

# STATES OF JERSEY

## Economic Affairs Scrutiny Panel Rural Economy Strategy 2011-2015 Review

WEDNESDAY, 16th JUNE 2010

**Panel:**

Deputy C.F. Labey of Grouville (Chairman)  
Deputy R.G. Le Hérisier of St. Saviour  
Deputy D.J.A. Wimberley of St. Mary

**Witnesses:**

Senator A.J.H. Maclean (The Minister for Economic Development)  
Deputy R.C. Duhamel of St. Saviour (Assistant Minister for Planning and Environment)  
Director Environmental Management and Rural Economy)  
Horticultural Adviser  
Livestock Adviser  
Research Officer/RES Project Implementation Manager  
Environmental Protection Officer

**Also Present:**

Dr. J. Jones (Adviser)  
Mr. D Scott (Scrutiny Officer)

[14:01]

**Deputy C.F. Labey of Grouville (Chairman):**

Welcome to this panel meeting on the rural economy. A few formalities to start with. Some of you may be familiar with the protocol but for those that are not, I wonder if you would not mind passing that notice around so that everyone can have a read. For the purposes of the tape behind us, we have to introduce ourselves and if we could do it quite clearly and slowly, because there are quite a few of us, so Rebecca can take a note. I am Carolyn Labey, Deputy of Grouville, and I am chairing this panel. It is an Economic Affairs Sub-Panel.

**Deputy R.G. Le Hérisier of St. Saviour:**

Roy Le Hérisier, Deputy of St. Saviour.

**Deputy D.J.A. Wimberley of St. Mary:**

I am Deputy Wimberley of St. Mary.

**Dr. J. Jones (Adviser):**

James Jones, I am adviser to the sub-panel and to the Royal Agricultural College of Sciences.

**Mr. D. Scott (Scrutiny Officer):**

Darren Scott, Scrutiny Officer.

**Horticultural Adviser:**

Horticultural Adviser, States of Jersey.

**Livestock Adviser:**

I am Livestock Adviser for the States of Jersey.

**Director Environmental Management and Rural Economy:**

Director Environmental Management and Rural Economy.

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

Senator Alan Maclean, Minister for Economic Development.

**Deputy R.C. Duhamel of St. Saviour (Assistant Minister for Planning and Environment):**

I am Rob Duhamel, Assistant Minister for Planning and Environment.

**Environmental Protection Officer:**

Environmental Protection Officer.

**Research Officer/RES Project Implementation Manager:**

Research Officer for Environmental Management and Rural Economy.

**The Deputy of Grouville:**

Thank you very much. We are ready to start then. Firstly, thank you for coming and I apologise for not getting back to you yesterday but we had hearings all yesterday afternoon and a busy evening. Perhaps you could start with probably an answer from the Minister just to outline the departments and the ministerial responsibility and the line management within the structure for agriculture or the rural economy.

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

From a ministerial or an officer perspective?

**The Deputy of Grouville:**

Ministerial, initially, if you would.

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

All right, okay. The fact that I have started is an opportune moment. I did call you, Madam Chairman, to first of all give apologies that Constable Norman could not be present for this hearing. He is the Assistant Minister for Economic Development. He has specific responsibility for the agricultural industry. Of course, he would have liked to have been here but we did not want to unnecessarily delay your hearing and unfortunately he is out of the Island. I am afraid I have stepped in as substitute and I hope that is acceptable for the panel.

**The Deputy of Grouville:**

Yes, but you have actually delegated the functions to him, have you not?

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

Yes, indeed.

**The Deputy of Grouville:**

So how exactly does that work when you are answering questions here?

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

Ultimately, the Minister has responsibility so, regardless, I have ultimate responsibility although he has delegated powers on a day-to-day basis, but the ultimate responsibility is that of the Minister.

**The Deputy of Grouville:**

All right, thank you. So the ministerial responsibilities and line management and what have you, could you outline that?

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

I think from a ministerial point of view that that is probably a point we have just covered. As far as the agricultural industry as a whole is concerned, there is the split between the Economic Development aspect and that which falls under Planning and Environment and, in particular, the environmental element of which effectively the Minister for Planning and Environment has ultimate responsibility although the delegated response, I will leave Deputy Duhamel to comment on that. But my understanding is that the delegated responsibility for environmental matters falls under his particular remit.

**The Deputy of Grouville:**

All right. So would it be fair to say that agriculture is split between ministries?

**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.

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

I think it is probably fair to say that probably underpins most of the activities that we undertake and the way in which we view agriculture. It is not, or should not, in my view, be viewed purely in economic terms and economic value to the economy. We have to take into consideration the social and environmental benefits and impacts of the industry and that is something that we attempt to do. Certainly, I hope that the past rural strategy that has been embraced has actually delivered on that and we hope that the new one that we are proposing is going to help to build on that. I am sure we will get into those matters in due course.

**The Deputy of Grouville:**

So when you make ministerial decisions, obviously you are making them business decisions in Economic Development. What kind of liaison is there with the environmental section or the Environmental Minister or Assistant Minister?

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

As I have just pointed out, even from an Economic Development perspective, 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 is 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.

**The Deputy of Grouville:**

So would you say there is a champion for agriculture or the rural economy?

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

“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:**

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.

**The Deputy of Grouville:**

So if there are issues, for example, the V.E.D. (Vehicle Emission Duty) issue on tractors, who would be fighting the cause for the farmers?

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

First of all, I would leave a very good interaction between the department and the industry. I know Dan and his team spend a great deal of time interacting and communicating with members of the industry and their representative bodies and, to me, this is absolutely essential. Certainly, as a litmus test, as Minister, I have noted very little comes through from a ministerial point of view in terms of complaints from the industry. I think that is testament to what Dan and his team do in terms of communicating very clearly with the industry and I think that is really important. But should there be issues, you mentioned the V.E.D. for example, that would be raised both at officer level and quite often up through Len and ultimately to myself. I quite often attend upon different functions that occur within the agricultural industry and

there is always an open door. I never note that members of the public or industry have any trouble finding me if there is a particular issue.

**Deputy R.G. Le Hérisier:**

Can you tell us, Mr. Minister, have there been matters where there has been a clear conflict between environmental and economic considerations? What issues have come up where you felt there was a conflict?

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

I think there is always the potential for conflicts. I think it is very much a case of how you manage them between the particular departments and understand that from a Planning and Environment perspective, it is quite right. You could perhaps use this champion perspective that Deputy Duhamel fights his cause from the environmental perspective and I can assure you that he is not slow in coming forward where matters of an environmental nature are important.

**Deputy R.C. Duhamel:**

If I could chip in there, in terms of the V.E.D., there is an overarching kind of environmental perspective which actually applies to all vehicles and emissions per se that the Island is generating. Then I think there is a narrower focus that is brought to bear by the Minister for Economic Development by actually representing and supporting the take-up of particular forms of transport or mechanised forms of propulsion by his members in the industry. So from my perspective, and I probably would say that, I think the environmental side is the “big brother”, the higher level picture, encompassing not just agriculture but a whole host of other departments and perhaps the work that has been undertaken by the rural economy strategy is a severe heading ... a way of actually showing the Island through this phase. So environmental issues cannot just be rolled up and kind of ring-fenced or put into a little packet somewhere on their own. They do have effects, not only economic, but on a whole host of other departments.

**Deputy R.G. Le Hérisier:**

But back to V.E.D., I am not sure it is totally a good example but let us assume it is. It was argued to us by one witness representing an organisation that the basis upon which the law has been written is wrong. It is not just totally self-interest and that there is, for example, much more efficient machinery. Tractors do not operate at maximum power all the time so just to take a size of engine criterion is indeed wrong. Did you go to battle on that issue on the fact that they seem to have plausible arguments?

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

Yes and I think it is fair to say that this has been around for some time. Unfortunately, you have got a counter argument, yes, more modern equipment is far more, if you like, environmentally friendly, less damaging to the environment. However, there is, as you will appreciate, particularly in smaller and less profitable farms, a lot of older equipment which unfortunately does not fall into that category. I am slightly fighting the battle for Deputy Duhamel in this respect, however, I have some sympathy with agriculture in terms of the cost base and I would accept your point. I think the “one size fits all”, when you look at a particular industry like this, is

not necessarily the best measure. I do not know, Dan, if you want to add any comment on this because I know you are quite close to it.

[14:15]

**Director, Environmental Management and Rural Economy:**

We got complaints from the Jersey Farmers Union in particular and just to answer the champion question a little bit, it was not, you know, that Len Norman took a lot of advice from us, and you can look at it 2 ways. You can rehearse the argument that Alan has just made but I think you can add something to that which is one of the difficulties we have got is we do have an underpinning payment for agriculture for the single area payments and that is a similar payment to people elsewhere in the U.K. (United Kingdom). They are also facing similar issues as the farms on Jersey are. So what I argued with landlords, that although we have not got a detailed item by item list of what the single area payment actually pays for, there is a payment on Jersey for any agricultural activity and recognising that there are costs associated with that.

**Deputy R.G. Le Hérisier:**

So you think that wrapped up the V.E.D. issue then?

**Director, Environmental Management and Rural Economy:**

It was the argument I put at the time.

**The Deputy of Grouville:**

All right. We are getting slightly off track here with the V.E.D. but so that we understand the line management and the ministerial responsibilities, if you could go back to the line management. Do you have any concerns about the way it is structured, Minister?

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

Specifically between department, are you referring?

**The Deputy of Grouville:**

Yes.

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

No, I think if the lines of communication are good, then there is no reason why it should not, and does not, and I believe it does, work perfectly efficiently. I think if you had, for example, the responsibility under one ministerial portfolio, it would be open for criticism potentially from a conflict perspective.

**The Deputy of Grouville:**

So who does somebody like Dan answer to?

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

Would you like to answer that question?

**Director, Environmental Management and Rural Economy:**

I know it looks complicated from the outside but from an operational perspective, it is pretty straightforward. I think the points have already been made about the fact that

what we are trying to do with the rural economy via the environmental management rural economy section in actual fact, is move along a line as Rob is suggesting that surrounds sustainable development and so it is recognising the interconnections between environmental activity, business activity and social activity. Agriculture is a great example of how we can try and achieve that and hopefully the Green Paper and subsequent white paper will demonstrate that. But the context of the structure that we have got at the moment is, since 2002 more or less, we have had 6 years of consolidation that has led to the situation that we have got at the moment. Basically the former Director of Environment brought together elements of 3 or 4 different departments historically and consolidated them at Howard Davis Farm; 14 staff left their jobs ...we have had 14 less people working at the department. We now have a consolidated department covering met, environmental policy, environmental protection, fisheries and marine protection, veterinary services and the environmental management and rural economy. It reports at the moment through the Director of Environment on certain issues and it reports through the Chief Officer of Economic Development on other issues as it stands. It is worth pointing out that this structure is under review and that we are looking at whether or not this is the best approach. I think it is based on the operational effectiveness of that in the sense that, at the moment, reporting through 2 departments effectively doubles your administrative workload. That is not a big problem, do not overestimate that, but nevertheless it would be better if we had one business plan and one budget. Just to counter that, the reality, in terms of an operational reality, is that I have actually worked one budget in and one business plan. I just take bits out of that appropriate to E.D.D. (Economic Development Department) and bits out that are appropriate to Planning and Environment. I think the other advantage of working across 2 departments is that they act as a bit of a foil and there is a tension between Economic Development and Environment. It does not mean it has to be a big one or a negative one but it is a tension that exists and I think that we need to recognise that. Economic activity, there is no such thing, for example, as “no impact” farming. What we need to be trying to deliver is low impact farming and we need the expertise of the Environment Department and those agricultural advisers that we have in our team working together in the same building to try and work out what that actually looks like. It is quite lucid sometimes, to be honest.

