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## Lords' debate on Agriculture and DEFRA December 6 2007

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### Agriculture: Defra

11.47 am

**Baroness Shephard of Northwold** rose to call attention to the role of the Department for Environment, Food and Rural Affairs in securing the efficient and effective delivery of policies and funds that support and promote the farming industry in the United Kingdom; and to move for Papers.

The noble Baroness said: My Lords, I am delighted to have the opportunity to introduce this debate today. This House has always taken a serious and knowledgeable approach to agricultural and environmental matters and we have in today's debate many expert speakers. The contribution of the right reverend Prelate the Bishop of Carlisle, who is making his maiden speech today, will be especially welcome. It is also good that the noble Lord, Lord Rooker, will be replying to the debate. He is rightly a popular Minister in this House, and within the industry is known as someone who listens.

Today's debate focuses on Defra's role with regard to the farming industry, but Defra's overall responsibilities are very broad and could hardly be of more importance to our nation. Its responsibilities include preparing for the greatest global challenge that we have known—climate change—protecting our national environment, ensuring a safe and sustainable food supply and supporting those who care for 75 per cent of the nation's land surface. These are enormous policy areas.

When Defra was created in 2001, we were promised that it would provide a strategic and joined-up approach across government—something that I warmly welcomed at the time. I also hoped that the creation of a larger department would give the important issues with which it dealt more salience across government and its Ministers more clout than their MAFF predecessors had. Bringing together different Whitehall cultures is not easy, but Defra officials continue to provide highly specialised expertise at every level, for which I had every reason to be grateful during my brief and now distant time at MAFF in the 1990s.

That expertise is needed in every policy area, because MAFF had and now Defra has to wrestle on a regular basis with natural disasters such as floods, droughts, other environmental events, outbreaks of animal disease and food scares. This year alone has seen them all in abundance: the severe flooding in the summer, foot and mouth twice, avian flu, bluetongue and bovine TB. The department's experts will have been in overdrive. At the same time, they will be conscious, as are we all, of the effect of these disasters on a farming community

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already battered by the after-effects of the last FMD outbreak, swine fever, extreme weather conditions and now, with the livestock sector in crisis, very high world commodity prices.

To deal with this, Defra needs to be efficiently run and well resourced and it needs to have the clout to deliver an effective and consistent strategy across Whitehall. How are we to judge the efficiency of Defra? Is it well run? Is it able to cope with the crises that are part of its daily expectations? Does it help or hinder? Sadly, we have examples over the past year or two of problems for farmers arising from Defra itself. The most obvious are the single payment scheme and this summer's double outbreak of foot and mouth emanating from the government-licensed laboratory at Pirbright. I will address those briefly, as noble Lords will have other examples.

As is well known, in 2005 Defra chose, against EU advice, to adopt a dynamic hybrid system to make single payments. According to the March 2007 EFRA Select Committee report, it did so,

“in the knowledge that it was inherently more complex and risky”,

than the historic approach, and with no proper appraisal of the volume of work that would be entailed. In the event, the financial loss to English farmers of the whole sorry saga has, according to the National Audit Office, amounted to between £18 million and £22 million. Of course, some farming enterprises have been ruined, but the stress and frustration to almost all farmers is difficult to quantify. The Minister has been very open with the House on the problems caused by this episode. He will certainly accept the EFRA Select Committee's view that that decision was,

“a fundamental failure by Defra to carry out one of its prime tasks”.

August's foot and mouth outbreak at the government-licensed laboratory at Pirbright has done little to enhance the department's reputation for efficiency, nor has the second leak

of virus from the same premises announced a couple of weeks ago. The independent inquiry by Professor Spratt of University College London concludes:

“An accidental release from a high security containment facility is of obvious concern to the public and raises issues of public trust in both science and Government”.

I know that the Minister will wish to point out that Defra is not the only government department with problems, either now or in the past, when my own Government were in power, and he will be right. But he is also fair enough to accept that the farming industry has enough problems without Defra adding to them, as the NFU continues to point out.

