.J.A.&H.S. and JMMB

<sup>83</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

9.1.63

**Recommendation:**

The Sub-Panel considers there is merit in phasing out the Quality Milk Payment. Consideration should be given, by the Ministers responsible, to creating a cut off point in terms of the number of cows eligible and progressively reducing this over time rather than progressively reducing the level of payment per cow (as proposed in the Draft White Paper). This has the merit of protecting the most vulnerable smaller producers from the full effect of the cuts whilst at the same time placing emphasis on milk production rather than cow numbers as a means of maximising returns.

9.1.64

**Recommendation:**

The Sub-Panel accepts that a phased withdrawal of the Quality Milk Payment is desirable but believes that as a priority proper analysis should be undertaken as to the implications and to ensure that performance improvements necessary to substitute for the payment are realistic and achievable.

### 9.1.65 Jersey Enterprise

9.1.66 Both the Rural Economy Section, based at Howard Davis Farm, and Jersey Enterprise, 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, with the exception of the finance industry. Both the RIS and 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.<sup>84</sup>

9.1.67 The Draft White Paper commits to review the States of Jersey 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.

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<sup>84</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

9.1.68 The Sub-Panel asked the Managing Director, Farm Fuels Limited about the levels of support for the industry:

*'... it is a little bit too disjointed and everything seems to take an awful long time...I wasted about three years putting together a very good proposal that I perceived would save the Government money...So, I am keeping it going but it is very difficult. I am here to plead the case for any future agriculturalists who need to diversify.'*<sup>85</sup>

9.1.69 In their response to the Draft White Paper the JMMB / R.J.A. & H.S. highlighted that there has been considerable confusion between the two States sections, Jersey Enterprise and Rural Economy, regarding the provision of business advice and support to the agricultural industry.

9.1.70

**Key Finding:**

**There is overlap in function between the Rural Economy Section administering the Rural Initiative Scheme and Jersey Enterprise providing general support and business advice for Small to Medium Enterprises (SMEs).**

9.1.71

**Recommendation:**

**The Sub-Panel supports the Draft White Paper's call for a review of business advice and suggests that business advice should be consolidated and more clearly demarcated.**

### 9.1.72 Risk management

9.1.73 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.<sup>86</sup>

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<sup>85</sup> Public Hearing, Managing Director, Farm Fuels Limited, 13th July 2010

<sup>86</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

9.1.74 The Draft White Paper contains plans to adopt evidence of the use of risk management measures as a condition of receipt of grants and subsidies.

9.1.75 The President, Jersey Farmers' Union outlined his thoughts on the proposed introduction of risk management tools within the Green Paper:

*'Our businesses are dealing with risk all the time and if we manage our risk properly we will stay in business and if we do not we will not. I am not quite sure what government can do. We all know we can get insurance. You can get insurance against the weather but it will probably cost you more than the risk itself over the course of time. So, as I say, I just thought it was the nanny state going bonkers and when it started talking about marriage break-ups I just thought to myself: "What is going on here?"*<sup>87</sup>

9.1.76 In its submission to the Green Paper the JFU felt that there were enough safeguards in place when grants were awarded already.<sup>88</sup>

9.1.77 The view that the industry was responsible for managing risk was supported by the Managing Director, Jersey Royal Company Limited, who questioned why the agricultural sector was being singled out for special treatment in terms of risk management.<sup>89</sup>

9.1.78

**Key Finding:**

**There is little or no demand from the agricultural industry for formal adoption of risk management planning.**

9.1.79

**Recommendation:**

**The Draft White Paper proposal (PR31) to provide evidence of use of risk management measures as a condition of receipt of grants and subsidies is unnecessarily prescriptive and should be removed from the Rural Economy Strategy.**

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<sup>87</sup> Public Hearing, JFU, 3rd June 2010

<sup>88</sup> Written Submission, JFU

<sup>89</sup> Public Hearing, Jersey Royal Company, 13th July 2010

9.1.80

**Finding:**

**The management of disease risk by the use of appropriate regulatory measures by government is in the interests of the whole of the agricultural industry and consumers.**

9.1.81

**Recommendation:**

**Animal diseases are far more containable in Jersey than would be the case either in Continental Europe or in the UK, making an exceptionally high health status a realistic and worthwhile aim. The Rural Economy Section should ensure that the maintenance of exceptionally high health status is a priority goal thus benefiting the marketing of Jersey produce.**

**9.1.82 Research & Development**

9.1.83 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 work was questioned as the 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. Currently, some small-scale R&D work is undertaken by the Plant Health Laboratory on a 'needs must' basis from a modest budget. This concentrates on control measures against non-indigenous, statutory and harmful organisms which are both environmental and economic issues.<sup>90</sup>

9.1.84 The Department highlight a number of issues over recent years which it argues create the need to reconsider an R&D capability in Jersey. These include:

- 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

<sup>90</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

9.1.85 The Department proposes to continue the work of the Plant Health Laboratory, responding to threats, emerging issues and statutory situations. It also proposes that the States of Jersey and the rural sector set up a Priorities Board to develop a long-term research and development strategy.<sup>91</sup>

9.1.86 The Director, Environmental Management and Rural Economy explained the need for the re-establishment of R&D strategy and capability:

*‘...quite a lot of what we have seen recently that makes me think that we need to start re-thinking that situation, one is issues with Vydate last year...issues around oysters and the quality of produce in general in Jersey...I think the answer is we need to have a good look at it but we do not need to have a good look at it in isolation. We need to have a look at it as is proposed in the Green Paper via by a Priorities Board and that is Government and industry talking to each other and saying: “Okay, what is the need? Is it market focused? How much will it cost to do? Are we the right people to be doing it or would it be better for us to outsource that to a university or a research organisation outside the Island?”’<sup>92</sup>*

9.1.87 The proposal received support from the Crop Agronomy Consultant of Albert Bartlett Limited:

*‘There is a need for work to be carried out and we would favour a sort of public-private partnership in this respect because I do not think it is fair to just turn around to Government and say: “We have got a problem, sort it out please.” It is the partnership agreement whereby all parties have to take part in that and be fully open about ... so whether it is Bartlett’s, whether it is the growers, whether it is the chemical company DuPont and Government, to my mind, all have a role to play.’<sup>93</sup>*

9.1.88 Limited support came from the JMMB / R.J.A. & H.S who, whilst acknowledging that some work would be valuable, queried whether the ‘need’ had been fully proven and suggested a maximum budget of £20,000.<sup>94</sup>

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<sup>91</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>92</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>93</sup> Public Hearing, Albert Bartlett Limited, 15th June 2010

<sup>94</sup> Written Submission, R.J.A.&H.S. and JMMB

9.1.89 In its submission to the Sub-Panel, the Jersey Farmer's Union raised the question of whether Jersey can afford to have its own programme of research and development. In the event that Jersey re-establishes its own capability, they emphasise the need for private sector involvement in determining the priorities.<sup>95</sup>