**The Deputy of St. Mary:**

Can I ask about environmental protection? Did you say that was inside this box of 14 people or is it ...

**Director, Environmental Management and Rural Economy:**

Which sits within the environment section so the direct responsibility for the environmental management of the rural economy is partly through the Director of Environment and partly through the Chief Officer of Economic Development.

**The Deputy of St. Mary:**

Environmental protection, so water regulations, for instance, comes inside the box so all the compliance work is done from inside?

**Director, Environmental Management and Rural Economy:**

Yes.

**The Deputy of St. Mary:**  
So the regulatory function?

**Director, Environmental Management and Rural Economy:**  
The regulatory function sits within environment as does environmental management and rural economy.

**The Deputy of St. Mary:**  
I think there is a case for having regulations right outside the box. The regulators are ...

**Director, Environmental Management and Rural Economy:**  
I would not want to speak too long to this but I think that there is a similar model in the U.K. with the environment agency.

**The Deputy of St. Mary:**  
Which is a stand-alone.

**The Deputy of Grouville:**  
Okay.

**Senator A.J.H. Maclean:**  
To be fair, it is a point well made and there are other areas, certainly within our remit where we have done exactly that, splitting the regulatory function away from the actual operations so it is a point that is ...

**The Deputy of Grouville:**  
Okay, how would you see the role of government in the rural economy and what should be left for business because, after all, farms are businesses? How do you see that split and what is our Government's role?

**Senator A.J.H. Maclean:**  
Well, I think I have a view, which I have made publicly, about Government and business not applying specifically to agriculture but it is as relevant to agriculture as it is to any other business activity and that is that as best as possible, Government should get out of the way and let business get on with doing what it is good at, which is running its businesses. That applies right across the piece and I suppose one of the most relevant points for that is the way in which we provide financial support in terms of subsidy grant, however you want to phrase it. I think it is important that business has the opportunity to be given a hand-up rather than an ongoing handout and support is targeted in a way to make the business environment as efficient and as productive as it possibly can be.

**The Deputy of Grouville:**  
So you see the role as giving support?

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

**The Deputy of Grouville:**

With a view to what?

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

Well, with a view to industry or business being able to become self sufficient and as productive as it possibly can be, so greater productivity which is a term I use quite frequently - and I know Deputy Wimberley has raised in the past - but improved productivity and efficiency is key to business success.

**The Deputy of Grouville:**

The Assistant Minister for the Environment was shaking his head there, so maybe you would like to ...

**Deputy R.C. Duhamel:**

Well, I think this highlights the tension between the 2 different departments and, fundamentally, if the Island accepts, say, for example, that there is an importance to the heritage aspects of small fields and a throwback or leftover from the time when farming was based as more of a family type activity rather than a small business, if these things are to be seen as important, then there has to be some kind of watchdog body or some authority expressing those points of view. This is why I was referring to the importance I think of the overarching importance of having Environment at the top which kind of has tentacles, if you like, out across other departments. If you specifically have things organised and the bottom line comes to the forewarned(?) ones, then, you know, we would be grubbing up all our hedgerows and making all our fields larger. Picking up on the point about machinery, we would be going for larger and larger tractors and, fundamentally, that is something that the Island would not accept. So I think it is not right to think that the agricultural bottom line is the be all and end all and that is why we have got this relationship. It is still early days and we are working upon it to try and get agriculture to express its ability to work within the environment rather than against the environment.

**The Deputy of Grouville:**

How do you see the Government's role being able to almost set the agenda for that?

**Deputy R.C. Duhamel:**

Well, in of 2 ways. We passed laws so, obviously, we did the regulatory side which is dealing with plant health and animal health and all the rest of it. That is one side but I think there are more subtle things as to the shape and form of the countryside and the extent of which these things kind of spill over to the wider aspects which start to touch in terms of social enjoyment of the countryside which is something that agriculture might not necessarily be interested in.

**The Deputy of Grouville:**

So would Government play a role in influencing business?

**Deputy R.C. Duhamel:**

I think it would and I think to support an out and out business model so business rules, come what may, would not represent the best outcome for treating the environment and agriculture within this small Island.

**The Deputy of Grouville:**

So there is clearly tension here?

**Deputy R.C. Duhamel:**

Oh, yes.

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

I think I would describe it as a healthy tension, to be fair.

**Deputy R.C. Duhamel:**

Yes.

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

I think if I just could clarify a point. You asked specifically about my view on business with regard to agriculture. I said in my opening comments that it is important to realise that this is not just about the economic argument, and I think that is what Deputy Duhamel has articulated very well. That shows a healthy tension between the 2. I accept, from an Economic Development point of view - although we are looking to make businesses far more productive and efficient and that is exactly what we should do - there is a much bigger picture in terms of how we deal with agriculture versus social environmental elements which are absolutely essential in terms of the quality of life of the Island and what makes Jersey special.

**The Deputy of Grouville:**

So, Government ... sorry.

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

All these should not be underestimated and that is why we put support into the industry in the way we do.

**The Deputy of Grouville:**

So Government could influence the environmental impact agriculture is having by the grants that they give in certain criteria.

**Deputy R.C. Duhamel:**

It does.

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

It does. That is exactly what happens.

**The Deputy of Grouville:**

Yes.

**Deputy R.C. Duhamel:**

That system, in my view, should continue.

**The Deputy of Grouville:**

Be strengthened?

**Deputy R.C. Duhamel:**

Be strengthened, absolutely.

**The Deputy of St. Mary:**

Can I ask exactly on this line of tensions and expressing them formally, if you like, with key performance indicators, what key performance indicators are we looking at for the strategic document?

**Deputy R.C. Duhamel:**

I think that is one of my *bête noire* at the moment, so I think there is a whole host of qualitative performance measures that we do not really measure at all and, over my time, I have tried to kind of steer the department into at least considering them in the short-term and implementing them in the long. But they are kind of the touchy feely views. If you are walking down a leafy lane, although we have got lane ... what is the ...

**Deputy R.G. Le Hérissier:**

Scenic lane. Yes, the scenic lane.

**Deputy R.C. Duhamel:**

To determine whether or not one lane is better or another, in essence, you are trying to measure something that has not been immeasurable in kind of an ordinary kind of quantitative manner.

**The Deputy of St. Mary:**

Do you have any comments? Maybe the other Ministers have comments beyond that on the K.P.I.s (Key Performance Indicators) because I have got the, if you like, matters of progress in the current one on the R.E.S. (Rural Economy Strategy) 2005 to 2010 and I have got your summary of measures here and I just wanted you to comment on what you feel about those and whether you feel there is anything missing from that list.

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

Well, I think you can always improve.

**The Deputy of St. Mary:**

That is a good general statement. [Laughter]

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

I think, generally, there has been quite a strong assessment and move towards assessing the structure of grants that are delivered by the department. I think that they are measured in a number of different ways. The document you have before you I think identifies those that are there and I think you are never going to get a definitive answer, but my view is that the way in which we assess the value of the grants and support that we give to the industry demonstrates that the outputs are quite positive. 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.

**The Deputy of St. Mary:**

Can I ask you on just a few ... some will come up later as we go through other topics but there are ones that may only come up here. The productivity issue, you mentioned, is one of my favourite words and one of your favourite words. Productivity per energy unit for instance does not figure here at all. Would that be something that would be or could be on the agenda of the White Paper? Just, again, looking forward, I am looking at risk and vulnerability.

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

In what way would you feel that would be beneficial?

**The Deputy of St. Mary:**

You have got a whole section or 2 or 3 pages in there on climate change but peak oil on its own is enough to make me think that productivity energy input is an important measure to protect the industry and there are other risk factors too.

[14:30]

**Deputy R.C. Duhamel:**

It is something that is undertaken in the fishing industry and there is the effort per catch and that is really based to the engine size and the amount of fuel kind of expended to capture the fish, but I do not think we have applied it yet to owning cattle and milking cows.

**The Deputy of St. Mary:**

I am just pointing out that that is a measure that is not there. There are another 2 more that are simply not there and it might tie in with what yourself and the Assistant Minister said. Water and soil. Incidents of water pollution and the extent of water pollution both in the sea and in fresh water courses and soil quality, soil structure and soil fertility. They are not here at all. Any comment?

**Deputy R.C. Duhamel:**

Well, in terms of soil, fertility, I think the department have proposed - and it is mainly a funding issue - a survey of all the fertilities of each of the Island's fields and as the map skills that are held on computer kind of go up and up in terms of complexity of information that can be captured, it does give rise to the opportunity for us to assess the micro climates and the fauna and flora of individual fields to perhaps be giving advice into the future as to the advisability of growing particular crops in particular niche instances. That would kind of pick up on your point but there is not much point, for example, of growing a particular crop in a piece of land that does not grow that particular crop very well. So, in energy terms, you would be wasting a lot of energy trying to square the circle but, as I say, these are fast changing times and a lot of these computer services do require funding but we are looking at it.

**The Deputy of St. Mary:**

Water is an issue?

**Deputy R.C. Duhamel:**

Water is the same thing. Some of the crops, you have to consider there may well be kind of energy inefficiency methods for growing them but they are culturally acceptable from an economic point of view. So, for example, if you look at the extent

to which wrack is put on fields, now some people would argue that if you were going to go to the level that you were suggesting and consider all of the energy that will be required to cut the wrack, transport it, dry it, put it on to the fields and whatever, then on a bare kind of scale basis, it might not be worthwhile. This is where I was talking about the qualitative measures being more important so we do not have that because, on the flip side, it is not just kind of local fables or whatever that by applying seaweed or whatever, you have got natural fertilisers who improve the humus content of the soil and, indeed, some crops do grow better in that type of soil. So there is a qualitative kind of improvement that perhaps is not picked up by their assessment of how much fuel you spent to do this, that and the other. Likewise, a lot of people - particularly speaking to the old farmers - love to kind of don their bonnet, get their stool and go and milk their cows in the fields but that is not particularly energy efficient but, on the flip side, it is something that perhaps we would wish still to be encouraged in order to fit into this cultural heritage aspect that we think is important.

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

Just the point, a key element of the single area payment is that soil and water management is an inclusive part of that.

**The Deputy of St. Mary:**

Right.

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

So that would ...

**The Deputy of St. Mary:**

Because the land classification thing has come in for a bit of stick in these hearings, I can tell you.