Given that Defra deals with issues of enormous national and international importance, such as climate change and flood defences—all government priorities—adequate resources are clearly essential. Last year, Defra had to impose in-year cuts on, among other bodies, the Environment Agency. That turned out to be a short-term view, given what happened in the summer. Now Defra faces cuts of a further £270 million in the 2008-11 Comprehensive Spending Review period. In addition, I understand that it will have to find up to £300 million—it may not

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be that—disallowance for single payments. In the current year, the administration budget has already overspent by £50 million out of a total budget of £360 million, and there are still six months to go. Meanwhile, bovine TB, with no resolution in sight, is costing some £90 million a year. I have a tremendous amount of sympathy for the Minister, because I remember from my time in MAFF that the Treasury delighted in taking a very hard line on our budget in the correct belief that we were small and had no clout. Defra is not small. It should have clout. Things have changed and I hope that the Minister will be able to reassure us that the Treasury has, too.

When Defra was created, we were told that the new department would deliver a co-ordinated approach in all its policy areas. Has it been allowed to take an effective lead in policy development across Whitehall in areas within its remit? Because of time, I choose only one example—the impact of migrant workers on rural areas—on which I would have hoped that Defra would take a lead. Had it done so, the number of migrant workers, whom we certainly need to help us, would not have come as a surprise to the Home Office.

Biofuels—a policy area that is very close to my heart—have revealed that, although Defra's intentions were undoubtedly good, its effectiveness in practice proved wanting. I, along with other noble Lords and many Members of another place, have been campaigning for at least 10 years in support of biofuels contributing to the Government's environmental targets, providing an alternative market for producers and keeping land in

cultivation. Two weeks ago, the UK's first bioethanol plant was formally opened by the Minister in south-west Norfolk, my former constituency. He was immensely welcome. He pointed out that this plant hits all the environmental targets set by the Government. It uses excess energy from the adjacent sugar factory and it will produce 70 million litres of ethanol each year from 700,000 tonnes of sugar beet. Its by-products include stones—this sounds a little funny but it was explained that they are for rockeries—top soil, lime, animal feed, enough electricity to power 200,000 homes in Norfolk, and excess CO<sub>2</sub> to cultivate 100 million tomatoes each year, grown under glass on the site. The Minister was impressed by all that and, as I said, he praised the plant for its holistic approach to production. Why then has it seemed to me and to others involved that there has been resistance in every sphere of government towards the development of biofuels in the past 10 years? I think that Defra was on our side during that long journey, so why was it not the lead department?

The Minister will almost certainly not wish to comment on that, but I make the point for a reason. I have already spoken of the immense importance of Defra's responsibilities, but another area of even greater importance is emerging in which Defra's skills, efficiency, resources, clout and effectiveness will be tested to the full: food security, or, to say what we actually mean, the food supply, or food shortages. In 2003, Margaret Beckett, then Secretary of State, said:

“National food security is neither necessary nor is it desirable”.

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The joint Treasury-Defra paper, *Vision for the Common Agricultural Policy*, repeated this view, which was taken by farmers to mean that what they did could not be of less importance to the Government or to the nation. Defra's strategy under this Government has concentrated almost entirely on environmental issues, while assuming, dangerously, that the food supply is not an issue. It is now. By 2050, the world population will have reached 10 billion. In developing countries, improving incomes will increase the demand for more and better food. More people will become consumers rather than producers of food. The World Bank has calculated that world food demand will double. Over the next 40 years, farmers in this country and across the world will need to double the production of food, triple yields per hectare, and do so on less land, using less water. Contrary to the assertion that the world is awash with food for us to import, suddenly there is less food than people thought. The fact that the Prime Minister has initiated a review is welcome, but it is a bit late.

It will be Defra's task to lead and support our farming industry in playing its part in one of the most formidable challenges that the world has ever faced. Our farmers can and will

rise to that challenge, but the Government need to do so as well. They must have the courage to change their attitude to the farming industry. They must reorder some of their priorities, especially in research. Above all, they must afford to Defra the resource, clout and respect across government that it will need to meet this challenge. Will the Government do so? I hope that the noble Lord will be able to tell us today. I commend the Motion to the House and I beg to move for Papers.

