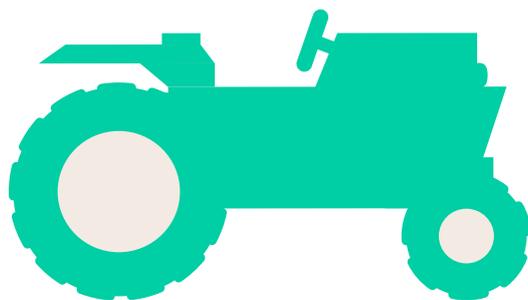


# SUSTAINING THE HEARTLAND

**Challenges of rural communities, farming  
and agriculture**



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## INTRODUCTION

The British countryside is almost as diverse as it is beautiful, over three-quarters of England is farmed, the way that farming is carried out has a big impact on whether our landscapes deteriorate or flourish, a large amount of this can be determined by acknowledging the importance and reality of rural communities and supporting the countryside. The government is planning changes to policies, these changes should support farmers, tackle chronic connectivity in rural communities, improve and preserve landscapes, restore wildlife, protect the environment and build countryside character.

Any legislative changes should be tailored to reflect local character, working with local areas and communities. We should see this time of political uncertainty as an opportunity to regenerate outdated rural policies and support the rural communities of the United Kingdom.

Lack of investment from consecutive governments in agriculture and rural affairs has left rural communities severely challenged. The heartland of the UK is being forgotten and neglected, and became a blind spot by the Westminster bubble. Food and farming is the bedrock of our economy and environment, with agriculture having been the backbone of Great Britain throughout history as the oldest industry in civilization.





## THE REALITY OF RURAL COMMUNITIES

Rural communities extend beyond agriculture and farming, with increasingly prevalent challenges to entire lifestyles and livelihoods in the countryside. The increasing challenges to agriculture and providing a profitable income from farming, has seen farmers trying to diversify and re-invent the use of land. According to government figures, farmers and rural residents recognise the necessity of diversification of farmland, with 62% of UK farmers having to diversify alongside running a traditional working farm.

Rural areas are now more than ever incredibly diverse and affected by a wide range of sectoral policies beyond just agricultural policy. Government's rural policy should go beyond farming and environment and seek to integrate a wider variety of policies.

From infrastructure challenges to poor digital connectivity, the day to day rural life can be difficult. Market towns across the countryside are watching the death of the highstreets, supermarket price wars and the diversification of shopping habits. Rural transport links are lacking, with many reliant on poor bus routes, as rail links are few and far between. Rural areas are challenged by poor connectivity, slow broadband, less bandwidth, and problematic mobile and TV reception.

The reality of rural communities is a state of crisis with regards to rural transport and connectivity, with bus cuts and shrinking transport networks, communities across the British countryside are being cut off, unable to access jobs and services, all while facing increasingly congested roads. Poor public transport impacts the health and wellbeing of communities and rural economies, the state of transport in our countryside calls for urgent reform and support on a national level.

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The cost of both road fuel and domestic heating energy are also significant issues in rural communities, particularly in remote areas. Road fuel prices tend on averages to be slightly higher in rural petrol stations, although the differential varies across the country depending on factors such as local competition and remoteness. In addition to having to pay higher fuel prices, rural residents generally travel further distances on a day-to-day basis and are less able to have access to public transport. Similarly rural households tend to pay more for their heating than their urban counterparts, leaving fuel poverty rates much higher in rural areas. The Government needs to help rural communities find solutions to fuel poverty, improve transport options and become more energy efficient helping reduce energy bills. Research released earlier in 2019 by Rural England CIC revealed that rural communities suffer hugely from rural mobile signals and broadband lines, finding that mobile calls cannot be made inside 33% of rural buildings on any network vs 3% in urban premises. The report also found that a 4G connection cannot be accessed in more than half (58%) of rural premises, compared with just 17% in cities. According to the research, less public funding is direct towards rural residents than urban areas, despite the higher cost of providing essential services such as public transport, connectivity, education and social care in rural parts of the country.

Issues facing rural communities aren't just limited to transport, connectivity and fuel costs, in the case of an emergency residents of the British countryside can wait over 50% longer for an ambulance than their urban counterparts. The poor emergency service coverage and demand on health services in rural areas can make the difference between life and death.

Nonetheless, across the United Kingdom, rural residents are emphasising community and the importance of people. From country shows and farmers markets, to the revitalisation of local eateries and pubs, to local authority schemes, like Discover Our Lands supported by Northumberland County Council. All community encouragement can help the rural community and lead to investment in our countryside towns.

Whilst the countryside is often regarded as a desirable and idyllic place to live, people living in rural areas are often at a disadvantage financially and socially because of low wages, lack of access to transport and other services, high cost of fuel, and taxation.