9.1.90

**Key Finding:**

**The States of Jersey has neither the resources nor the need to sponsor stand alone agricultural research unless the problems under investigation are specific to the Island.**

9.1.91

**Recommendation:**

**The Sub-Panel supports the Draft White Paper's recommendations to provide some support for the Plant Health Laboratory and a Priorities Board to focus small scale research funding, but with the remit to address specific cases of need in Jersey.**

9.1.92

**Recommendation:**

**The Ministers should undertake a Review of the benefits and disadvantages, from a farmer's perspective, of Jersey formally entering the European Union.**

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<sup>95</sup> Written Submission, JFU

## 10. Support for Jersey Produce

### 10.1 Genuine Jersey

10.1.1 Jersey Product Promotion Limited (JPPL) was formed in September 2008 to oversee the activities of Genuine Jersey, a marketing organisation. JPPL is in receipt of a grant from the Economic Development Department which amounted to £140,000 in 2010, of which £70,000 is directed to Genuine Jersey. The main purpose of JPPL is to promote local products in both the local market and overseas<sup>96</sup>. As the Chief Executive Officer of Genuine Jersey explained:

*'Genuine Jersey is focused on local product on Island, J.P.P.L. local product off Island.'<sup>97</sup>*

10.1.2 Genuine Jersey is a public private partnership as its members pay a subscription to use the Genuine Jersey brand on their produce. The Chief Executive Officer explained the need for the two organisations:

*'Genuine Jersey has a charter and criteria for membership. Not all product in Jersey complies with that. There are products that are produced in Jersey that are not Genuine Jersey, but can come under the J.P.P.L. banner...'*

***The Deputy of Grouville:***

*Can you give us an example?*

***Chief Executive Officer, Genuine Jersey:***

*Jersey Pottery, Fizbag, Funky Puffin, who produce a surf wax and a similar product as well that is not Genuine Jersey ... is not manufactured here, but there are companies producing product and we support those companies the best we can.'<sup>98</sup>*

10.1.3 The Chief Executive Officer is the sole employee of JPPL which is owned by a special purpose trust with trustees and directors.

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<sup>96</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>97</sup> Public Hearing, Chief Executive Officer, Genuine Jersey, 4th June 2010

<sup>98</sup> Public Hearing, Chief Executive Officer, Genuine Jersey, 4th June 2010

10.1.4 The Chief Executive Officer outlined the growth in the number of members and increased recognition of the Genuine Jersey brand combined with an increased consumer demand to buy local. He went on to describe how the needs of Genuine Jersey were met by the proposals contained in the *Issues and Options Green Paper*.

*'I think Genuine Jersey and J.P.P.L. are both mentioned through the report as being integral parts of the future marketing of local product and produce...*

*I have already put my application in for funding for next year... I do not see that J.P.P.L. needs any more money than it currently receives. It can do an awful lot through just networking and getting people to work together and pull in the same direction....<sup>99</sup>*

10.1.5 During Green Paper consultation the work of Genuine Jersey received support from the industry. For example, the Sub-Panel heard from the Jersey Farmers' Union Outdoor Crops Section Committee Chairman:

*'I think Genuine Jersey are doing a good job and certainly they are now promoting local produce in local supermarkets, especially with the Genuine Jersey logo. The Think Twice Buy Local campaign highlighted that. There is more to be done on that front but I think the highlighting of local produce, have specific areas for local produce from the supplier, is the way it can be achieved.'<sup>100</sup>*

10.1.6 The Sub-Panel was therefore surprised to read in the *Draft White Paper Indicative Budget Forecast* that:

*Jersey Product Promotion Limited will be discontinued from 2013 - reduction of £140,000<sup>101</sup>*

10.1.7 It is therefore hard to envisage the continuation of Genuine Jersey if it was left to rely solely upon member contributions from 2013.

10.1.8 No indication of the intention to withdraw funding from JPPL, and consequently Genuine Jersey, was provided in the *Issues and Options Green Paper*, nor within the main body of the *Draft White Paper*. Submissions to both the Rural Economy Division's Green Paper

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<sup>99</sup> Public Hearing, Chief Executive Officer, Genuine Jersey, 4th June 2010

<sup>100</sup> Public Hearing, JFU, 3rd June 2010

<sup>101</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

consultation and the Sub-Panel's Call for Evidence have been supportive of the impact of Genuine Jersey.

10.1.9 During the Draft White Paper consultation exercise we were alerted to a possible lack of public and political understanding of the relationship between JPPL and Genuine Jersey.<sup>102</sup> Genuine Jersey is the public-facing on-Island recognised brand dependent upon JPPL for funding with a small percentage coming from member subscriptions.

10.1.10 Furthermore, the Department received widespread condemnation during its consultation on the Draft White Paper of the unexplained proposal to cease funding JPPL from 2013 that only appeared as an aside within the Indicative Budget Forecast at the back of the document, from significant stakeholders including:

- Jersey Dairy / R.J.A.&H.S.
- Commercial Manager, Jersey Royal Company Limited
- Chief Executive, Channel Islands Co-operative
- Mr and Mrs D & J Quenault (Classic Herd Limited)
- Director, Art in the Frame and Harbour Gallery
- Mr Graham Le Lay
- Mr Kevin Keen (former Managing Director, Jersey Dairy)
- Mr J. Jones, Jersey Pottery Limited

10.1.11

**Key Finding:**

**The proposed withdrawal of Jersey Product Promotions Limited (JPPL) funding from 2013 as outlined in the Draft White Paper has been much criticised, and the success of JPPL and Genuine Jersey appear to have provided a solid case for continued funding.**

10.1.12

**Recommendation:**

**Jersey Product Promotions Limited funding should not be withdrawn by the Rural Economy Strategy 2011 - 2015.**

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<sup>102</sup> Written Submission, Mr. G. Le Lay

## 10.2 Supermarket Licensing

10.2.1 Although not directly covered within the RES, the issue of ensuring that supermarkets operating in Jersey stock greater quantities of locally produced goods through the licensing system, was discussed by the Sub-Panel:

***'The Deputy of Grouville:***

*So could Government do more when licensing the supermarkets, i.e. making restrictions to say that they are to sell X amount of local produce?*

***President, Jersey Farmers' Union:***

*That idea has been put forward before, that it would insist that a certain amount of local produce would be taken. Very difficult to police, I would have thought.<sup>103</sup>*

10.2.2 The Chief Executive, Channel Islands Co-operative Society explained some of the frustration felt at having to import produce that could be grown locally:

***Chief Executive, Channel Islands Co-operative Society:***

*We have got greenhouses here which are totally capable of producing that sort of product. I mean, I do it. I supply all sorts of imported products. Beans from Kenya or whatever it might be. I have got to fulfil my members. They own the business. At the end of the day, if they have got a demand for the product, I have got to fulfil my members wishes but I would much, much, much prefer to do it with local production.<sup>104</sup>*