**12.01 pm**

**Lord Harrison:** My Lords, I congratulate the so aptly named noble Baroness, Lady Shephard, on introducing this debate on farming. I come from Cheshire, a dairy county, where we are very proud of our products and very grateful to the noble Lord, Lord Wade of Chorlton, who every Christmas provides roundels of cheese for noble Lords' delectation in the Bishops' Bar. There is praise and cheering in Cheshire today following yesterday's announcement that there is no decision at the moment on splitting up Cheshire. It would be a folly indeed to create two different Cheshires when we want to remain a unitary Cheshire. To give an example of why we want this, farming in Cheshire takes place mainly in the central and southern areas. To split the two artificially would be a very bad thing indeed.

I have in the past asked the Government Questions about milk production in Cheshire. I am very eager to learn more about farm gate prices, which I understand are now at 20.7p per litre since August 2007, at their highest since 2001. Can the Minister confirm that? Is he able to tell us what the trend is likely to be? I congratulate the Minister on his ambition to improve regulation that governs the farming industry and reduce it by a net amount of 25 per cent by 2010. How confident is he of achieving that target?

Does he also recognise that there is a difficulty over administration with the farmers themselves? When I was an MEP for Cheshire, I used to visit farms with

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the NFU. I was surprised by how poor the resources were for farmers' record-keeping, which was essential for reporting to the Government. I hope we can help them to learn how to administer their own farms. I am sure that things have improved since my time.

My theme today is innovation and the future. I am pleased that Hilary Benn addressed a "Farming for the Future" conference on 19 November at the Oval. I wonder whether my noble friend can report on that. What was the attendance from the farming community, to try to absorb some of the new and innovative ideas? One such innovation in recent years has been the expansion of farmers' markets. They provide competition and bring to the marketplace goods that are desirable to consumers. That is also good for farmers. When I was an MEP, in a meeting at Beeston, which is at the centre of the farming industry in

Cheshire, I learnt how isolated farmers are. They do not have the opportunity to meet customers face-to-face. I welcome farmers' markets as an example of where this is now beginning to change. Farmstead isolation is being reduced.

A good example of the obverse of this coin is that the Government are having the Year of Food and Farming to encourage children, who are of course future consumers, to have a direct experience of food farming and the countryside. Again, it is hugely beneficial to bring town and country together in a positive way. On the Fresh Start programme, how many potential farmers are being brought into the countryside with their new ideas about what and how they can farm? In the 1980s, when I was on Cheshire County Council, it was always a great regret to me that we closed or sold off 80 farms that had been provided to bring new and fresh blood into the countryside and new ideas about farming.

I should like to explore innovation more and encourage the Minister to distinguish between good and bad innovation, and diversification. One bad idea is the plethora of motorway advertising which has besmirched our motorways and major trunk roads. Farmers may be trying to get an extra buck or two, but such advertising despoils the countryside and kills the very golden goose which should be saved. I shall not go on more about that because I have spoken on this subject previously in your Lordships' House.

Good ideas sometimes are frustrated by planning laws. A farmer wrote to me about providing truck stops for lorry drivers who are taking goods throughout the country and require not only safe places to stay overnight but also places to eat. He wanted to convert his farm partly to provide such facilities, but he was being balked by the planning conditions. The addition was that he would provide fresh food from his farm for dinners at night for lorry drivers, which seemed to be an excellent example of innovation. One hears further ideas on "Farming Today", including the Scottish farmer who transferred to herb production, which responds to a new need, or the farmer from Northern Ireland who is making mash available for the market. We need to encourage that kind of innovation.