## THE REALITY OF AGRICULTURE AND FARMING

Whilst only 17% of the British population live in the rural area, 70% of land in England is farmed. British farmers create a countryside that works for everyone, providing raw ingredients for a food and farming sector worth £122 billion and employing over 4 million people. Agriculture's importance to the UK economy is emphasised by the fact that the UK has 142,000 farm businesses. That's more than the number of businesses involved in the motor trade, education, finance and insurance.

British farming provides 60% of the food eaten in the UK. 64% of all farm businesses in England also run other enterprises generating an income of £620 million in 2016/17 to the UK economy. British farming delivers thriving rural communities, providing jobs and driving rural growth both in food production and in diversified industries such as renewable energy and tourism.

Nonetheless, British farming is facing an increasing challenge. Being pushed to transition to sustainable farming, gradual banning of more chemicals, rise of veganism, proposal of meat tax, lack of local produce support, and increased pressure for environmental preservation.

Farm Business Income (FBI) varies greatly with 14% of UK farms failing to make a positive FBI in 2017/18 while just under a third of UK farms had a FBI of over £50,000. Total Income from Farming fell by £929 million (17%) to £4,697 million between 2017 and 2018 in current price terms.



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UK Beef producers are facing a crisis from a sustained price drop by £115 per head, whilst other costs, like feed and fertiliser, are increasing. Beef prices have hit a five-year low; two-year-old stores sold through the auction marts have recorded declines across all categories with continental-types down the most on a £ per head basis. Hereford crosses have held up the best with the average price actually rising in the first few months of 2019, where all other categories generally declined.

The NFU has called for red meat processors to work in partnership with AHDB to deliver new marketing and promotion activity for British beef products, as prices remain dangerously low. Retailers play a large role in the consumption and procurement of products, the impact of the supermarket shopper has left British beef farmers and local butchers struggling to compete in the struggle of convenience vs. quality.

The role retailers can have in creating consumer demand for British beef will help secure long term sustainability of the industry if approached successfully. However challenges aren't solely facing beef farmers, British sheep farmers are also facing very serious challenges. Prime Minister Boris Johnson has warned that 40% tariffs on meat exported to the EU could lead to the mass slaughter of sheep. In a no-deal scenario, beef and sheep exports could decline by 92.5%, and the 37,000 carcasses a week that are usually sent to Europe would be stopped overnight due to EU import rules. One possibility is that the Government could consider cold storage and encourage public procurement of lamb meat, as well as tabling the discussion of state aid to support farmers, some of whom earn as little as £13,000 a year.

In contrast countries like New Zealand, where farmers are well cared for and trade deals with countries like China work well for farmers, the price of lamb is approximately £5 per kg dead weight, in comparison to the £3.78 per kg in the UK.

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In sharp contrast to the current declines year-on-year for prime cattle by 12% and prime lambs by 6%, the pig sector are benefiting from a slow and persistent rise in farmgate prices which have climbed 10% since the beginning of April 2019. The outbreak of African Swine Fever in Asia generated an extra trade in pigmeat, with total exports outside of the EU by EU member states increasing around 175,000 tonnes during this period. However it is this growth in exports to Asia that is balancing the home market where retail demand is still a challenge.

The UK poultry sector has also seen an increase in the number of broiler and layer units alongside further concentration of the processing and packing sector. British farmers and vets set an excellent example for others around the world when it comes to the use of antibiotics in farming. Antibiotics for food producing animals has been reduced by 40% over the past 5 years. With a further target being set to reduce the UK antibiotic use in food-producing animals by 25% between 2016 and 2020 through implementation of agreed industry targets, with new objectives for each animal sector being set by 2021. However, increased legislation and regulations can often lead to further expenses and challenges for farmers.

There are currently around 1.8 million dairy cows in the UK belonging to 14,550 dairy farms, with around 2 million dairy calves being born in the UK each year. The dairy industry is the single largest agricultural sector in the UK valued at £3.8billion, with an annual milk production of around 13.5billion litres, accounting for around 17% of the UK agricultural production by value. Since 2017 lower costs have seen profits driven up on the top dairy farms, regardless of calving pattern. Although a typical UK farm compared well on overhead costs, but spent considerably more on machinery than its international In addition in recent years there has been a 24% decline in greenhouse gas (GHG) emissions associated with milk production.

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In addition to the challenges of meat and dairy farming, arable farmers are also facing issues. Inflationary pressure is growing, increasing pesticide restrictions and inconsistent British weather, leaves arable farmers stressed, over-worked and underpaid.

Arable farming has a lot to offer in terms of public goods, particularly long-term soil health and preservation of British countryside, as well as cover crops, but this work could not be done without Government support. The UK has a global obligation in supporting its arable production. Globally, Brexit might not be the biggest concern to British arable farmers, bigger concerns could present themselves from China, the USA and the role of Russia.