**Deputy R.C. Duhamel:**

Well, it has because I think farmers do not want to be told that they should not be growing crops in the places that ...

**The Deputy of St. Mary:**

But I was more interested in the trend, like you take a sample of the trend of fertility and whether it is being maintained and, indeed, enhanced because that is our basic raw material. It is our basic resource and it is not here, so I just wonder ...

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

Just to clarify from an economic perspective anyway, the K.P.I.s you were referring to ... I think the key ones are probably accounted for in the document and probably are fairly reflected. I think the ones with G.V.A. per employee tax take, and so on are all showing a positive trend. The other areas you are talking about probably could do with some additional work. I do not know if you want to add any ...

**Director, Environmental Management and Rural Economy:**

Yes, just to put it in some context perhaps, if I may, Minister.

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

Yes.

**Director, Environmental Management and Rural Economy:**

What we are - where we are trying to move is to a situation where our Rural Development Agri-Environment Programme is better matched with Economic Development, so that what we are really looking at, going forward, is for agriculture as a business to be delivering public goods and services and being paid for it. Society in fact would be paying for that delivery because I think you have got to face the reality that is that those farmers who are operating the rural economy in the countryside at the moment are the best people that are placed to deliver good soil management, good water management et cetera. The land classification, as far as we are concerned, 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 and I think the Minister is right. I think 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. But Iain might want to add a little bit to that.

**Horticultural Adviser:**

Yes, just on the land classification, you can then look it with regards to the soil series which then will look at the drainage, look at the fertility, look at the organic matter and then that will not only affect which crops can be grown but it also would impact on water quality because the lighter soils or it depends on the soil series whether they are clay or they have got grippe or whatever you have got there, will impact on the nutrient leaching, whether it is better from the source and whether it is maintained or whether it is going to make its way through into the water course system. We have got very sensitive water courses, so I think it is essential that we know which soils are particularly prone to leaching, which soils have got more buffering capacity but also land classification is not just on the soils; it is the geographical location and aspect to a certain extent. South facing slopes on a south facing Island, better light interception; you will get the better crop growth and this is why we are so much better than Guernsey. We are a south facing Island on a south facing slope and they are a north facing island on a north facing slope, so this land classification system ... I think you have just got to look around. People are more concerned that they are just going to use it for: "That is poor land. We can develop it."

**The Deputy of St. Mary:**

That is the concern, yes.

**Horticultural Adviser:**

Which is not the case and if you start looking at the issue of produce schemes, you are now starting getting questions on the red tractor scheme which is what source there is and what sort of classification are you using to help determine what crops will grow best? So these questions are now starting to filter through into the issue of produce schemes.

**The Deputy of Grouville:**

But do you not feel the agriculturalists will know what crops grow best on their land?

**Horticultural Adviser:**

There is a difference between what crops will grow best because you can grow crops high on a hill which is grown in rockwools and you get all the nutrients and all the water technically but you have then got ... so you can grow the crops on most of the fields because it has got good growers, we have got good technical expertise but it depends upon the soil, which is a nutrient really themselves. Some are more prone to leaching than others and it may be not appropriate, depending upon a particular sensitive catchment, that those crops probably should not be grown in that area. So, yes, agriculturists will know what crops will grow where but we need to look at the wider aspect of we can grow a good crop.

**Deputy R.C. Duhamel:**

The other issue of importance is that if crops, for example, are grown in the wrong areas and they are particularly susceptible, by virtue of the soils that they are grown in or the microclimate conditions, to particular plant diseases, then there would have to be enhanced kind of techniques and chemicals and whatever applied in order to perhaps protect those crops from those diseases which you would not get if the plants were grown in the right places.

**The Deputy of Grouville:**

But if the potato companies are having to make their quota and they need to take on land to meet their quotas or their suppliers, is the department suggesting that they are going to stop them taking on certain land for potatoes or other crops because of the soil type and where the land is placed?

**Deputy R.C. Duhamel:**

I do not know whether the department would go that far but certainly the way I would see it panning out would be along the similar lines of what happens in Europe with the Appellation Contrôlée for the growing of vines for grapes or whatever. Some soils are particularly suited for white wines, so you are going to advise, if you are a government department, to grow white wines because they seem to grow on a particular soil but all other crops ... we are not going to try and encourage farmers to, as I said earlier, square the circle and try to grow things that do not grow and then we are in a situation of having to prop up those farm businesses and crops to make money because they are, in effect, growing the wrong things.

**Adviser:**

Can I ask for a point of clarification with the officers about ... I mean, the systems that are applying in the U.K. are land capability classifications which is a simple basic multifactorial system and I suppose, for soil protection, there is the self assessment that farmers now do under a sort of guided system but it is self assessed by the farmer on the basis that that is the cheapest system I suppose but also that the farmer is the person who is the most involved stakeholder. Do you have thoughts about who should be doing this and on what sort of model?

**Horticultural Adviser:**

Well, at the moment, we have a farming and waste management plan which assesses when organic manures can be applied but that does take into account soil, slope, aspect, erosion which ... I mean, what we are looking at is something similar to - and you have probably seen these - soil classification which looks at the soil and a lot of the assured produce schemes are now asking for these which forms part of the

environmental plan which, again, is self assessment. But, in the U.K., you have that land classification, whereas we do not over here. We will look at it a little bit wider for environmental ... again, it forms part of the Environmental Plan. We saw environmental use, community use or for agricultural use and if you can get to the stage where the States of Jersey Island Plan and politicians decide: “Hang on, we do need to look at more development or more building, sheltered housing” or whatever and we have got a choice of 2 fields and one is a higher or lower, you would choose the one with the ...

**Director, Environmental Management and Rural Economy:**

Can I just add a point? Where we are trying to get to, I advised the U.K. Government as a member of the National Soil Strategy Group on issues around soil and what we must not underestimate is that soil is a fundamental non-renewable resource and we need to take it as seriously as that. Soil has a number of functions, one of which is to grow agricultural crops but it has a range of other functions. The purpose of the land classification system is to identify what soils have what functions on Jersey so that we can make informed management decisions on what is a primary non-renewable resource and it is the basis of all the economic activity that is undertaken in the rural economy. So let us take it as seriously as we need to do. What we are not going to ... what I would not be recommending is that we didactic about how we use that. It is a management tool that will work with farmers to develop and use the soil protection review under the single payment in the U.K. which is a good example of the start we would need to make in that it starts to engage farmers in a way that is simply about planning rather than just saying: “You must do X, Y or Z” based on an informed understanding of what they are working with. So I think that is it in a nutshell.

**The Deputy of Grouville:**

Does the Minister have any idea about the listing for this; how long it will take and what it will cost in manpower in pounds, shillings and pence to lock X amount of people in a room to do this land classification?

**Director, Environmental Management and Rural Economy:**

We do. Iain can illustrate this a little bit better than I have but we have had some conversations with the National Soil Research Institute at Cranfield University who are ... who have basically produced a brief of what the process might look like.

**Horticultural Adviser:**

Yes. On the basis of the soil geological survey which is a 1:25,000 scale map for the Island, I think initial investigations confirm what would be needed was about £25,000 to £30,000 and it would be probably accomplished in a year at a cost of about £150,000. That was on the figures we had in November or December.

**The Deputy of St. Mary:**

Would it be a one-off?

**Horticultural Adviser:**

Yes, once it is done, you have got the classification done, you have got the series and, therefore, you can then base any decisions on that classification.

**The Deputy of St. Mary:**

Is that to do with soil?

**The Deputy of Grouville:**

No.

**Deputy R.G. Le Hérisier:**

No, not on soil.

**The Deputy of St. Mary:**

I was going to say on soil because we were talking about soil but you said non-renewable source. Are you saying that you cannot enhance the soil or enrich the soil or add more humus or ...

**Director, Environmental Management and Rural Economy:**

No, I am not and I think, you know, we ...

**The Deputy of St. Mary:**

Because there are some big issues there in relation to other departments.

**Director, Environmental Management and Rural Economy:**

My personal view is that, you know, the critical issue for Jersey soils and, indeed, for soils in the U.K. is levels of organic matter. They are very easily eroded but very hard to put back in reality, so, you know, there are a range of issues around soils. It is renewable to a degree but, I mean, in some ... on some soil types, it will take you thousands of years to put another millimetre back on in terms of organic matter. Others develop much more quickly. This is the point of that meeting to understand the nature of the resource that we have got on Jersey because we do not know how quickly we ... you know, how renewable this resource is. I mean, I suspect all soils are but it is the rate at which they are renewable that we do not understand. So that is the bottom line.

[14:45]

**The Deputy of St. Mary:**

Where does sewage sludge fit into this equation and where does compost fit in, i.e. T.T.S. (Transport and Technical Services) compost and not in my back yard?

**Director, Environmental Management and Rural Economy:**

If I start with sewage sludge, as you know, in the U.K., there is something called a sludge matrix which is ... it gives you an idea of sludge content and whether it is safe to put on land that has been used for food production in summary. There are some issues in terms of marketing produce, you know, where sewage sludge has been used on soil. There are some issues on making sure that you have got the analysis of the sludge right so you do not end up with a contamination situation. So, you know, it does happen in the U.K. When I was managing land in the U.K. not so many years ago now, sewage sludge was not something that we allowed our tenants to deal with unless they used the safe sludge matrix but if I am totally honest, we were uncomfortable about it in terms of public perceptions.

**Deputy R.C. Duhamel:**

There has been an enormous amount of work in the U.K. which I am hoping will be applied to the Island in the right timeframe ... after the right timeframe to show that if the sewage sludges are made according to the proper specification, then that minimises any health problems that might occur should people operate it in an indiscriminate fashion.

**Director, Environmental Management and Rural Economy:**

In the context of green waste, we do touch on this and we have consulted with the industry on the issue of green waste. For T.T.S. waste in particular, there is a bone of contention in the sense that, at the moment, farmers are paid to take it and that is primarily the Jersey Royal Company and £10 a vergée is the rate that they are paid. I think it costs about £60 a vergée to transport. I think the Environmental Scrutiny Panel perceived this effectively as a subsidy and I am not so sure that it is. I think it is a very cheap way of getting rid of your waste and it is worth £10 a vergée, to be perfectly honest but there is no doubt that it is a good soil conditioner but we should not ... my own recommendation is we should not be insisting people take it. It is a good, efficient environmental way of dealing with waste compost effectively that has a benefit in terms of soil and organic matter, et cetera, but, you know, people ... some people disagree with that. But I think the issue in terms of markets is we spoke to Jersey Royal Company about this and some of the green waste was contaminated with E. coli and so what we have got is waste that may also contain contaminants, so if we do go down the route we are saying, farmers must take this or should take this, we need to be really clear that it is not harbouring contaminants that limit the marketing ... the effectiveness of marketing the products that are being produced.

**The Deputy of St. Mary:**

I just want to be sure that that link with T.T.S. was being looked at on the table.

**Director, Environmental Management and Rural Economy:**

It is, yes.

**The Deputy of St. Mary:**

Obviously, connecting up with soil.

**Director, Environmental Management and Rural Economy:**

Yes.