10.2.3

**Key Finding:**

**Licensing supermarkets operating in Jersey by seeking to control their sourcing of product is neither feasible nor desirable in the context of offering free consumer choice.**

10.2.4

**Recommendation:**

**Sourcing of local produce should be achieved based on availability, quality and promotion rather than restriction through licensing. Local supermarkets should be actively encouraged by the relevant Ministers to source from Jersey and support the Genuine Jersey marque.**

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<sup>103</sup> Public Hearing, JFU, 3rd June 2010

<sup>104</sup> Public Hearing, Chief Executive, Channel Islands Co-operative Society, 15th June 2010

### 10.3 Problems with export (harbour dues)

10.3.1 Concerns were expressed to the Sub-Panel regarding the high costs of export and import due to the cost of harbour dues in Jersey. A number of stakeholders made the point that Government could save on administration costs if the Single Area Payment was 'netted off' against harbour dues, for example:

***'Crop Agronomy Consultant, Albert Bartlett:***

*...maybe we are better off not paying harbour dues on exported crops and we are not a million miles away from the amount that is being paid per vergée and the Government saves administration money on pulling both schemes.<sup>105</sup>*

10.3.2 The Sub-Panel heard from the Chairman, JMMB who expanded upon the costs of importing feed:

*'...it is not just harbour dues, it is stevedoring charges, it is transport from the docks to the farm...the proportion...before the boat sails between the pier heads of the harbour. You would be very, very surprised...'*

10.3.3 He continued:

*'There is little doubt in my mind that control of harbour dues and possibly reduction would ... that effect would seep across the economy to enormous beneficial effect.'*  
106

10.3.4

**Key Finding:**

**The costs of import and export were raised as an area of concern for the agriculture sector.**

10.3.4

**Recommendation:**

**The relevant Ministers should consult all parts of the agriculture industry regarding its concerns with the problems associated with importing and exporting goods and publish their findings.**

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<sup>105</sup> Public Hearing, Albert Bartlett Limited, 15th June 2010

<sup>106</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

## 11. Community and Skills

### 11.1 Engaging the Community

#### 11.1.1 Community Supported Agriculture

11.1.2 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.

11.1.3 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 greater knowledge of where their food comes from and how it is grown. Farmers receive a more secure income and a higher return for their produce. 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.<sup>107</sup>

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

11.1.5 The Assistant Minister for Planning & Environment explained the benefits to us:

*'...we have suggested within the paper that perhaps the time is right, and perhaps you can see it being expressed by the public in the call at the moment for allotments, to move to a new style of farming called community farming. This encourages farmers who would wish otherwise to get out of business to continue to stay in business and enter into partnership with residents living close by in order to keep their farm as a living farm run along the lifestyle lines.'*<sup>108</sup>

11.1.6 The President of the National Trust for Jersey supported the proposals, suggesting that:

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<sup>107</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>108</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

*'...a lot of people do not quite understand the workings of the agricultural industry, how one thing works for another, how things have got to be done at certain times of the year ... there is a huge percentage of the people who have got no idea about that at all, and then I think we are a small island after all...and I think the more the people can integrate with ideas and reasoning for doing this and for doing that then it has to be a good thing.'*<sup>109</sup>

11.1.7 However, the JMMB and R.J.A.&H.S. felt that community agriculture was another area that does not require government intervention and expenditure, as it was best left to the private sector.<sup>110</sup>

11.1.8

**Key Finding:**

**Awareness of agriculture and wildlife is important in maintaining public appreciation of the value of the countryside. Farmer's groups, schools and organisations such as the Royal Jersey Agricultural & Horticultural Society, Jersey Farmer's Union and National Trust for Jersey can all play their part in continually raising awareness.**

11.1.9

**Recommendation:**

**The Sub-Panel supports the Draft White Paper recommendation to promote Community Supported Agriculture and other schemes to raise awareness and understanding of the rural economy but suggests that formal measures may not be necessary to meet the broad aims.**

**11.1.10 Access to the countryside**

11.1.11 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 classified as

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<sup>109</sup> Public Hearing, National Trust for Jersey, 4th June 2010

<sup>110</sup> Written Submission, R.J.A.&H.S. and JMMB

agricultural land. However, current access provision is concentrated within coastal margins and some inland valleys, with limited routes across farmland.<sup>111</sup>

- 11.1.12 In a small area like Jersey, it is not always possible to provide separate facilities for every individual user group e.g. ramblers, cyclists and horse riders. Provision for multiple users must, therefore, be a primary consideration.
- 11.1.13 The States of Jersey is 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 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.
- 11.1.14 Enhancing public access to the countryside received support from Jersey Trees for Life and the National Trust for Jersey. The President, National Trust for Jersey explained when asked about public access to the countryside:

*'I think it could be more accessible. I know there have been many ideas mooted recently to provide access for a pedestrian way where you do get the country parishes where people do enjoy walking, families enjoy walking...We are not talking about a huge piece of field that is devoted to access, it is just along the edge where people can walk safely. It encourages certainly a lot more people, a lot more families to take up the healthy option of walking but...one must make sure that you are not destroying any of the biodiversity of the ecology...but I think access to the countryside is really quite crucial. It is very, very important.'*<sup>112</sup>

- 11.1.15 The submission to the Draft White Paper from the JMMB and R.J.A.&H.S. indicated that they felt this work had been done via the States of Jersey Countryside Character Appraisal in 1999 and, therefore, there was no need for further work or Government expense in this area.<sup>113</sup>
- 11.1.16 This view was supported by the Jersey Farmer's Union who did not think the policy was necessary as it believes there is wonderful access to the countryside already. The industry

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<sup>111</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>112</sup> Public Hearing, National Trust for Jersey, 4th June 2010

<sup>113</sup> Written Submission, R.J.A.&H.S. and JMMB

welcomes visits from schools; there are numerous farm open days; the hunt; the Hash Hound Harriers; bird watchers; blackberry pickers; and numerous organised walks. They suggest that Jersey is also endowed with hundreds of miles of lanes that allow access to the very heart of its countryside as well as a number of walks, some of which have been provided by the Countryside Renewal Scheme. They made the point that, due to some farm practices e.g. crop spraying or livestock grazing, it was not always possible to allow access.<sup>114</sup>

#### 11.1.17

**Key Finding:**

**There is a tension between organisations that see public access as being necessarily as of right and farmers and landowners who prefer it to be on a discretionary basis.**

#### 11.1.18 Allotments

11.1.19 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 (Draft) Jersey Island Plan. 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.<sup>115</sup>

11.1.20 The Draft White Paper indicates that the States of Jersey should provide initial support for the development of allotments and to allow non bona fide agriculturalists or smallholders to occupy the land where land is subject to the Agricultural Land (Control of Sales and Leases)(Jersey) Law 1974, provided it does not form an essential part of an agricultural holding.