Nonetheless, EU-27 is a very important exporter of the agri-food products to the UK (40 Billion Euros in 2017). As from the date of Brexit the UK would become the main agri-food partner of the EU in both terms of exports and imports. EU member states export significant volumes of agri-food products to the UK, thus a good deal with the European Union is not just vital for British farmers but European farmers too.

The UK government plans to replace the EU farm subsidies with a 7-year transition scheme for farmers' funding from 2021, during which direct payments from the state will be reduced and tied more closely to delivering environmental and other 'public' goods. To this end it is vital that the government encourages sustainable farming methods. The increase in atmospheric concentration of CO<sub>2</sub> by 31% since 1750 from fossil fuel combustion and land use change necessitates identification of strategies for mitigating the threat of the attendant global warming. Emissions due to land use change include those by deforestation, biomass burning, conversion of natural to agricultural ecosystems, drainage of wetlands and soil cultivation.

However, through a more sustainable farming approach it is possible to restore degraded soils, enhance biomass production, purify surface and ground waters, and reduce the rate of enrichment of atmospheric CO<sub>2</sub> by offsetting emissions due to fossil fuel. A considerable amount of this can be achieved through resorting the soil by conversion of marginal lands into restorative land uses, adoption of conservation tillage with cover crops and crop residue mulch, nutrient cycling including the use of compost and manure, and other systems of sustainable management of soil and water resources.

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The Environment, Food and Rural Affairs Committee has launched an inquiry into achieving net-zero emissions for Agriculture whilst maintaining food production. In June 2019, the British Government legally committed the UK to reaching net-zero greenhouse gas emissions by 2050. The agriculture sector accounts for approximately 10% of the UK's GHG emissions, however the rise of veganism and environmental activism disproportionately blames the agricultural industry for GHG emissions, when in fact other industries, including transport (27%), energy supply (24%), business (17%) and residential (15%), are all higher contributors to greenhouse gas emissions in the UK. Globally the UK only attributes to 1.1% of global carbon emissions.

A key challenge facing British agriculture and a very real reality to British farming is the need to de-couple production from environmental impact so that production can be increased whilst reducing the overall environmental footprint. This is where sustainable approaches to farming can come into play, sometimes referred to as sustainable intensification. Farm practices and the use of inputs (like fertilisers and pesticides) directly influence the environmental pressures from farming. The need for pesticide usage varies from year to year depending on growing conditions, particularly weather. In recent years cereals accounted for the majority of both treated area and the weight of pesticides applied to arable crops in the UK. Nitrogen and phosphorous are key nutrients needed for crop growth. A comparison of soil nutrient balances (in kg per hectare) from the year 2000 to 2017 show a 19% decrease for nitrogen and a 38% decrease for phosphate.

A deficit in either or both of these nutrients can have a negative impact on crop yields and levels of production. Thus requiring application of fertilisers as the main source of these nutrients. Annual levels of use of nitrogen and phosphate application are influenced by fertiliser prices, crop prices, crop type and weather related issues during the growing season, for example the drop in nutrient application rates in 2009 was related to high fertiliser prices. The success of UK agriculture depends upon healthy soils; they are arguably a farmer's most valuable asset. Furthermore, sustainable farming methods is an avenue that should be encouraged by the British government and farming organisations like the National Farmers' Union (NUF).

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The reality of British agriculture and farming paints a very challenging picture on several fronts. With low incomes, high taxation and a revenue source dependent on a good harvest, the case for state aid in agriculture is strong. Farmers face increasing challenges particularly from government legislation, whether in the form of chemical restrictions, change in farming practices, environmental impact legislation, or taxation. Life in rural communities is difficult.

## CONCLUSION AND RECOMMENDATIONS

Farmers are already up against it, constantly battling tight overheads, increasing regulations and decreasing subsidies. In April the House of Lords called for a radical rethink on rural policy, as the British rural economy is being ignored and underrated. Government taxation prevents British farmers from profitable success, whilst Government subsidies enable below-average or average farmers to live a comfortable lifestyle.

This paper calls on central and local government, together with organisations like the NFU, to think about the changes that would improve rural communities and the state of national agriculture.

## WE PROPOSE

1. Government should help develop a dynamic, innovative sector, accessible to new entrants, by developing measures, which reverse the loss of farms, particularly small ones.
2. An evaluation of subsidies, grants and taxation affecting farmers and rural communities should be carried out in order to support profitable sustainable farming practices where possible. For arable farmers, opportunities to sequester carbon through use of cover crops and to be less 'intensive'.
3. A national, industry led initiative to ensure better government support for farmers and the best possible trade deals for the industry.
4. More work to incentivise public procurement of local produce and meat.
5. State aid for farmers.
6. Rural community support, for businesses and residents alike. Concentrating on better connectivity, transport and small businesses.