**Deputy R.G. Le Hérisier:**

If I can go back to a broader political question, I wonder Mr. Minister and Assistant, could you tell us what your concerns are about the future of the rural economy in a broad sense, not necessarily linked to this?

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

That is a very broad question. [Laughter]

**Deputy R.G. Le Hérisier:**

You will give a highly specific answer. [Laughter]

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

I suppose sustainability is going to be key and, by that, I can mean a number of things. Sustainability of farms, areas like succession planning which I think is important where we see a lack of young people coming into the agricultural industry, although there is some work on the agenda for the skills board to look at issues such as training and encouraging young people to get involved. Of course, key to that is the profitability of the industry itself. Clearly, there is the lifestyle element which we talked about and which is important that people need to, when going into a career, have some hope of earning a reasonable return and salary and so on, so the businesses themselves must be supported to ensure that there is a long-term sustainability of those business and job opportunities. I suppose those are the key areas that would concern me. Clearly, they feed into the quality of life environmental elements because I think it is often underestimated the considerable value that agriculture has in terms of maintaining the natural environment and the quality of what is very special, not just in Jersey but elsewhere in the countryside.

**Deputy R.G. Le Hérisier:**

Are you concerned about an almost perverse consequence of having 2 very active potato ... one growing and one ... and both marketing and processing organisations? Are you concerned about the crowding out that is occurring in the use of land at the moment, for example, and where that may lead to?

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

Well, I suppose you have got a situation where something had to give because, clearly, a number of smaller operators were beginning to suffer and find it quite difficult to survive simply and so you were going to get consolidation in the industry and you were going to get that from a point of view of economy of scale and that was already happening with the Royal organisation. A new entrant into the market in terms of Bartlett created, if you like, a competitive edge. I think we have probably got to a position where, in terms of the long-term sustainability of that particular sector, what has happened probably is more positive versus negative. I certainly think from the point of view of product to market value into the economy, exposure in the U.K. to that valuable product, all of which is very positive, in fact, you can argue because of the extra sales into the U.K. market that one of our savings is a U.K. representative at £44,000 a year who did a marketing function in the U.K. The supermarkets are doing that for us. They are buying a lot more potatoes and I think there are a lot of positives we can glean from it.

**Deputy R.G. Le Hérisier:**

Okay, thank you. I wonder if we can ask the esteemed Assistant.

**Deputy R.C. Duhamel:**

How long have you got?

**The Deputy of Grouville:**

Another hour and quite a few more questions to go through.

**Deputy R.C. Duhamel:**

I will do it as quickly as I can and I think there are many things. First of all, and not in any particular hierarchical order, from a planning point of view, I mean, it is a serious concern that there are more and more applications not only from

agriculturalists who have worn out fields or worn out farm units, whether they be grass or otherwise, wishing to turn them into residential kind of fortunes and kind of move out of agriculture completely. Likewise, we have got many applications at the moment through to Planning where, because of the wealthiness of the individuals on the Island and their spare cash. There is a large pressure building up for people to ... if they own a house in the countryside, not only to be satisfied with the house and the garden, but to be wanting to build or to incorporate the fields that are surrounding the house into their domestic curtilage. Obviously the extension to that is that if either of those 2 pathways are encouraged or not curtailed then the finite resource of land would be very quickly extinguished. I think to all intents and purposes, mixing my metaphors, we have got all our eggs in one basket and that is the potato basket. I think that in itself is driving out or driving down the number of people who would previously have been classified as lifestyle farmers. I think being an agriculturalist there is probably a romantic notion coming in there somewhere tugging at the emotional heartstrings as well, of people eking out a living on the land. There is something kind of natural and important about that. I feel that with the numbers of farmers operating agricultural units in the Island going down year on year, then the commercial aspects ran as an agri-business are going to come to the fore. That, again, would be hugely detrimental as a loss to the Island's cultural background. To offset some of that, 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 that I was referring to earlier rather than just exclusively saying, you know, new business and a successful agriculturist, if you are making, I do not know, 10 per cent return or 20 per cent return, you are making 6 and 5, you should not be there. I think we have to specifically safeguard against that otherwise the commercial bottom line would come to the fore.

**Deputy R.G. Le Hérisier:**

Thank you. Do you think we are destined, as I alluded to the Minister, to have to deal with all the consequences, good and bad, of essentially a one crop industry and the impact that will have on the use of land?

**Deputy R.C. Duhamel:**

No, I do not. This is why I find the work that has been suggested around the soil classification basis particularly exciting. Farmers, at the best of time are slow to change, unless there is a lot of money to be made. But once they are in a particular rut the likelihood is that they will stay there as long as the money is coming in. With the soil classification, as I say, there is an opportunity to show people, particularly maybe with the marginal lands to start off with which are not suitable for potato production at the level that we are exploiting it, to begin to get people to move into agricultural pursuits for different crops. We have a number of notable successes. If you look at the range of agricultural businesses we have on the Island. I mean there are a few high fliers who are breaking new ground, so to speak, and moving outside of the convention: "I am going to be a farmer, so I am growing potatoes." We have got people in mushroom production. We have got people growing raspberries and cane fruits inside greenhouses. Although the greenhouses are told by other people as to be

worthless for cultivating anything, particularly if you prefer(?) to dig around the houses. So it is this type of thing. If you look at the Five Mile Road, a lot of the soils down there are particularly sandy. If you go back in history, we have some phenomenally interesting history, where we used to dry the seaweed on the banks and things like that. There was another industry for seaweeds fertilising the sandy soils. Particularly if you look in other places, I am thinking at the moment about the Mont Carrot(?) example - some people call me a carrot, but there you go - it is particularly fascinating I think, because the very soils that some people would be suggesting are useless to agriculture, for growing potatoes or you can only just take a suitable graze or amount of hay or whatever per year, those very same soils are being used in novel ways in other places to grow highly valuable food crops. It is this type of information process that I think the Government is probably best to be promoting, in showing farmers that there are other ways to make money other than building houses.

**Deputy R.G. Le Hérisier:**

Okay. Thank you. Very quickly. The Minister has put his faith in the free market, although we know in many ways Jersey is a highly regulated place. We were told yesterday about some very unhappy hens, because apparently, for example, a licence has been given to another egg producer. There are indeed too many eggs, it appears, in the basket. [Laughter] Why was that licence given in terms of your policy of the free market? But in terms of encouraging diversification, how many more eggs can Jersey people eat?

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

Well, it is a very interesting question you raise there. I happen to have a small amount of knowledge on this particular subject, because I live in the country myself and I am enclosed by hens and egg producers. In fact, there is indeed a very young local farmer who has just got into the industry and has just set up a new production for eggs. It is interesting that the total capacity for the Island, in terms of consumption, is not being met at the moment. We are still importing a lot of British eggs. You will see them in places like M.&S. (Marks & Spencers) and elsewhere. There is an argument, in fact, that there should be a greater production of local eggs, so that we are more self-sufficient. I know that John Jackson has some knowledge on this particular subject and perhaps he would like to ...

**Livestock Adviser:**

We responded to Sandpiper and the Co-op at meet the buyer events where they specifically said they required more eggs. So we have some applications from interested farmers to help them start up an extra egg business, which we did through our initiative scheme, so that they are ... one of them is a brand new entrant to farming. So we have an entrant at farming coming into the business. Basically what has happened is that the Co-op said that extra production would not displace local eggs, it would displace imports.

[15:00]

That unfortunately has not taken place. So, we are going back to Sandpiper and to the Co-op and meeting them this week to talk to them about ... to make sure they meet the conditions that we put on to those grants. But they do not need ... egg producers do not need a licence, they can start up ... anybody can start up an egg business, they do

not need a licence, but we just supported these people through the R.I.S. (Rural Initiative Scheme) to start up an egg production.

**Deputy R.C. Duhamel:**

It is somewhat bizarre though for those of us around the table able to remember 30 years ago, we did have a sizable chicken and egg laying plant up Trinity. That was supplying more eggs and chickens into the local market than at the moment. It is sad, I think, to go up there and see redundant chicken sheds and egg laying facilities only being turned into bank archive storage and new entrants perhaps being denied small businesses to start up in the Island in other cases.

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

As we say, we are supporting new, small businesses starting up in that particular sector and there is clearly a shortage of egg supply over demand within the Island. Certainly the 2 farmers that I know in near proximity are both looking to expand.

**The Deputy of Grouville:**

Could I just go back to what the Assistant Minister said earlier about domestic curtilage. It has been a concern from quite a few submissions that we have had about this issues. So as you are Assistant Minister for Planning and Environment, does the planning section have anything in the pipeline to stop the equestrian use of land and to stop domestic curtilage? In my own Parish we have just seen swathes of agricultural land go to domestic curtilage in the last couple of months.

**Deputy R.C. Duhamel:**

You have mentioned 2 problems and I think they are quite separate. The incorporation of land into domestic curtilage, whereas it might be used for the keeping of horses and ponies for the individual family, that is not always the only reason. We have had requests for planning over the years for people to incorporate these fields for the tennis courts and swimming pools and even granny flats or even housing estates into the future.

**The Deputy of Grouville:**

Cricket pitches.

**Deputy R.C. Duhamel:**

Cricket pitches perhaps, yes. But on the equine usage front, although it is seen as a *bona fide* agricultural use in other places, I think Jersey does not necessarily see it that way. I would tend to take a different view if I were the one making the decisions, which I am not at the moment, in suggesting that perhaps if limits could be placed to curtail the laying down of dressage rings and sandpits and all the other paraphernalia that goes with it, which I would tend to see as being long term building applications in their own right, then the actual grazing process on a particular piece of land, provided there are other agricultural crops growing on that piece of land during the growing season part of the year, I tend to be probably more supportive than a number of my colleagues.

**The Deputy of Grouville:**

Okay. You said if you were the one making the decision, which you are not, your particular Minister makes that decision. But who, going back to my original question, is championing Agriculture's voice for this?

**Deputy R.C. Duhamel:**

I think Agriculture is championing Agriculture's voice from the point of view that they would discourage taking up the fields for equine use. That is virtually written into how the Minister decides these things. I think it is fair to say that a number of requests to convert fields, particularly if they have an agricultural licence for growing particular crops and whatever through the Department of Agriculture, there is resistance to move them into something else.

**The Deputy of Grouville:**

That is not my experience in the recent past.

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

I was just going to add that there is a clear policy within Planning that small units of land cannot change use from agricultural use into domestic curtilage. I would just add that I would certainly hope and expect to see consistency in all applications and I am not certain that that is always the case.

**The Deputy of Grouville:**

It certainly is not.

**Deputy R.C. Duhamel:**

The point is that not all fields come under the land control system.

**The Deputy of Grouville:**

Yes.