11.1.21 The Minister for Economic Development told the Sub-Panel of the importance of allotments:

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<sup>114</sup> Written Submission, JFU

<sup>115</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

*'I think it is important that we also recognise drives like the allotment schemes to encourage people to grow local produce, all of which is creating an issue of self-sufficiency.'*<sup>116</sup>

- 11.1.22 We heard from the R.J.A.&H.S. Horticultural General Committee regarding allotments who told the Department and us that now was not the time to be creating new quangos and explained the background to its frustration:

*The RJA&HS was approached by the States of Jersey to look at establishing a second site at Les Creux, and duly forwarded a draft plan of the site and costings to Connetable Norman at the end of December 2009. After two months the Society contacted the States to enquire what was happening but heard nothing. During mid March we were informed via email, that after considering our draft submission Connetable Norman had decided to ask the newly formed Jersey Allotments and Leisure Gardening Association under the Chair of Mike Vibert to develop a plan for the Les Creux site (field B195) in St Brelade. The RJA&HS was disappointed to receive such treatment and would have had the plots occupied by the summer of 2010.*

- 11.1.23 They continued to explain that if public money was invested into the newly formed Jersey Allotments and Gardening Association, then the Society would seek similar funding for itself and other private allotments in Jersey.<sup>117</sup>
- 11.1.24 The Sub-Panel heard that there had been a number of private allotment schemes created in Jersey in recent years and that intervention in this manner was not the role of Government.<sup>118</sup>
- 11.1.25 The JFU acknowledged the demand for allotments but stressed the importance of retaining agricultural land for use by commercial agriculture and warned of the need to regulate against the use of non-permitted pesticides and to ensure that chemicals do not enter water courses.<sup>119</sup>

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<sup>116</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

<sup>117</sup> Written Submission, R.J.A.&H.S. Horticultural General Committee

<sup>118</sup> Written Submission, R.J.A.&H.S. and JMMB

<sup>119</sup> Written Submission, JFU

11.1.26

**Key Finding:**

**There is some disagreement amongst stakeholders regarding where, and by which organisations, allotments should be managed.**

11.1.27

**Recommendation:**

**The provision of allotments should be encouraged by Government but the management of provision should be left to non-Governmental organisations and interest groups.**

## **11.2 Succession, training and skills in the rural sector**

- 11.2.1 The Jersey Annual Social Survey indicates that 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 to 54 years.<sup>120</sup>
- 11.2.2 There are concerns that there is a lack of long-term opportunities for individuals to remain in the sector and the adverse effect it will have on the long-term sustainability of the industry.<sup>121</sup>
- 11.2.3 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.
- 11.2.4 The Draft White Paper sets out plans for the development of a skills specific support service for the rural sector that will provide a package of vocational training that will form part of continuous professional development. The Rural Initiative Scheme will be expanded to provide for vocational training based on business needs.

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<sup>120</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>121</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

11.2.5 In addition, the 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 existing trusts and funds to be undertaken to ascertain what is available, what the support can be used for and the criteria required<sup>122</sup>

11.2.6 The Strategic Policy Manager, Economic Development Department told us that Skills Jersey was formed in 2008 and had three tiers to the actual body. At a political level there are the three Ministers for: Education, Sport and Culture; Economic Development; and Social Security; with the Chair rotating annually. Then there is the employer-led Skills Jersey Board, chaired by Richard Plaster of the Jersey Electricity Company with officers from the three States Departments in an advisory capacity. Finally, there is the Skills Service comprised of officers with responsibility for workforce development. The three main areas looked at are demand capture aspects where skills shortages are ascertained and predicted; an integrated careers information, advice, and guidance service; and managing resources for the provision of vocational education primarily at Highlands College, but it also works with other training providers.<sup>123</sup>

11.2.7 He continued to outline plans for Skills Jersey to undertake research and produce a report on a range of skills and workforce development issues within the rural sector:

*‘...one of the things we want to work with is representative bodies, be it the Jersey Farmers’ Union, the Royal Jersey Agricultural and Horticultural Society, Jersey Dairy, as I say some marketing organisations, working with them to find out where*

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<sup>122</sup> Rural Economy Strategy 2011 – 2015, Draft White Paper

<sup>123</sup> Public Hearing, Skills Jersey, 13th July 2010

*are the skills gaps now, where will they be in the future, how can we look at sort of some form of succession planning; how to encourage people to come into the industry; what are the opportunities for individuals to develop themselves where they are now? It is no longer just sort of managing farms, but managing businesses...The industry collectively needs to sort of look at some way of marketing themselves to young people, or people thinking of transferring from other sectors, coming into the industry. We need to look at training opportunities for people to come into the industry, training for those who exist in there, even higher education initiatives as well...how you get people from the industry engaged into the good things about training and continuous development.'*

11.2.8 In its submission to the Sub-Panel, Highlands College highlighted the problematic nature of addressing the skills gaps within the rural sector due to the lack of on-Island training and expertise for vocational development. They suggested that small numbers were likely to prohibit the development of on-Island provision and suggested linking with a south-west UK agricultural college who may be prepared to partner training on-Island.<sup>124</sup>

#### **11.2.9 Succession planning**

11.2.10 As outlined above the Draft White Paper identifies succession planning as an issue within the sector and includes a suite of measures designed to attract, encourage and assist new entrants.

11.2.11 The Sub-Panel heard from the President, Jersey Farmer's Union who did not acknowledge that there was an issue with young people coming into the industry as long as it was profitable:

*'...If it is profitable there are loads of people who would like to come into the agricultural industry because it is a way of life that people enjoy and I know a number who would have come into the industry but have not done so because it is not as profitable as other ventures. I know of people who are going away to agricultural college with a view to coming back and I can name you a number of young people who are on farms now in their 20s and 30s. You have to realise, we said earlier about our membership, I think there are 29 dairy herds; I suspect there is no more than that number who are growing businesses. There are a lot of people who have as a sideline some polythene tunnels, a couple in our parish I*

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<sup>124</sup> Written Submission, Highlands College

*know grow small amounts of potatoes that fit in, but mainstream farmers there are not that many. So we will not need that many young people but I think there are people out there who would be only too willing to take up the challenge.*<sup>125</sup>

11.2.12 The Outdoor Crops Section Committee Chairman, Jersey Farmers' Union added to this by suggesting that there were opportunities for young people without direct farming links to get into the industry. He suggested that, although more could be done to promote the industry to young people, farmers would be receptive to requests for experience from those who were enthusiastic and keen to learn.<sup>126</sup>

11.2.13 The Chairman, Jersey Milk Marketing Board, supported the assertion that there would not be an issue attracting young people into the industry as long as the industry was profitable and vibrant. Expanding upon this point the Chief Executive Officer, R.J.A&H.S. explained that there were those within the sector that would benefit from advice and facilitation regarding succession.<sup>127</sup>