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We also need to encourage marketing. Too often the marketing of the wonderful food that is produced is lax in our country. When I represented the Wirral, I noticed that tomato growers did not talk to each other in the same way as our Dutch counterparts. The Dutch were much quicker at marketing their tomatoes than were the English. I regretted that and I thought more could be done. I saw a wonderful example of this type of marketing when I visited Paris with the European Union Committee. The British ambassador hosted an event for marketing and showing off our wonderful British cheeses to the French, who are very proud of their cheese. Our cheese is very different, but it is a wonderful product and I praise the ambassador for making available the wonderful British embassy in Paris for that

purpose.

My closing remarks are on the relative importance of farming, which of course is a central industry. We do not exist as a nation if we do not eat. But there are other important industries, especially in the countryside, associated with leisure, tourism and hospitality, which these days employ many people and sometimes are offshoots of the farming industry. I have in mind the equine industries. As people have more leisure time and money, they are more likely to go horse riding and so on. What are the Government doing about that? I note that the universities which study these matters are saying that when such terrible things as BSE and FMD have happened in the countryside, the Government may have responded there but have been less secure in responding to the tourism industry. In work done at Glasgow Caledonian University, Leslie and Black said:

“FMD was initially treated as just an agricultural problem, without the realisation that the domino effects, particularly the actions taken to control and contain FMD, would have potentially substantial effects on rural economics and tourism especially”.

The farming industry is vital to us but we must not neglect those other growing and innovative industries responding to the changes in society that are taking place in rural areas of Britain today.

**12.10 pm**

**Lord Teverson:** My Lords, I congratulate the noble Baroness, Lady Shephard, on securing this debate. Given the responsibilities of Defra, this area is, as she so well described it, extremely broad.

There are mixed fortunes within the area over which Defra has its purview and remit. On rural affairs, we see the countryside in many areas being more prosperous and having better health and income indicators than ever before. At the same time, more rural remote areas are under greater pressure than they have been for some time, and more cut off from mainstream society.

In the farming industry itself, we have the contrast between the grain growers, particularly in the eastern United Kingdom, who are having their highest prices for some time—and being relatively affluent, upbeat and positive about the future—while the livestock sector, particularly the more rural hill sectors in the west, have great concerns, some areas having been hit by foot and mouth disease and bluetongue. There are those contrasts.

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Great changes are also going on given that climate change, for which Defra has responsibility, brings particular challenges and opportunities for the farming industry and for rural life generally. The Commission's health check is coming up next year. At one time that was going to be just a "look and see" and planning for post-2013 but it is clear from certain pronouncements by the Commission and member states over the past few months that it is to be a much larger and more fundamental exercise than we had previously thought.

Food security was another area mentioned by the noble Baroness. That is going to be much higher in people's perspectives within the farming industry. A couple of months ago, I went to a meeting of the farming community in Somerset. I was expecting to go there to talk about foot and mouth disease, bluetongue and supermarkets but one of the biggest issues that came up, along with climate change, was food security. We sometimes think of that as being food availability, although it will probably be reflected in prices when buying food rather than in an absolute shortage. However, there is a real issue concerning biodiversity and the threat from climate change and disease to the small number of crops on which we rely. We need to look more strategically at that whole area. I am not of the Malthusian tradition of looking forward and saying that the world will starve because of that threat, but there are real issues to be looked at strategically with our European partners, and relatively soon.

I will go through some of those bigger changes. First, there is the health check. I remember that the press releases of Commissioner Mariann Fischer Boel earlier this year were about looking at the common agricultural policy, something that, from a financial perspective, was demanded by the UK Government during the British presidency. There was going to be little change for the farming industry. However, if you look at the pronouncements coming out of Brussels now, you see that suddenly they have become energised and more interested in this area. There may be a feeling that France may not be quite so obstructive to a change in the CAP, so there is sudden excitement and all sorts of initiatives are appearing in terms of flattening payments rather than grandfather rights, taking out smaller holdings—I had hoped that my modest five acres in Cornwall could have qualified for single farm payment, but it looks like that will be, quite rightly, impossible—scaling down large payments and changing the complex cross compliance regime. There will be a real agenda of change next year. But I do not yet understand what Defra's view is on that fundamental area, which will greatly affect our farming industry. It is urgent that we understand what positions Defra will take.