**Horticultural Adviser:**

We have about 50 per cent of the land in Jersey which is subject to the 1974 Land Law, which means that we have 50 per cent of the land which does not come under the Land Law, which we have no controls over. When we get an application for change of use, we do look at the existing definitions on what it is going to be used for. Now, what we have in Jersey is agricultural land, which is defined as land being capable of use for agriculture. So the land which is not subject to Land Law is agricultural land, because it is capable of being used for agriculture. The land which is subjected to the 1974 Land Law must be farmed according to the 1974 Land Law. Now the difficulty we have is that agricultural land and agricultural activity ... we have commercial horse grazing, commercial liveries, orchards are recognised in Jersey as *bona fide* agricultural activities. This question is being asked through the Law Officers' Department since at least the 1974 Land Law was introduced. In 1974 we have the Attorney General and Solicitor General being of the opinion that a commercial livery is a *bona fide* agricultural use, orchards are a commercial agricultural use. We have Advocate Belhomme again to all departments in 1999 and 2000 reinforcing that issue. As late as 2003, Stephanie Nicolle, the Solicitor General stating that these are *bona fide* uses. It has also been upheld in the Royal Court. So when people say we are looking at applications for land use, where people come with a viable business plan for putting commercial liveries, growing orchards, we will

approve that use, because under the law that is a recognisable agricultural activity. The difficulty we have is that dairy farmers or potato growers see that land as: “We need that land for us” but operating within the law, which is what we do in my department, which regulates and monitors by the agricultural law, we are bound by the law.

**The Deputy of St. Mary:**

So is that in respect of the 50 per cent that are subject to the Land Law?

**Horticultural Adviser:**

Yes.

**The Deputy of St. Mary:**

That is the position you have given us. So what is the position with that land that is not subject to the 1974 Land Law, because it has not changed hands since?

**Horticultural Adviser:**

The position central to that, it can be used if it does not have *bona fide* agriculturalists, the domestic curtilage under the Planning Law would be a change of use. So that would not be allowed. Anything less than a vergée is defined as agricultural under the law. So it is very small areas.

**Director, Environmental Management and Rural Economy:**

If I may say, looking at the statistics in terms of change of use versus land that through transactions falls under the 1974 Act is about a 10:1 ratio. So 10 coming in and one going out through change of use. That is the first thing to say. The second thing to say is that within the definitions of small holders and *bona fide* agriculturalists that operate within the law there are tolerances in terms of the amount of money they need to generate in terms of their gross margins. So one of the things that we must do and continue to do is make sure that we are checking the status of the small holdings and the *bona fide* agriculturalists to make sure they are achieving those margins to allow them to be defined as people that can use that land. But I think Iain’s point is fundamental, the law allows things beyond potato and dairy to happen on agricultural land.

**The Deputy of Grouville:**

So does the law need updating?

**Deputy R.C. Duhamel:**

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. I think we have similar parallels with the legislation changes that happened with housing, in terms of the inherited housing being treated in a different way to housing that was sold.

**The Deputy of St. Mary:**

What is the goal, in literal terms, of the land policy with respect to agriculture terms? What is your goal? Because then we can decide which law to tinker with and so on. But what are we trying to achieve with our policy?

**Deputy R.C. Duhamel:**

I think the goal would be to have a greater state of knowledge of what we have in terms of land use and to try and get the best out of it, not only for the agricultural businesses that are operating on it, but in terms of the environment overlaps in terms of access to countryside, what it looks like and this that and the other across the board.

**The Deputy of St. Mary:**

Quite simply it is as Madam Chairman's views which she was articulating, I think, which is protecting the land bank and ensuring that we maintain as much workable land for agricultural purposes as we possibly can.

**Deputy R.G. Le Hérisier:**

How will that be interpreted in terms of dealing with redundant glasshouses?

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

That essentially is a planning issue, of course. [Laughter] My view is that 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 on agricultural land as an agricultural entity and it should be returned where possible to agricultural use.

**The Deputy of St. Mary:**

When you say "where possible", you used the word possible twice: "Protect the land bank as much as we possibly can and glass houses equally ... as possible." What is the direction? Is it ... anyway I will leave the question.

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

Possible is possible. The aim is to do that and there are certain circumstances where that may not be feasible, as I have just pointed out with regard to glasshouses. I have articulated my view. However, it is not my decision ultimately, although I can express it, it is a Planning decision as to what and how glasshouse sites are dealt with.

**The Deputy of St. Mary:**

Would you be seeking to keep land that is in the agricultural land bank, even with the Assistant Minister's ... stuff about the quality of land ... If you have land that is land bank, is the policy to keep it in land bank or is the policy to be flexible?

**Deputy R.C. Duhamel:**

I would say certainly to keep it within the land bank. That is the aim of the Island Plan that is coming forward.

**The Deputy of Grouville:**

Have Economic Development expressed that view to the Planning Minister and their desire to keep as much land in agricultural use as possible?

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

The discussion with the Minister for Planning and Environment is clear about the use of agricultural land for agricultural purposes. I believe, although I cannot clearly speak directly for him, that his views with regard to glasshouses are not dissimilar to those that I have just expressed.

**The Deputy of Grouville:**

So how can he make decisions like he has done in recent months about making agricultural land into domestic curtilage? Obviously the message is not getting through.

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

Are you speaking about a specific case?

**The Deputy of Grouville:**

I happen to know of an example which proves that the message is not getting across.

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

I think that probably answers the question that Deputy Wimberley was asking when I put "possible" in, because we do not always know all the facts. I do not know the facts of the particular cases you are talking about. All I can say is that it is our aim and our drive and desire to ensure that we maintain and grow the land bank for agricultural purposes as best we can. Those must be obviously viable agricultural pieces of land. There are some that are not particularly viable for a number of different reasons. But certainly we must aim always to maintain the land bank and grow it as best we can.

**The Deputy of Grouville:**

You have not expressed those views formally to the Minister for Planning and Environment?

**Deputy R.C. Duhamel:**

As far as I am aware about, all of the working groups that also invited representatives from the Economic Development Department to make their case when the Island Plan was being formulated, are of one mind that this was a sensible way to ... and something that was worth pursuing. I would find it very strange if at this late stage that people were popping up out of the woodwork saying we were not consulted and we did not agree.

**Deputy R.G. Le Hérisier:**

There has been a perception, Assistant Minister, building on the Chairman's question, that your department has been very, very reluctant to get glasshouses returned to agriculture. Is that correct?

**Deputy R.C. Duhamel:**

I do not know. I have not seen them. I have not seen very many that have been returned to agriculture, but that does not necessarily follow that we are of that mind. Personally, personally, I think that all glass that has been used for agricultural purposes does have a further economic value, which may well be agriculturally related. 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.

[15:15]

**Deputy R.G. Le Hérisier:**

So that is the decided policy of your department?

**Deputy R.C. Duhamel:**

It is.

**The Deputy of St. Mary:**

Could we go backwards quickly to the: “Some pieces of land”? Because I would put it to you that is some kind of get out clause. Because we have had people sitting where you are sitting who have weighed in quite strongly on this “some pieces of land”. That you can say: “Well, that is only a bit there” or: “That is only a little bit here. So it does not matter for agriculture.” And they say: “Well, it all matters for agriculture in different ways. It depends upon which viewpoint you have.” Would you care to comment on that?

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

I can comment to a degree on Planning’s view with regard to change of use from agricultural to domestic curtilage. The most obvious pieces of land to convert from agriculture to domestic curtilage are adjacent bits of land that would have significant amenity value associated to them that probably are not viable in their own right as a standalone piece of agricultural land, due to size or shape or access. But the policy of the Planning Department is that those should not be returned or allowed to join up as domestic curtilage.

**Deputy R.C. Duhamel:**

I think there is also the question of degree. It comes all the way from very large agricultural fields that clearly have been used for agriculture being incorporated as somebody’s back garden or whatever, down to maybe a small nib of land that has not been used for agriculture at all because it is too small, being incorporated into the residential curtilage and it has no major impact to agriculture at all. There is a whole spectrum of requests. As I say, from what I have seen from the permissions that have gone out, I do not think it is fair to say that there have been many, if any, large scale fields coming out of good agricultural land, coming out of the land bank, to be incorporated into fancy housing estates or houses.

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

I think there has to be a practical and commonsense view in assessments for bits of land and a consistency introduced which perhaps has not been the case always in the past.

**The Deputy of Grouville:**

Could we turn to the Strategic Plan itself with the Green Paper? One of the criticisms we have had is that it is a bit of a wish list at the moment, because it has not been costed. When is it going to be costed? Because obviously people are reluctant to express wholehearted support for certain policies if it means the budgets are not there or there is a limited budget and certain other policies will fall by the wayside if they support others. Perhaps you could talk about the financial and costings of the plan.

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

The description of a wish list, I think any strategy of this type is going to prioritise elements of delivery that we feel are important and we believe through dialogue with industry that industry also feel are important. There is, of course, a cost associated to anything and everything that you do and in the constrained financial environment that we are currently operating in. Finance and delivery is going to become more and more challenging without a doubt. That does not mean that, quite frankly, all we should not include in the Green Paper are quite a wide raft of issues and aspirations, if you want to call them that. Clearly when we move to the White Paper that will be the time when more detail is put on the ticket.

**Deputy R.G. Le Hérissier:**

Do you not think in these straightened times - and we get obviously to fully see what the detailed impact will be on Jersey - everybody knows there is going to be some constraint of one kind or another. If you write a paper which suggests that there could be a high degree of financial cushioning, should we say, of a policy or there might, at the other extreme, be a very limited amount of financial assistance available that is bound to radically change the kind of policy options that can be considered.

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

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?

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

Yes.

**The Deputy of Grouville:**

Okay. Is there a set budget for this now, you have, to deliver what you have here?

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

There are clearly budgets within the document that exist at the moment that operates between ... that finishes this year.

**Deputy R.C. Duhamel:**

We all know that Treasury are mad keen on getting us to cut here there and everywhere. I think Planning and Environment have not been slow on coming forward with some cuts and changes. That is one pressure. It is true to say that there will be lesser monies into the future for doing all these things. So as a consequence of that, I mean, I can see where you are coming from to say: "Are you asking for things realistically?" I think the main thing to say is that there is a subtle change in the way the funding is going to be applied. So instead of handing out grants for growing particular crops that are not particularly wanted or encouraging practices that are out of date or whatever. I think the emphasis is starting to ... that we are trying encourage is to kind of move people into doing things that have a bigger effect, albeit that we have not got a stronger way of measuring it in terms of its value, benefits within the environment. So monies would be transferred slowly from one area of activity to another.

**The Deputy of Grouville:**

Okay.

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

It is clear as we move through the C.S.R. (Comprehensive Spending Review) process that budgets are under pressure and that there is a reducing amount of funding available, so it will be challenging.

**The Deputy of Grouville:**

Okay. You say that the budget is going to be reducing and more challenging, will the department still bide by the obligation to match E.U. (European Union) funding?

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

Do you want to answer that? Sorry, that is a political question?

**The Deputy of Grouville:**

It is really. It is a political question.

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

Do you want to fire that again then, please?

**The Deputy of Grouville:**

Will you still bide by the obligation to match E.U. funding? When we went into the Common Market it was agreed that our farmers would have their subsidies matched.

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

Not necessarily, but I think we will have to see how the funding model evolves as we go through the process and the constraints that we are subject to. and report ...