11.2.14 However, at a Public Hearing with the Sub-Panel, the Minister for Economic Development clearly identified succession planning and the lack of young people entering the industry as one of his concerns regarding the future.<sup>128</sup>

11.2.15

**Key Finding:**

**The Draft White Paper identifies succession planning within the rural economy as an area for concern but this view was not shared by some key industry stakeholders.**

11.2.16

**Key Finding:**

**Whilst there is some concern about an ageing farm population and lack of successors on farms there is confidence amongst the farming organisations that whilst the industry remains buoyant and profitable young people will come forward.**

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<sup>125</sup> Public Hearing, JFU, 3rd June 2010

<sup>126</sup> Public Hearing, JFU, 3rd June 2010

<sup>127</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

<sup>128</sup> Public Hearing, Minister for Economic Development and Assistant Minister for Planning & Environment, 16th June 2010

11.2.17

**Recommendation:**

**Although there are grounds for optimism regarding succession planning within the agriculture sector at present, the situation should be monitored and new entrants actively encouraged.**

**11.2.18 Anomaly in higher education funding post-16**

11.2.19 As outlined above in 11.2.5 the Draft White Paper includes a commitment to investigate opportunities for 16-18 year olds to attend agricultural college in the UK. The discrepancy in post-16 funding was brought to our attention by the R.J.A.&H.S. The President, R.J.A.&H.S explained:

*'...at the moment you cannot get funding if you leave school with G.C.S.E.s (General Certificate of Secondary Education) and want to go to an agricultural college. It is only university post 18...There is a huge gap there of two years with no funding available at all...'<sup>129</sup>*

11.2.20 The Strategic Policy Manager explained the reason for the anomaly in the lack of funding available:

*'...the Student Finance orders were updated in 2001, and it is sort of an area where previously funding was available for those students to go off to do National Diplomas at the age of 16, but because there were dwindling numbers, not for any malicious reason, that was not included within the actual orders...'*

11.2.21 He continued:

*'...this was brought up at one of the meetings we had open to the public, and it is something I have followed up with the Careers Service who look after Student Finance. I have not heard any more, and I spoke to the person who brought the subject up at the meeting, just to make sure I had got all the facts, but it is something which is being investigated.'<sup>130</sup>*

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<sup>129</sup> Public Hearing, R.J.A.&H.S. and JMMB, 15th June 2010

<sup>130</sup> Public Hearing, Skills Jersey, 13th July 2010

11.2.22

**Key Finding:**

**There is an anomaly in the absence of States of Jersey funding to support young people wishing to study at agricultural college overseas post-16 years of age and pre-University.**

11.2.23

**Recommendation:**

**The relevant Ministers should formally approach the Minister for Education, Sport and Culture with a view to addressing the student funding anomaly.**

## 12. Conclusion

- 12.1 The Sub-Panel welcomes much of the proposed Rural Economy Strategy 2011 – 2015. We agree that an effective Rural Economy Strategy for Jersey must enhance the economic, environmental and social value of the land in which the rural economic activity is undertaken, whilst taking full account of society's expectations. It is right that sustainable development in the countryside requires both rural businesses and Government to consider a triple bottom line of profit, people and environment. However, we believe that the proposals outlined within the Draft White Paper fall short of creating the correct balance in order to allow the rural economy of Jersey to achieve its full potential. Whilst agreeing with the broad direction of travel we call for a greater degree of transparency regarding the measurement of success against the objectives set so it is clear to all how the Strategy is performing in order for necessary changes to be made.
- 12.2 We were pleased to detect a sense of vibrancy and optimism from stakeholders during our visits, meetings and public hearings. However, we must urge caution in the long term as the proposed Rural Economy Strategy cannot be the single solution to the challenges facing Jersey's rural economy; in fact significant challenges such as food security, the impact of climate change and the risks of industrial scale farming are not covered sufficiently in the Draft White Paper and require urgent further investigation. We will expect to see evidence of the responsible Ministers taking the opportunity to focus closely on these major issues in advance of the next Rural Economy Strategy which we would expect to see launched in conjunction with a clearly articulated long term vision developed with stakeholders.

## 13. Evidence gathering

### Review Hearings

The Sub-Panel held the following Hearings:

### Public Hearings

#### 3<sup>rd</sup> June 2010

1. Mr. J.E. Le Maistre (President, Jersey Farmers' Union)  
Mr. S.L. Carter (Outdoor Crops Section Committee Chairman, Jersey Farmers' Union)

#### 4<sup>th</sup> June 2010

2. Mr. C. Alluto (Chief Executive, National Trust for Jersey)  
Mr. M. Stentiford (President, National Trust for Jersey)  
Ms. R. Collier (Chairman, Lands Committee, National Trust for Jersey)
3. Mr. J. Garton (Chief Executive Officer, Jersey Products Promotions Limited)

#### 15<sup>th</sup> June 2010

4. Mr. J. Vautier (Crop Agronomy Consultant, Albert Bartlett Limited)  
Mr. C. Mourant (Technical Manager, Albert Bartlett Limited)
5. Mr. J.W. Godfrey (Chief Executive Officer, Royal Jersey Agricultural & Horticultural Society)  
Mr. S.V. Le Feuvre (President, Royal Jersey Agricultural & Horticultural Society)  
Mr. R. Leith (Vice-President, Royal Jersey Agricultural & Horticultural Society)  
Mr. A. Le Gallais (Chairman, Jersey Milk Marketing Board)
6. Mr J. Hopley (Chief Executive, Channel Islands Co-operative Society)

#### 16<sup>th</sup> June 2010

7. Senator A.J.H Maclean (Minister for Economic Development)  
Deputy R.C. Duhamel (Assistant Minister for Planning & Environment)  
Mr. D. Houseago (Director, Environmental Management and Rural Economy, States of Jersey)  
Mr. I. Norris (Horticultural Adviser, States of Jersey)

Mr. J. Jackson (Livestock Adviser, States of Jersey)

Ms. K. Fleming (Research Officer / RES Project Implementation Manager, States of Jersey)

Ms. K. Roberts (Environmental Protection Officer, States of Jersey)

13<sup>th</sup> July 2010

8. Mr. D. Richardson (Managing Director, Farm Fuels Limited)
  
9. Mr. R. Perchard (Director, Jersey Royal Company)  
Mr. T. Binet (Director, Jersey Royal Company)
  
10. Mr. C. Kelleher (Skills Jersey)

### **Written submissions**

The Sub-Panel received the following written submissions:

- Responses to the Executive's Green Paper Consultation
- Jersey Tourism
- Jersey Farmer's Union
- National Trust for Jersey
- States of Guernsey
- Jersey Water
- Beauvoir Nurseries (Grouville) Limited
- Environment Scrutiny Panel
- Jersey Hedgehog Preservation Society
- Highlands College
- St. Lawrence Growers Limited
- Mrs P. O'Neil
- Mr E. Bond
- Mr M. Forskitt
- Anneville Farm Limited
- Albert Bartlett Limited
- Comite Des Connetables
- Environmental Management & Rural Economy Section
- Jersey Milk Marketing Board and Royal Jersey Agricultural & Horticultural Society
- Channel Islands Co-operative Society
- Fauvic Nurseries Limited

- Ms C. Perchard
- Mr D. Roberts
- Responses to the Executive's White Paper Consultation

### **Background information**

The Sub-Panel considered the following background information:

- Rural Initiative Scheme Report
- Agricultural Land (Control of Sales and Leases)(Jersey) Law 1974
- Agricultural Land (Control of Sales and Leases)(Exempted Transactions)(Jersey) Regulations 1974
- Protection of Agricultural Land (Jersey) Law 1964
- Genuine Jersey Products Association – Chief Executive Officer's Report November 2009
- JPPL Profit & Loss Account 2009
- GJPA Marketing Timetable 2010
- JPPL Executive Director's Report November 2009
- Rural Economy Strategy 2011 – 2015 Issues and Options Green Paper
- Rural Economy Strategy Timetable 13th November 2009
- DEFRA 'Food 2030' Strategy
- Rural Economy Strategy Timetable Updated 12th February 2010
- Implementing Best Management Practices to Reduce Diffuse Pollution – Environment Division, Planning & Environment, States of Jersey
- Environmental Management & Rural Economy – Organisational Chart
- Report to the Environment and Public Services Committee – Land Controls Legislation
- 2009 Land Controls - Agricultural Land (Control of Sales and Leases)(Jersey) Law 1974 - Report
- Building Use Report 25th February 2010
- Rural Economy Agricultural Statistics 2008
- Agricultural Building Survey 2008
- Single Area Payment Declaration 2009
- States of Jersey Treasury Internal Audit Report – Agriculture Direct Financial Support July 2005
- Development of Rural Support Payments 2005 - 2010
- Quality Milk Payment Declaration 2009
- Rural Economy Strategy Launch Presentation – Rural Economy Section
- A Manifesto for Rural Communities – Carnegie UK Trust

- A Charter for Rural Communities: The Final Report of the Carnegie Commission for Rural Community Development – Carnegie UK Trust
- Farming & Food: a sustainable future – Report of the Policy Commission on the Future of Farming and Food January 2002
- Rural Scotland in Focus 2010 – Rural Policy Centre
- Agricultural Buildings Capacity Study
- Craft and Producers Markets Criteria for Participation – Jersey Tourism
- Rural Economy Strategy Timetable Updated 24th May 2010

### **Sub-Panel visits**

The Sub-Panel undertook the following evidence-gathering visits:

17th March 2010

DEFRA, London

28th April 2010

Albert Bartlett Limited

14<sup>th</sup> June 2010

Jersey Dairy, Trinity

15<sup>th</sup> June 2010

Classic Herd Limited

18<sup>th</sup> June 2010

Field Farm, St. Lawrence

Me and the Farmer, Brooklands Farm, St. Brelade

Holme Grown, Grouville

## 14. Appendix

### Rural Economy Strategy

#### Measures of Progress

#### Summary interim report for the Rural Economy Strategy Scrutiny Sub-Panel

May 2010

#### Introduction

The Rural Economy Strategy (RES) sets out a number of measures to promote positive growth in the rural economy, by encouraging diversification and entrepreneurial activity. This is important, as a successful working countryside is a key asset for Jersey, which delivers significant economic and environmental outputs.

The strategy delivered a change of emphasis in public support, helping to drive growth and diversification through the Rural Initiative Scheme and also addressing market failure, by promoting significant environmental improvements via the Countryside Renewal Scheme (CRS) and ensuring protection for the most significant areas of the rural landscape.

Rural businesses have reacted positively, with good uptake for the CRS and with growth in the sector being recorded each year since 2006, the first full year of changes in the relationship between the government and the rural sector, as set out in the current RES 2006-2010.

The impact and effectiveness of the RES is regularly monitored against six success indicators, using a range of measures as set out below. In 2009, a full review was undertaken by an inter-department review group, involving meetings with and contributions from key stakeholders, leading to a public consultation on the key issues and options for the period beyond 2010.

Note this is an interim report, less than half way through the final year of the current strategy, with certain elements of the strategy being ongoing. A further final analysis of the contribution of the RES to the rural economy will be undertaken in 2011.

#### Summary of measures

The Rural economic Strategy will	Success Indicator	Measure	Measured by
Implement an economic development policy to encourage economic growth	Sustainable economic growth in the rural economy.	• Gross Value Added sector analysis	Statistics Unit, Jersey in Figures.
		• Tax revenue for sector	Tax office, tax returns.
		• Business registrations	Statistics Unit, Jersey in Figures.
		• Financial data from rural sectors	Single Area Payment (SAP) requirement.

Explore and promote new opportunities for the rural economy.	Withdrawal of production-led subsidies for agriculture	<ul style="list-style-type: none"> <li>Year on year reduction of production based subsidies from 2006.</li> <li>Total withdrawal of production led subsidies by 2010.</li> </ul>	Crop support payments were stopped in 2005, with the introduction of the area based Single Area Payment.	
	A wider range of rural enterprises	<ul style="list-style-type: none"> <li>Land use survey</li> <li>Gross incomes/ imports/exports</li> <li>Market survey</li> <li>Statistics</li> <li>Number of Smallholders</li> </ul>	<p>Land Controls section of the Environment Department are in the process of compiling a data base on agricultural conditions (60% complete) and putting together a proposal for a land classification system. SAP requirement.</p> <p>Genuine Jersey brand awareness survey 2005 and 2008. Produced annually. Land Controls Annual report.</p>	
	Improved productivity and efficiency	<ul style="list-style-type: none"> <li>GVA per employee</li> <li>Skills audit (TEP) e.g. NPTC registration</li> </ul>	<p>Statistics Unit, Jersey in Figures.</p> <p>On going in 2010, including Diffuse Pollution Pilot Project and associated Training Needs Assessment.</p>	
Protect and promote Jersey's environment as one of its most important assets	Development of environmental improvement and rural enterprise initiatives	<ul style="list-style-type: none"> <li>Increased land area covered by environmental initiatives.</li> <li>Increased compliance with Codes of Good Agricultural practice measured by:                             <ul style="list-style-type: none"> <li>Increased number of approved Crop Protection Management Plans.</li> <li>Increased number of approved Farm Manure and Waste Management Plans.</li> </ul> </li> </ul>	<p>Countryside Renewal Scheme data</p> <p>Achieved. Ongoing.</p> <p>Achieved. Ongoing.</p>	
		Diversified land-use which ensures protection of green-land	<ul style="list-style-type: none"> <li>Land use survey</li> <li>Species survey</li> <li>Habitat survey</li> </ul>	<p>Ongoing. See above</p> <p>Environment Department.</p> <p>Environment Department.</p>
		Increased public access to the countryside	<ul style="list-style-type: none"> <li>Footpath length</li> <li>Bridle path length</li> <li>Cycle path length</li> </ul>	<p>Environment Department.</p> <p>Environment Department.</p> <p>Environment Department.</p>

