

North Yorkshire County Council
Overview and Scrutiny Committee

New Opportunities for Agriculture and the Rural Economy

Introduction

The vote to leave the European Union provides a wide range of opportunities to improve the rural economy but there are also concerns about the future of areas such as the more remote upland areas.

North Yorkshire and the East Riding of Yorkshire include two National Parks and three AONBs and have diverse landscapes and agriculture types from upland sheep farming to high volume grain production. The area also has some world class agri-food establishments such as FERA as well as food manufactures and brewers. This paper highlights how the development of the rural economy can be improved as a result of leaving the European Union and also our concerns for the future.

The thoughts and ideas in this briefing follow discussions with a number of agencies, farmers and the NFU.

Stronger Dynamic Rural Growth

YNYER LEP is committed to the development of a higher value economy driven by a successful agritech sector and also through support for our growing market towns. We need to maximise the opportunities where our area's assets provide a distinct competitive advantage for sustained growth and the creation of well-paid jobs. This requires ambition, focus and persistence.

- Our greatest distinctive strength is our assets around agri-food and biorenewables and bioscience. These are key UK growth sectors, with the potential to lead on an international scale. We believe that by shifting focus towards the infrastructure that supports whole production chain the benefits for jobs and wealth creation will be stronger.
- The provision of superfast broadband is becoming a basic utility that without it restricts the growth and location of businesses and limits access to education, entertainment and employment. Investment in broadband and mobile connectivity is essential for growth in rural areas.
- It is appreciated that immigration has been a contentious issue but appropriate levels of immigration into rural areas are necessary for the rural economy as immigration is vital to support the hospitality and tourism industry and also key agricultural sectors such as horticulture.
- Market towns are the key driver of the rural economy providing housing, jobs, education and leisure for a large rural hinterland. The approach through CAP is focused on individual farms and was designed specifically not to support market towns. By placing a greater focus on the economic development of market towns greater prosperity over a wide rural area is possible.
- There is a need to consider the long term purpose of the uplands in the same way as there is planning for urban development. The piecemeal nature of support for rural

areas without any overall direction does not allow for the development of infrastructure that supports the wider economy.

Greater Environment for All

The rural uplands in North Yorkshire host two national parks and three Areas of outstanding natural beauty and they are centres of biodiversity, carbon storage, internationally important landscapes and centres of tourism. CAP and in particular the agri-environment payments have been designed to maintain this landscape although important we feel there are ways in which this can be improved.

- There are genuine fears that without some type of payments to support marginal farming the uplands will revert to wilderness or that a ranging style of farming will be introduced. Currently funding via the Common Agricultural Policy provides upland farmers with 30% of their income which is essential to their survival.
- If we are to have a vibrant rural tourism industry it is essential that what makes the national parks special is preserved. There is a direct cost of maintaining the landscape to the standard that we expect. Too little farming and the land will revert to a wilderness but this is not what the many tourists who come to the uplands expect.
- The current system is regarded as complex, unpredictable, inconsistent and bureaucratic. There is concern from many farmers that although payments are made to most farmers, that some are not delivering the basic outputs for which they are being paid. This is a poor use of funding which could be focused on funding significant change as many farmers are finding that the current environmental stewardship schemes barely covers the cost of maintaining dry stone walls.
- A move to payment by results for agri-environmental schemes would allow the better targeting of resources and also control of the outputs such as flood prevention and tourism support.

Greater Productivity and Strong Farm Businesses

We believe that it is possible to reach a balance between higher productivity and the environment. In recent years the level of production in hill farms has moved from too many stock and overgrazing to a position of too few stock and shift to wilderness.

- By linking bio tech research and wider best practice we can focus on farm modernisation including genetics in all sectors and we feel that North Yorkshire and East Riding are well placed to play a leading role.
- Any grant regime need to focus on measures to improve productivity along the supply chain from the farm to the food manufacturers. Whether it is farm based infrastructure, the abattoirs and the development of food standard business parks effort in these areas should be able allow farms to raise their productivity.
- We would be interested to work with the Government to explore how tax regimes and planning laws could be amended to encourage growth in productivity. For some it might be to diversify away from farming and others it may be for greater intensity.
- For farm businesses to succeed in a low subsidy environment farmers require professional business advice and a business plan led approach. In the last year a

project in the Yorkshire Dales National Park and the North York Moors National Park has seen 50 farm businesses develop business plans to improve their overall business. This model could be replicated.

- There are a number of different agencies each with their officer who provide advice to farmers and it is desirable to move towards a single point of contact in order to cut costs throughout the system and reduce confusion. This is a possible area for discussion through the devolution process.
- Investment in collaboration such as farmer's networks is a more efficient approach to spreading knowledge and reducing costs than long term support for individual farmers and should be encouraged.
- The structure of CAP has had the unintended consequence of raising the value of agricultural land and also rents. This has resulted in the cost to new entrants entering farming is too high and tenant farmers increasingly uneconomical. Any new model will need to support the business and not reward non farming landowners.
- The Protected Designation of Origin and similar schemes, although the benefit can be highly focused, where it is applicable it can have a significant impact to support the agricultural sector. In the case of Wensleydale the protection of the cheese name has seen a revival of dairy production in the Dale creating and supporting jobs that if they were not in the area would damage the Dale economically and socially.

Lighter Bureaucracy

There is a very clear perception that the level of bureaucracy, the related costs and the tiers of decision making leads to unnecessary costs and a loss to the public purse. It is appreciated that it is necessary to have a level playing field but at the same time decisions of schemes and funding are taken too far from the point of impact to know about the circumstances or how the intervention fits with over organisations activities.

- The costs to farmers in meeting the requirements of the strands of the common agricultural policy are high and as already discussed when the financial position is so precarious the risk is so much greater. As an example the degree of uncertainty of success through RDPE process deters some farmers from seeking to improve their business. A simpler, local scheme such as the sustainable development fund could be adapted to allow straight forward approach that meets an area's needs.
- There is an opportunity to look at the wider costs related to farm including animal registration. Alternative approaches such as building on the farm assured scheme so that an audit approach may be as effective but lead to simpler and cost effective process.

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