**The Deputy of Grouville:**

So you will renege on the States' obligation?

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

There is a commitment there to provide a certain level of funding and we will need to look very closely at how we can meet the obligations that have been agreed to in the past within the constraints of the C.S.R. that currently exists.

**Deputy R.G. Le Hérisier:**

Is there a document that exists, Mr. Minister, where there is an analysis done of the E.U. funding - I know it is possibly a very complex system - to so-called comparable farmers, shall we say, and that is matched to what is available to Jersey farmers? Could we go to a document which would outline that?

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

I think there were some documents that were produced around 1972. The States' commitment to the consequences were looked at and there are some documents available that were produced at that time which, if you do not have sight of them, I am sure we can forward them to you.

**The Deputy of St. Mary:**

I would like to see a 2006 maybe or 2009 document about E.U. funding. Surely, if there is a definite suggestion in the Green Paper, and clearly in the White Paper this issue will have to be addressed, what work has been done to quantify the existing level of subsidy/support to E.U. funding?

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

I think we need to be aware that the issues relating to the R.E.S. and E.U. commitments are in many respects ... the E.U. commitment is a far bigger issue than what we are discussing with regard to this particular structure, which is a 5-year plan. Clearly more work and consideration needs to be given to it.

**The Deputy of Grouville:**

So do you think we should look at that again, whether we should be fully fledged members of the E.U.? These are political questions.

**Deputy R.C. Duhamel:**

I think the Chairman raises a bigger issue and that is the extent to which the States, the Island of Jersey, are part members of Europe.

**The Deputy of Grouville:**

Yes.

**Deputy R.C. Duhamel:**

Inside Europe, outside Europe or somewhere else and I do not think we have even begun to get to fleshing out where we would like to be out of all those different options.

**The Deputy of Grouville:**

So should we not be looking at that?

**Deputy R.C. Duhamel:**

Well, I think you put too narrow a focus on it if the import of the suggestion is that under old arrangements where our protocol was free trade, that those agreements should be strictly adhered to in a form that has probably changed since they were outlined in 1972, not only by the E.U. farmers but by everybody else. If the argument is just because the European farmer is getting a subsidy for producing something which is not really wanted or whatever, should we be doing the same because we signed a treaty back in 1972; I think the short answer must be no. But in my mind that would not rule out perhaps if we did have funds available to have another look to see to what extent the protocols re arrangements are relevant in this day and age.

**The Deputy of St. Mary:**

Can I repeat the question which the Minister side-stepped, going sort of back one from the bigger question about the E.U.? What work has been done to quantify the levels of support that the farmers in the E.U. get so that you can make these judgments in the White Paper about what level of support Jersey farmers are, in a way, entitled to so that they can compete at all?

**Deputy R.C. Duhamel:**

I do not think we operate that way.

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

Well, the methodology ...

**The Deputy of St. Mary:**

Well, that is the suggestion in the Green Paper and I would have thought it is what is in the back of most farmers in Jersey's minds, that there should be parity otherwise how can they compete. It has been pointed out because of the way we compete with potatoes, which is the one area that the E.U. does not support the farmers directly.

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

But the methodology, as I understand it - certainly the way in which, for example, the single area payment is made on a land area basis, on a per vergée basis - is exactly the same as the single payment system that is operated elsewhere. So the methodology is the same.

**The Deputy of St. Mary:**

But the calculations are there or not? They are there?

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

The calculations are.

**Director, Environmental Management and Rural Economy:**

Yes, if I may add a little bit to this. We are conscious of the fact that the commitment was made in 1972 to keep parity with the E.U. payments but that is a really difficult calculation to make because it is not just a financial calculation. We have got a range of different ... you are not comparing like with like, effectively. You can try and compare like with like financially but I am not sure that that is the right approach. What we have got, if you take England for an example, is a payment rate at the moment on an area basis that is below that which Jersey farmers are being paid. If you look at the direct support given to the dairy industry in the U.K. it is below the

amount of support that is given to the dairy industry in Jersey. If you look at the levels of cross-compliance required for that money, in other words what public goods and services are provided for that money, what the Jersey farmers provide is below that which is provided in the U.K. If you look at the tax regime, it is different. So you could go for: "Okay, we want to match the number" but I think if you are looking for equity you have got to match everything else as well. But just to answer your question, Deputy, we have done the calculations around, you know, the rates based on the Lowland rate in England, which is effectively where the majority of the export market is, and Jersey farmers are doing quite well. In 2012 when the area becomes effectively fully de-coupled from the historic payments - you know, there is a 10-year transitional period effectively - the £37 per vergée will equate quite well to the area rate in Lowland England. So that is the basis for the calculation.

**Deputy R.C. Duhamel:**

I think the other difficulty is that we have a distorted agricultural base. I mean with all eggs in potato baskets and dairy baskets.

**The Deputy of St. Mary:**

Yes, there are lots of eggs.

**Deputy R.C. Duhamel:**

Those 2 products tend to drive out how we consider, perhaps, subsidies on other things that are actively pursued in Europe and in the U.K. Are there subsidies for growing mushrooms or growing peanuts and whatever? We do not look at that and perhaps we should. Everything has kind of been pushed towards potatoes, milk ... mainly milk at the moment.

[15:30]

**The Deputy of St. Mary:**

Can I ask a political question? What matters more: the sector, the environment or the cuts?

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

Or the what?

**The Deputy of St. Mary:**

Or the cuts.

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

The environment.

**The Deputy of St. Mary:**

Your answer? What matters more: the sector - like continued profitability and all the rest of it and viability and vibrancy, we have been told - the environment or cuts, when push comes to shove as it undoubtedly will?

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

The sector is clearly important and it is important that the sector gets the most appropriate support it can possibly get and that we are able to provide.

**The Deputy of Grouville:**

Okay. So sticking with ... sorry.

**Adviser:**

Sorry, can I just add a sort of technical follow up to the point that you were making about the single payment. That is obviously one element of support. We have obviously got to have a look at that net of modulation and one has also to look at the level 2 funding and what other sort of hidden background supports there are and possibly even go further into the sort of things that farmers in the U.K., I suppose, might receive like, for example, rebated cost of fuel, not having to pay council tax and tax privileges. There are probably quite a basket of things. How far ... do you have that kind of information?

**Director, Environmental Management and Rural Economy:**

It is the point that effectively we are making in the Green Paper and obviously option P.R.8 is exactly that. The example that we use is the fruit and vegetable regime. Jersey Commerce do not have that. I think, you know, the existing Rural Economy Strategy is the first stab at realigning Government's relationship with the industry and I personally think it is quite a good first step but it is only a first step. What we need to do going forward is build on the success of that scheme. We need to understand the differences between Jersey and the U.K. in terms of the rural development and agri-environment programme. But 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. and we have also got this underpinning activity through the single area payment. So I do not think there is that much missing from the structural stuff. I think we recognise, that there is stuff missing. There has not been an analysis, blow by blow if you like, of the benefits and dis-benefits of being a farmer in Jersey versus the marketplace they operate in and that is why you have got policy option P.R.8 in there. One of the things that we are conscious of is that could be quite a big piece of work but in the context of the comprehensive spending review and the fact that we are going to have to cut 2011, 2012 and 2013 by 2, 3 and 5 per cent, you know, we have got to look at the whole suite of support measures of Jersey and justify them in the context of people wanting to save money. But the basis of justifying those payments going forward is that they provide a range of benefits, not just a simple contribution to G.V.A. (Gross Value Added).

**The Deputy of Grouville:**

Okay. One of the big differences is the transport costs that our agriculturalists have got to sort of get their crops mainly to the U.K. Has the department looked at the non-industry-linked fees and charges, such as the harbour dues, the stevedore charges and things like that? It has been suggested that on the one hand Government are giving out single area payments and then taking it off the same people in harbour dues. Has any work been done to look at those charges?

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

Yes, there has been quite a lot of work done in that area and in fact we put the stevedoring contract out to tender in the last couple of years and we broke up the

monopoly which exists originally with stevedoring. There are now 2 areas where self-stevedoring can occur and indeed there is a contract for another part of the port, all of which was aimed at ensuring we have competitive pricing from a stevedoring perspective. We have seen quite a move from L.O.L.O. (lift on lift off) to R.O.R.O. (roll on roll off). There is a more competitive market. We have got new links to grants from a freight perspective, all of which is creating some vicious discounting and competition on prices from a freight perspective, which is good for not just the agricultural industry but other industries as well.

**The Deputy of Grouville:**

The importation, for example, of animal feed and that sort of thing obviously puts up the costs to the industry here. Could there be anything done to support them in these areas and have you thought as well how Government can play a role, for instance as we were discussing before, charging harbour dues or charging some form of tax on things that come in with huge amounts of packaging. Foodstuffs that can be grown here, you know, taxing them if they are imported.

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

That is almost a stealth-type of subsidy in a sense. I suppose you are referring in part to environmental taxes, if you are talking about packaging and importation of product?

**The Deputy of Grouville:**

Also costs to the industry such as animal feed and what have you. Have you looked at helping the industry at the docks or the areas where they have to sort of export and import?

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

I think one of the biggest drives has been to try and make Harbour as efficient as we possibly can. By making it more efficient we can limit the amount of increases in harbour charges and keep those costs to as low a level as is feasible. In fact harbour charges, you will be aware, have been constrained at 2.5 per cent in recent years. In many cases that is well below inflation and Harbour themselves will argue that what they are able to charge for harbour charges in real terms has seen a reduction in those particular costs. On the other side you can look at comparison benchmarks between other ports and Jersey and they are not always fair in terms of like for like comparisons. Jersey, for example, has many other aspects included in its cost base which has to be taken into consideration which does not make that a fair comparison; one example being the coastguard which is funded from harbour charges. It is a complex issue but driving down costs in harbour charges by running a more efficient port is a primary aim of the department and we have done a lot of work in that area and will continue to do so.

**The Deputy of Grouville:**

But rather than give the agriculturists subsidies in certain areas, could you not look at the harbour dues instead of ... I mean surely this just adds to bureaucracy?

**Deputy R.C. Duhamel:**

I think it does but I think, again, you are at the tip of the iceberg. There are other ways and it really depends on what Government is wanting Harbours to do long-term.

For example, if you look at cattle industry, I mean a lot of cattle farmers used to grow a sizable proportion, or all if they could, of their own kind of fodder beets and sugar beets and God knows what for local consumption. Obviously - you do not have to think too deeply about it - if you are growing these things in the Island then you cut out the middleman down at the docks, wherever they are coming from. But there does seem to be kind of a move whereby less and less of farmers ... the dairy farmers left in the industry are placing more and more reliance on economies of scale and hooking into kind of food productions systems for delivering their milk which require perhaps an over-packaging or an over-processing of the food stuffs that could well have been grown by somebody else. It depends how radical you want to be. I mean, for example, if we wanted to there is absolutely no reason in my mind why Jersey as a State could not encourage some of its get-up-and-go farmers to get up and go to France and grow fodder crops to import back to their dad's farm or whatever and cut out the middleman that way. But we do not do it. It depends to what extent you feather-bed your farmers. On the one hand you have got some people saying the States should keep out and commercial interests should be the thing that is driving it and at the other end of the scale you have got the reverse and it is finding where you want to be on that scale.