## 1. Sustainable economic growth in the rural economy.

### *Gross Value Added sector analysis – Increasing trend*

GVA (£M)*	2005	2006	2007 (r)	2008 (p)
GVA constant 2003	44	46	47	48

prices				
% Increase on previous year	3	4	3	2

\* Jersey in Figures 2009

r = revised by Statistics Unit, p = provisional

*Tax revenue for sector – Increasing trend*

<b>Tax Payable by Agriculture &amp; Horticulture Industries.</b>						
<b>2008 year of assessment</b>		<b>coys</b>	<b>B</b>	<b>D</b>	<b>E</b>	<b>Total</b>
11	FARMING IN JERSEY	1,239,060	1,223,345	396,325	367,690	3,226,420
12	NURSERIES	847,412	181	9,556		857,149
19	OTHER AGRICULT. & HORTICULT.	896,360	27,039	27,074	86,695	1,037,168
<b>1</b>	<b>AGRICULTURE &amp; HORTICULTURE</b>	<b>2,982,831</b>	<b>1,250,565</b>	<b>432,955</b>	<b>454,386</b>	<b>5,120,736</b>
<b>2007 year of assessment</b>						
11	FARMING IN JERSEY	1,203,950	1,146,537	366,485	363,349	3,080,321
12	NURSERIES	712,313	1,877	15,297		729,487
19	OTHER AGRICULT. & HORTICULT.	392,985	21,560	20,903	66,007	501,455
<b>1</b>	<b>AGRICULTURE &amp; HORTICULTURE</b>	<b>2,309,248</b>	<b>1,169,974</b>	<b>402,685</b>	<b>429,357</b>	<b>4,311,264</b>
<b>2006 year of assessment</b>						
11	FARMING IN JERSEY	760,805	969,679	370,703	325,371	2,426,558
12	NURSERIES	1,013,223		8,436		1,021,659
19	OTHER AGRICULT. & HORTICULT.	328,034	21,745	32,991	55,580	438,350
<b>1</b>	<b>AGRICULTURE &amp; HORTICULTURE</b>	<b>2,102,063</b>	<b>991,424</b>	<b>412,130</b>	<b>380,951</b>	<b>3,886,568</b>
B = Farmers D = Self Employed E = Normally employed but in this context can be directors, retired farmers, partners etc.						

*Business registrations – Awaiting figures from the Population Office*

*Financial data from rural sectors – Increasing profitability*

<b>Single Area Payment Financial</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
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<b>Totals( £)</b>				
<b>Income</b>				
Exports	34,304,550	36,464,655	34,271,962	28,373,572
Local Sales	19,332,746	20,782,902	23,453,080	20,813,495
<b>Total Sales</b>	<b>53,637,296</b>	<b>57,247,557</b>	<b>57,725,042</b>	<b>49,187,067</b>
<b>Expenditure</b>				
Variable Costs	23,338,571	24,122,469	17,369,138	13,651,826
Fixed Costs	24,288,594	26,518,196	33,704,081	26,257,516
<b>Total costs</b>	<b>47,627,165</b>	<b>50,640,665</b>	<b>51,073,219</b>	<b>39,909,342</b>
<b>Profit</b>	<b>6,010,131</b>	<b>6,606,891</b>	<b>6,651,823</b>	<b>9,277,725</b>

\* Single Area Payment returns

## 2. Withdrawal of production-led subsidies for agriculture

*Year on year reduction of production based subsidies from 2006. Total withdrawal of production led subsidies by 2010 – Achieved.*

Specific crop production support payments removed from outset of 2005 Rural Economic Strategy.

## 3. A wider range of rural enterprises

*Land use survey - Ongoing*

The Land Controls section of the Environment Department are in the process of compiling a data base on agricultural conditions (60% complete) and putting together a proposal for land classification. This process began in early 2009, with data input into a GIS map layer that, once completed, will allow the department to more accurately show agricultural conditions imposed on fields and the areas involved. This project should be completed before the end of 2010.

The GIS layer shows current conditions imposed on fields by the Agricultural Land (Control of Sales and Leases)(Jersey) Law 1974 since its start, and fields that have no conditions. This tied in with single area payment applications and agricultural statistics should allow officers to assess land usage with far more accuracy.

With this new layer officers will be able to show each category of agricultural condition, the land areas involved, accurate measurements on these areas and % of total agricultural land usage. Current map and key forwarded as a pdf supplement.

As well as giving officers a better understanding of agricultural land usage it will be possible to load this information onto laptops to allow us the ability to take it out into the field for compliance checking purposes and immediately assess conditions on protected land.

#### *Gross incomes/imports/exports*

See 1 above for incomes/exports. No information currently available from customs re imports.

#### *Market survey – Achieved.*

The Genuine Jersey Products Association was formed in 2001 to raise awareness of the high-quality goods being produced in the Island. The aim was to help shoppers make an informed choice and boost the sales of local products. It currently has 80 members, ranging from growers and farmers to companies that produce stonework, silverware, furniture, wine, milk, pottery and jewellery.

It continues to attract a diversity of new members which have to meet the criteria of supplying products that are ‘genuinely Jersey’. The Association provides members with marketing and commercial benefits through raising awareness of local traditions and fostering a sense of community pride.

The distinctive Genuine Jersey brand and logo are now well-established, with members of the Association being permitted to display the logo on their products or within their retail outlets. Although the Association has achieved many successes, Genuine Jersey, as with any brand, needs to evolve to continue to appeal to a wide audience; consumers (residents and visitors), restaurants, retailers and other local stakeholders.

In order to evolve in such a way that takes into account the purchasing behaviour and perceptions of its target audiences, research was required to further understand the role and benefits of the brand, how it fitted within the broader ‘Jersey brand’ and how it could tap into the consumer mindset.

A previous brand awareness survey was undertaken by First Research in autumn 2005, with the self-completed questionnaires being distributed via various local retail outlets affiliated to the Association. Apart from tracking changes since then, the 2008 Survey has provided additional information to help evolve the brand, whilst at the same time setting new benchmarks against which the impact of any changes to the brand or further marketing efforts can be tracked over time.

The main objectives of the Survey were to help with future business planning by specifically examining:

- Brand awareness and recall across target audiences.
- Beliefs and opinions of the various target audiences relating to Genuine Jersey products and brand.
- Factors influencing purchasing decisions.
- The impact of marketing initiatives year on year
- Opinions relating to the benefits and impact of being a Genuine Jersey member.