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

Helping to drive down the costs of importing seed, chemicals and other things for the agricultural industry by opening new freight links to Cherbourg. Greater capacity with Condor to St. Malo is clearly another way which I believe has been beneficial to not just the agricultural industry but imports and the cost associated.

**Deputy R.G. Le Hérisier:**

Have you got targets with Harbour to reduce them by a certain percentage every year?

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

The pressure is to stop them going up as the cost base clearly rises and, like all States departments, one of the biggest impacts is that of the wage bill.

**The Deputy of St. Mary:**

On this business of importing feed and you say we could grow more ourselves, one of the things that has been relayed to us is this relationship between the price of land and the amount people are prepared to grow their own feed for the dairy industry. Do you have any way of approaching that issue about the cost of land or what is the overall perspective on that issue, rather? Not the mechanism but what is the perspective on the cost of that?

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

Essentially the cost of land is market-driven and in fact pure agricultural land values remained relatively subdued for years and years and years. The only spike you have seen in agricultural land values, again, has been driven from a commercial perspective as with the increase in capacity within the potato sector, in particular, between the 2 big main co-operative groups that have been operating to secure more land for growing as their success has grown.

**The Deputy of St. Mary:**

Is there any role for Government in that spike and its effects? Because it does have obviously ... we have talked about effects before and also now this one of not being able to grow feed because land is too expensive. So is there any role for Government there?

**Deputy R.C. Duhamel:**

I think there could be but, again, it depends how radical an approach you wish to take. I mean, for example, I have said on occasion that if the States as a whole were happy to put its money where its mouth is, on occasion, and perhaps have a long-term policy of buying up agricultural land when it became available then the capitalisation for the States to own the whole land bank, and thereby kind of govern completely what could be grown on what, would be of the order of £150-300 million which for a small sized business these days is not a lot of money.

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

I would be loath to see Government involved in trying to manipulate a market, particularly the land market. I think that would be dangerous.

**The Deputy of Grouville:**

Just staying with financial aspects, the trials and research that is conducted at Howard Davis Farm, is there a call from the industry for this service?

**Director, Environmental Management and Rural Economy:**

The R. & D. (research and development) capacity at Howard Davis Farm, I think, has been kind of reduced quite significantly and I think really in reaction to the fact that ... my perception was that it was not market focused enough. So it was not really delivering market benefits for anybody and it was expensive; lots of people employed by the public purse. 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; in particular the nematicide used to control nematode worms. The reaction from the manufacturer DuPont in terms of whether it is going to maintain the label recommendation on that is, at the moment, quite fundamental to worm control in the potato industry. But not just that, issues around oysters and the quality of produce in general in Jersey but also are we at a point where we need to consider research and development in a sense more with environmentally responsible methods of production dealing with climate change, all that sort of stuff. 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?" If you look at the Vydate or Oxymyl situation, Bartlett's are taking a bit of a lead on this in conjunction with us at Howard Davis Farm. They are looking at the reasons behind slow breakdown last year which exceeded the Maximum Residue Levels which meant that our positive release programme, i.e. we cannot lift any potatoes that do not show zero trace of Vydate - we were unable to market as a consequence - what was the reality of why that happened.

[15:45]

It is complicated but Bartlett's are undertaking some research. They have encouraged us to get involved with them to help with that and give our expertise. In parallel we are coming towards the end of a 5-year trial at the farm. It is a very low-key trial using a relative of potato. It is a member of the solanum family which operates in a very similar way to an early potato as it uses a biological control. So, in other words, to keep it short, you know, we are trying to use a biological control agent to replace a chemical agent if we needed to. But those 2 are good examples of, I think, the need to engage in a dialogue; set up some kind of board where we can all get together and say: "What is the problem? Whose role is that in this going forward?" But, Iain, you might want to answer that maybe.

**Horticultural Adviser:**

Well, it is just that we have got the expertise at Howard Davis Farm. They have a team in DuPont so every time DuPont comes over and needs samples of Jersey Royal, we are involved in discussions so we are aware of where the research is going. We are also not just looking at the solanum ... sisymbriifolium is probably the second word you were looking for.

**Director, Environmental Management and Rural Economy:**

Yes, I could not remember what it was called.

**Horticultural Adviser:**

But we are also looking at things like harpin and other site-specific feed inhibitors through the entomology department to look at alternatives ... looking at a range of techniques to try to look at replacing Vydate.

**The Deputy of St. Mary:**

More broadly, you mentioned market focus. That was the criterion part of the focus. Would there be other criteria that should be in there as well? Because that is the sort of nice word that pleases people. There is no other ...

**Director, Environmental Management and Rural Economy:**

It is a balance. I mean we keep coming back to this, trying to distinguish between environment and economic activity. It is one in the same, it should be or we should be considering it as one in the same. So there would be a range of kind of considerations in terms of looking at what is expensive research. The reason we wound down Howard Davis Farm, it was under pressure from the industry. It was saying the research was not market focused. So that is where the link to that is. I am saying going forward we might want to consider things that are not simply market focused but bearing in mind anything we produce for the market should be sustainably produced and so you are bound to consider environment and social aspects.

**The Deputy of St. Mary:**

Well, issues of resilience I was thinking in the future.

**Director, Environmental Management and Rural Economy:**

Absolutely.

**Deputy R.G. Le Hérisier:**

Back to another broad question, Mr. Minister, which I am sure you will answer with your usual aplomb. What do you see as the labour and succession issues affecting the rural economy?

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

I touched on this a little while ago. It is one of the biggest issues; succession planning for the industry and encouraging young people into the farming sector. It is certainly on the agenda for the Skills Board to address, to look at ways in which training schemes can be put in place to help encourage people into the agricultural sector. Of course, all the work that we are doing and indeed this particular strategy and the one that is currently about to expire, also looks at ways in which local businesses can be supported to have long-term sustainable futures because if there is not the ability to earn then again it is difficult to encourage people to go into the industry; if they cannot earn a decent living from it, notwithstanding obviously those individuals that enter into farming from more of a social perspective. The actual business and career future needs to be worked on and skills is a key area to that. Making the businesses sustainable and profitable is also important.

**The Deputy of St. Mary:**

So are you satisfied that the education and training that is available is adequate in this area?

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

I am not satisfied that that was the case going back a few years. I think - and this is a point that is relevant from a succession planning point of view across the States as a whole, never mind a particular industry - that perhaps succession planning has not been taken seriously enough and opportunities for effective and proper training have not necessarily been as effective as they could have been. I think now the point is recognised and there are moves afoot to address that issue but, of course, it takes time; certainly to feed through with young people into a sector.

**Deputy R.G. Le Hérisier:**

Of course, the traditional way of moving in through inheritance is obviously not working in the way it did. Do you still see an industry that is viable and sustainable which does not have to rely on the inheritance of property in order to become a farmer?

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

Well, you are referring there presumably to the opportunities without being a landowner but being perhaps a tenant farmer.

**Deputy R.G. Le Hérisier:**

Or a property owner, a farmer.

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

Yes. I think so. I mean clearly the cost element in terms of getting in is difficult for somebody who has not got the opportunity of inheriting some land but there have been different schemes put in place where help people to get involved and encourage, indeed, people to get involved, like in the small holding initiative which has seen ...

albeit a smallish number, but at least it is encouraging some people to get involved in agriculture that perhaps would not have done so previously. I think those type of initiatives on top of encouraging young people are going to have some benefits in helping with sustainability.

**Deputy R.C. Duhamel:**

I think it goes further than that. I think with modern lifestyles affording people perhaps a greater opportunity to have extra hours on their hands for leisure pursuits, I think there is a real radical, perhaps by some, opportunity for us to square the circle and encourage community farmers whereby the resilience and longevity of those farmers is built into the appreciation of the community in supporting the farmer in growing their food and assisting him to do it. If you could build it in like that then inheritance will be coming into the picture.

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

It was one of the reasons that I was driver behind the move towards allotments. I think it was an important initiative to take, to encourage people and give them the interest in the land.

**Deputy R.G. Le Hérisier:**

But we seem to have, again, another conflict here. We have the Assistant Minister saying: "Let us get more diversity. Why have we allowed this almost inexorable move to a single crop industry" and so forth. On the other hand you, Mr. Minister, are saying that the market must sort of decide. I mean, could we end up on an Island where basically it is one big farm or 2, one for dairy and one for potatoes, and the 2 are run, each of them, by professional managers with imported labour providing all the workforce?

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

Well, you have seen through economies of scale a move towards, you know, 2 large operators in the potato sector. You have seen the dairy industry redefine itself in terms of larger herds being the ones that are showing the greatest level of profitability. Interestingly, if you look at the dairy market, profitability on average is 6 per cent across the piece. But if you take the top third, it is 15 per cent so the bigger operators are showing economies of scale and higher levels of profitability. But, of course, in agriculture, there is more than just the commercial element, as I said right at the beginning, and this is an underpinning theme, as far as I am concerned. You have a lot of other individuals that partake in agriculture not necessarily purely from the return they are going to get but it is a lifestyle choice that they have made and I think that is important and that must be supported.

**Deputy R.G. Le Hérisier:**

So you are, or the Skills Agency acting upon your encouragement and advice, as far as you are aware, they are providing the right kind of training, the experience, mentoring for people who wish to enter farming, albeit without a property behind them. What about the operatives in the industry? Thirdly, we have been told of a grant anomaly whereby those aged 16 to 18, if they wish to enter their agricultural training at 16, they do not get any money from the Jersey authorities to do so for those years between 16 and 18 whereas, when you start your degree at 18 or 20, you do.

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

Just to clarify the first part of the statement you made there with regard to the Skills Board, looking at this issue. They are, at this stage, just looking at what improvements can be made to the opportunities for training and skills and, as I said, also as part of my answer, that there is more work to be done there. So it is not all singing and all dancing as it should be at the moment, but it is certainly an issue that is on the radar and important to address. The issue about the 16 to 18 year-olds, I am not familiar with that. I do not know if you can add anything to it.

**Director, Environmental Management and Rural Economy:**

It is certainly something that the dairy sector has identified but, at this moment in time, the current Rural Economy Strategy does not have a mechanism for dealing with that particular issue. What we are saying, in the Rural Economy Strategy is skills and the ability to succeed into a business as a starter is a barrier to productivity, so we do feel it is Government's role to address some of those issues but, as Alan says, Skills Jersey is looking at skills gaps and taking a view and, in my view, it is appropriate that the appropriate authority deals with that particular issue.

**Deputy R.G. Le Hérisier:**

They posed a problem but they also put forward a possible solution that the Howard Davis Foundation which, of course, is going to start benefiting from the dairy, might well provide some of the funding, but it still remains an anomaly.

**Director, Environmental Management and Rural Economy:**

If you look at the numbers, effectively, there are 100 people claiming the single area payment, less than 30 dairy farmers. It is not huge cash, I do not see this as an insoluble problem, I think the issue is whose problem is it. At the end of the day, I am schizophrenic about it: succession planning is the Government's job. What Government's job is, in my personal view, is to make those industries as profitable as possible so that they are attractive places for people to go to.

**The Deputy of Grouville:**

We are nearly 4.00 p.m. so we have nearly got through 2 hours. I just wondered if you wanted to ask about food security ...?

**Deputy R.G. Le Hérisier:**

Yes. I wonder again, another broad question but there was a feeling that the report, I suppose, should have been animated by the emerging issues, my colleagues mentioned peak oil and obviously, linked to that, is the whole issue of food security, moving towards, obviously, the growing of much more for the local markets with the diversification that the Assistant Minister implied. What priority do you give to food security and self-sufficiency as an objective?

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

It has got a high priority as far as I am concerned, I think it is important, and it is certainly an issue that I have discussed in the past with Dan and the team and I think there are a number of areas in which we hope to influence it. First of all, the strategy as a whole and the support we give to the agricultural sector clearly underpins the basis that we are keen to see more locally-grown produce and that it is viable and so on. You see it displayed in farm shops and we certainly do as much as we can to

influence, for example, the supermarkets to stock and sell local produce. 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.

**Deputy R.G. Le Hérisier:**

We did have an allegation that, in terms of one of the supermarket groups, they were not informed and, certainly not in the initial stages, tightly linked into the Buy Local campaign. Have you managed to rectify what appears to have been an oversight?

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

I am surprised if you say that. Can you indicate which supermarket group it was because ...?

**Deputy R.G. Le Hérisier:**

No I will not, to protect the innocent. [Laughter]

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

Simply because, if you are talking about, which I assume you are, one of a duopoly of supermarkets that we have at the moment, certainly conversations that we have had both were involved in, and actively involved in, the Think Twice Buy Local campaign and stock goods supplies ...

**Deputy R.G. Le Hérisier:**

Right from the conception of the scheme.

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

As far as I am aware and I would be disappointed if that ... and certainly, out of this forum, if you would be happy to speak to me privately, I would be very interested to know what you have learned, because I know nothing ...

**The Deputy of Grouville:**

You can probably read the transcript.

**Deputy R.G. Le Hérisier:**

It will be in the transcript.

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

Right. I would be extremely interested because, as far as I am aware, the 2 principal supermarket groups in the Island have, from the beginning, been involved and active in that scheme and, if that is not the case, I would certainly like to know about it.

**Deputy R.G. Le Hérisier:**

The other point that was raised, and we may as well raise it with you, not for a solution necessarily now, was breaking into the supply chain of M.&S. who have obviously become a very big operator on the Island with food shops, and apparently it is not possible under their current supply-chain arrangements to break into that supply chain as a local producer here. Are you working on that at the moment?

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

There have certainly been discussions with Sandpiper, as you know, who have that particular brand. There are, in some respects, what some might describe as curious situations of potato production packaged off to the U.K., back, never mind footprint and all the rest of it, which is an issue and certainly they are aware of it, it is not necessarily easy to resolve but it is being looked at.

[16:00]

**Deputy R.C. Duhamel:**

I was just going to say, I think addressing people, on whatever the considerations, is just another way, I think, of mankind, to really go wide in addressing another fundamental problem which is that, for a long while, we have laboured under the premise that the countryside was for the farmers to produce our food and we are quite happy to accept that milk comes out of packets rather than out of cows, and we want to pay the cheapest price for it. I think that is possibly changing and the new kind of radical vision on the block, which is picked up in part by this new document, is to suggest to people that perhaps we may have to go back to the way we were doing things, at least in part, and that essentially does not mean agreeing that a catastrophe is going to happen, we are all going to die tomorrow, or whatever, it means that there will be more people taking an active interest in growing their own food and being part of the countryside into the future than has hitherto been acceptable. We can see it happening, so there is going to come a point at which, if we have got 30 dairy farmers, as you were saying, when we do we start to say: "Well, the system that we are operating under is not the right system and we are down to 5 or 2 or one." It is showing us, fundamentally, that something is wrong and causing us to consider problems that can easily be solved in a different way by getting more people to take an active interest. I would just like to finish on a suggestion that we all would wish to spend some of our spare time on doing things on the agricultural front, and I have to refer to Deputy Le Hérisier's suggestion that he comes out with a lawnmower, perhaps he could mow the grass at Howard Davis Farm, that would be very good, because apparently there are not enough funds for us to expand from our natural lawn system that we have got this year to one that is probably more cultivated. But we will have to see what happens. So I think everybody would like to spend a bit more time on that and there is a valuable question, I think, that has to be addressed through the strategy to put more people back on to the land to get them to appreciate the value of food and food production.

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

There is a tension, of course, between food security and, of course, price because there has been a drive, and the supermarkets are in some respects the culprits of this, as they have sought to drive prices lower and lower and, of course, the consumer wants the lowest price they can possibly get. To grow your own and do it on a small scale is, or tends to be, more costly and, of course, you have the pressures there between the consumers' wants of more choice and lower prices and more ...

**Deputy R.G. Le Hérisier:**

Yes, better quality.

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

Yes, indeed, better quality but it comes down to affordability. So there are some difficult tensions there. It does not mean they should not be addressed but there is not always an easy answer to some of these issues.

**The Deputy of Grouville:**

The farmers' markets here, you are supportive of them, are you?

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

The farmers' markets, yes.

**The Deputy of Grouville:**

Because when we have the French market over it virtually kills our own market here for the weekend and I think this is supported by the tourism budget, is it?

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

Yes. But do not forget farmers from here go across to France as well, so it is a 2-way channel, and there is a lot of work in terms of opening up export markets. So if we go and visit France and go to markets it is not unreasonable they should come here and, of course on top of that, consumers are very keen to have the diversity. They come for a very short period, a weekend or whatever it happens to be, so there are 2 sides to an argument in this regard.

**Deputy R.C. Duhamel:**

That shows that there is a niche market for the products that the French or others are bringing in. I noticed particularly that people make a beeline for the tomatoes; we have lost our tomato industry, all but, and yet we are bringing in fancy vine tomatoes from France.

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

Yes. Specific French products tend to come to these markets, largely. There are some products, clearly, they bring across that are available locally as well but you do get a greater choice, perhaps.

**The Deputy of St. Mary:**

Going back to what Dan was saying a while ago about support for the industry and to parity with the U.K., he spoke quite a lot about the U.K., suggesting that parity with the U.K. was where we should be. But we have a structural disadvantage in that we are an Island, we also try to do a lot of benefits with our agriculture that other places might not take so seriously, like a beautiful countryside that is well managed. So those will end up as costs. Is parity to the U.K. a right target or is there not something ... and we are also much richer than the U.K. ...

**Deputy R.C. Duhamel:**

That is why I was making a comment to ...

**The Deputy of St. Mary:**

I am not addressing it to you, I am addressing it to the Minister, sorry.

**Deputy R.C. Duhamel:**

That is why I was making the comments I was making in relation to the question of the ... Protocol, my brain's gone ...

**The Deputy of Grouville:**

It is Protocol 3.

**Deputy R.C. Duhamel:**

Protocol 3 in that there are marked differences in an Island economy compared to an even bigger island economy 100 miles to the north.

**The Deputy of St. Mary:**

Because we are an Island, in one respect, and outside the E.U., we are very rich and yet that creates a problem for us in agriculture being an Island.

**Deputy R.C. Duhamel:**

I think fundamentally we cannot go too wrong if we are raising the ante in terms of establishing higher quality across the board in everything we are doing and we do not always allow that to be looked at if you take a too-limited view at the bottom line.

**The Deputy of St. Mary:**

But the implication of that is ... my question stands about is parity to the U.K. in terms of support, and that appears to me to be because of the overall context, a correct political target in terms of the support to the industry?

**Deputy R.C. Duhamel:**

I think we should be using agricultural metaphor(?) because there are differences and what we have said is that there are differences in scale that have come about because we are 45 square miles, or whatever, and ...

**The Deputy of St. Mary:**

And we have these small fields as well and we want to keep people on the land.

**Deputy R.C. Duhamel:**

That is right. So there is absolutely no way that we should be taking on board hand-me-down formulaic approaches dealing with situations that are perhaps best dealt with in that way. We are not big enough.

**The Deputy of Grouville:**

It has gone past the hour we were allocated so I would like to thank you all very much but, before then, if you have anything that you would like to say ... you have not said much at the other end of the table; if you would like to make any comments that you feel have been missed.

**Research Officer/R.E.S. Project Implementation Manager:**

Being a project manager, I make sure that consultation responses come in, or come out on the timetable, as I mentioned before. I was just waiting to see if there were any questions in relation to that, I am quite happy to answer them.

**Protection Officer:**

The soil and water thing that you were referring to is covered further in the Environment Plan, which is one of the options we are looking at doing some further research into, both soil nutrient status and also prevention of leaching by nitrate and other agricultural nutrients, which is also obviously intricately linked with the quantities in soils. Also, pollution incidents, you mentioned right at the beginning, why are they not key performance indicators; they are recorded elsewhere, we have very good statistics on that kind of thing, but they should not be a regular occurrence and they certainly should not be part of what is happening within agriculture. It is diffuse pollution that we are looking at more in this context so that is why it is not reported.

**Deputy R.G. Le Hérisier:**

Just a quick question on consultation, we were going to ask something and then we got side-tracked. Has it gone as you wished, do you feel you have had a broad enough range of views that have been sent to you in the depth you expected?

**Research Officer/R.E.S. Project Implementation Manager:**

Yes, I think we have had a great ... definitely, yes. We have had 26 responses in total, 6 of which were major industry players: we have got the J.F.U. (Jersey Farmers Union), Albert Bartletts, Jersey Royal, National Trust and, as you know, the joint submission from the R.J.A. (Royal Jersey Agricultural) and Milk Marketing Board so they represent not just one individual, they represent a mass of growers. For example, Bartletts have 13 growers on their books at the moment so I believe that we have had a great response to the consultation.

**The Deputy of St. Mary:**

But outside the industry, do you think it is adequate, because that is 20 responses that are not what you call major players. How many of the 20 are also within the industry?

**Research Officer/R.E.S. Project Implementation Manager:**

There are probably, say, about 10 of those within the industry and a couple of those that are young adults who are likely to start up or who are starting up.

**The Deputy of St. Mary:**

So there are 10 from the public, if you like.

**Research Officer/R.E.S. Project Implementation Manager:**

Yes.

**The Deputy of St. Mary:**

Do you think you would have wished for more?

**Research Officer/R.E.S. Project Implementation Manager:**

I believe we have given everybody the opportunity to respond and those who have done so have done so. We have had open-door sessions up at the Howard Davis Farm, we have given public presentations to States Members, we have had a targeted radio series on Radio Jersey in the mornings on the C.R.S., the R.E.S., for a 2-week period, so I believe we have done what we can to reach the public and industry.

**The Deputy of Grouville:**

Okay. Thank you all very much for coming.

[16:10]