*Statistics*

Agricultural statistics report compiled annually.

*Number of Smallholders – Numbers are increasing year on year.*

	2006	2007	2008	2009
Provisionally approved new smallholders*	9	1	2	7

\*Land Control Section Annual Report

#### 4. Improved productivity and efficiency

*GVA per employee – Increasing trend.*

GVA (£M)*	2005	2006	2007	2008
GVA per employee (£'000)	27	28	28	30

\* Jersey in Figures 2009

*Skills Audit – Ongoing.*

As part of the Diffuse Pollution Pilot Project, the Environment Department are looking at trialling a Training Needs Assessment approach on a 'working group' of farmers participating in the pilot. This will allow officers to assess current levels of knowledge and practice in relation to nutrient and soil management, and identify skills gaps.

Participants will be invited to contribute at all of the different stages of the process so that hopefully, the output is seen to be as inclusive and relevant as possible. It is anticipated that if successful, this approach to TNAs will be rolled out to a larger group of farmers, in particular those applying for grants and subsidies in the future.

#### 5. Development of environmental Improvement and rural enterprise initiatives

*Increased land area covered by environmental initiatives – Increasing trend.*

The Countryside Renewal Scheme (CRS) was set up through the RES in 2005 to provide funding for farmers, landowners and managers who voluntarily undertake projects that provide environmental enhancement on the Island, which would otherwise not be undertaken.

This includes a range of wildlife habitat creation options (e.g. heathland creation, hedge planting, the provision of pollen and nectar sources on farms), as well as funding to help with the cost of slurry stores on dairy farms to allow farmers to spread slurry at a time of year that is least likely to result in diffuse nitrate pollution and most likely to be taken up by crops. In addition options exist for

energy audits and energy efficiency projects as well as for woodland maintenance, organic farming and public access provision. In total, 238 applications for the CRS have been approved 2005 – 2009. .

*Increased compliance with Codes of Good Agricultural practice measured by:*

A) Increased number of approved Crop Protection Management Plans.  
*One requested. One achieved.*

B) Increased number of approved Farm Manure and Waste Management Plans.  
*100% of businesses in receipt of the SAP have and approved Farm Manure and Waste Management Plan.*

In addition, a new Water Code was adopted by the States in 2009 following detailed negotiation with the agricultural industry.

## **6. Diversified land-use which ensures protection of green-land**

*Land use survey*

See above

*Species Surveys - Ongoing*

The Environment Department conducts surveys of animal communities as part of its Integrated Monitoring Programme. The following projects, as outlined in the ‘The State of Jersey - a report on the condition of Jersey’s environment’ (January 2005), are carried out to monitor the status, distribution, abundance and changes over time of key groups of species across a variety of habitats, including farmland, Island wide. These key indicator projects include;

- Jersey Butterfly Monitoring Scheme (JBMS)
- Farmland Bird Survey
- Breeding Bird Survey
- Bird Atlas 2007-2011
- Bat Monitoring Programme
- National Amphibian and Reptile Recording Scheme (NARRS)

The Environment department is committed to reporting back on these projects in 2011, as part of the review of The State of Jersey report.

*Habitat Surveys - Ongoing*

In 2008/2009 seven Sites of Special Ecological Interest were surveyed to measure the percentage of these sites in favourable condition. Objectives, including desired condition and extent were prepared for each key habitat (e.g. Wet meadow, broad leaved woodland, acidic dune grassland

etc.) and each site was surveyed against these objectives in order to establish the current ecological condition of each habitat.

The results of these surveys provide baseline data which indicates that 56% of the Sites of Special Ecological Interest in Jersey (which, in extent cover 348 hectares) are in a favourable conservation condition. Each site will be monitored every five years to understand the trends and the beneficial effects of site management regimes which are in place.

## 7. Increased public access to the countryside

The Environment Department are responsible for the provision of access to the countryside for the public and for the ongoing maintenance of pathways and their infrastructure. In total, the Department manages 70 km of pedestrian access/ footpaths, 9.4 km of bridle path and a short stretch of cycle track at La Pulente, St Ouen's Bay.

There are three categories of access ways discussed below; footpaths, bridle paths, and cycle paths. Footpaths are the cheapest form of access provision, followed by bridle paths and then by cycle tracks. This access provision requires the maintenance of the tracks and over 5,000 items of infrastructure, such as bridges, steps etc. in addition to 15 car parks and their associated access tracks and roads.

### *Footpath length – Increased provision*

A total of 75.1 kilometres of public footpath are maintained by the Environment Department (ED). Most of these are located on public land but some (including the north coast footpath) are on private land. In addition, since 2005, approximately 6 km of footpath have been designed by the ED and constructed with funds from the Countryside Renewal Scheme. These nine separate routes are located so that they link with existing paths and Green Lanes.

### *List of footpaths maintained by the Environment Department 2009*

Site	Area	Path Length kilometres
North Coast	Rozel – Les Landes	21.1
East Coast	Archirondel – St Catherine's	1.8
South west coast	La Pulente – St Aubin	10.3
West coast	La Pulente – L'Etacq	6.6
Noirmont	Noirmont SSI	6.2
Les Landes	Les Landes SSI	4.7
Les Creux	Les Creux Millennium Park	4.3
Les Mielles	La Mielle De Morville	6.8
St Peters Valley	Throughout valley	1.8
La Lande De l'Ouest	La Lande De l'Ouest SSI	3.6
Ouaisne + Portelet	Ouaisne + Portelet SSI	4.7
St Catherine's	St Catherine's SSI	1.7
Other footpaths	Various site footpath networks	12

*Bridle path length – Increased provision*

The Environment Department maintain a total of 9.4 kilometres of bridle path in Jersey. Most of these are to be found in the south west of the Island, although, in 2009 a new 504m section was opened at Jardin D'Olivet on the north coast. This new section will compliment existing sections on the north coast at Les Landes, Devil's Hole and Crabbè.

*List of bridle paths maintained by the Environment Department 2009*

<b>Site</b>	<b>Area</b>	<b>Path Length metres</b>
North Coast	Jardin d'Olivet	504
North Coast	Devil's Hole to Crabbe	1455
Les Landes SSI	L'Etacq to Grosnez	1599
Les Mielles backpaths	Grantez to Chemin du Moulin	803
Les Mielles backpaths	Ville au Bas to chemin de Moulin	700
Les Mielles	Bordering Chemin De Moulin	91
Les Mielles	Chemin De Moulin to La Grande Route Des Mielles	440
Les Mielles	Links the above to beach	218
Noirmont SSI	Loop around northern end of site	1221
Blanches Banques SSI	Mont a la Brune to La Pulente	2391

*Cycle path length – No change*

There is just one section of cycle way which is maintained by the Environment Department. This section is to the south of St Ouen's Bay and links La Pulente with Petit Port (measuring 776 metres), thereby saving an extended trip past La Moye.

EMRE  
May 2010