On climate change, I live in Cornwall and two issues have been farmers versus nimbys, as they would be described in the tabloids, and attitudes to wind farms. Although there are huge opportunities in terms of climate change and various bio crops, wind farms or whatever, a number of conflicts are likely to arise, which are of great concern. Going back

to the meeting that I had with farmers in Somerset a couple of months ago, there was great frustration that a couple of farmers were trying to move ahead with anaerobic

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digestion systems but were coming up against strong opposition from relative newcomers in local communities who did not want to see that sort of agricultural development. It is important for all of us in the political arena, where it is sometimes easy to align ourselves with local opposition groups, to use the planning system to support farmers to help them resist some of this nimbyism and to diversify into the various areas that are necessary to help climate change.

One or two years ago, Defra had a biomass programme related to wood. I have two wood burners. It is one of the areas where we have a great possibility to move forward. I should like to understand how that strategy has progressed. We must also remember that farmers have a challenge in terms of some of the outputs. I am sure that in the European context, dealing with the problem of methane and nitrous oxide, let alone nitrates from fields getting into our water systems, will be on the agenda and there will be pressure for farming to become more climate change and environmentally sensitive.

The area that we on these Benches see as particularly important is Defra's attitude to rural affairs—the much broader question of the future of the countryside and its prosperity, which is not often talked about. I do not often see much in the headlines and I do not, if I am honest, often see Defra as a great advocate for rural areas. I hope that I am wrong about that, because the Commission for Rural Communities in its recent report identified some 900,000 people as living in poverty in rural areas. In an urban context that would attract massive attention.

There is also the question of mobility in terms of cars and transport and increasing fuel costs, and particularly access to services. There is a government programme to close some 2,000 post offices. They are not all in rural areas, but that will have a major effect of the fabric of the village. Is Defra on the side of the rural community in that matter?

Finally, there is the question of affordable housing. Although I understand that the Government are trying to raise this on the agenda, frankly I believe that we need much more of a blunt instrument to increase affordable housing in rural areas so that we can relieve rural poverty and give people proper places to live. At the moment, because of earnings, that is impossible.

Given my history of speaking about fisheries policy, I am tempted to refer to it as it is very important for Defra. I cannot understand why we still allow discarding within the broader common fisheries policy when there is such a threat to fish stocks. New Zealand and Norway have made discarding utterly illegal but still have quota systems. That can

work. I do not see Defra demanding those changes to the common fisheries policy, which I know are difficult to achieve because of unanimity—I do not know whether that will change under the reform treaty—but clearly this outrageous and terrible practice of discarding must be stopped if we are to preserve the biodiversity of our oceans and to preserve future food stocks. The matter must be taken seriously for the sake of the fisheries industry.

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**12.20 pm**

**Baroness Turner of Camden:** My Lords, I, too, am grateful to the noble Baroness for introducing the debate on this important subject, and for the expertise with which she did so. She is right, farming is very important to all of us. My particular interest has always been employment, and farming is a very important employer of labour. It is a substantial employer of immigrant labour. Indeed, I wonder whether the industry would be able to cope as well as it does nowadays without the labour of those who have arrived on our shores from the eastern European countries which recently joined the EU.

There is no doubt about the vulnerability of such workers. They are often almost pathetically glad to be here and to have any sort of job. Sometimes it has been quite a sacrifice for them to get here. They are willing to work hard, often for lower wages than our own workers would find acceptable. They are frequently unaware of basic employment protection, particularly in health and safety, and the accommodation available to them is often substandard and overcrowded.

Some time ago the plight of migrant workers was brought very sharply to our notice because of the tragic deaths of Chinese workers in Morecambe Bay. This led to the introduction of a Private Member's Bill, the Gangmasters (Licensing) Bill, which was supported by the Government, and which established the Gangmasters Licensing Authority, covering gangmasters working in agriculture, horticulture and the shellfish industry. It did not cover food processing and packaging undertaken by mainstream food manufacturers or retailers. It was introduced in agriculture because it was felt that the problem was considerable there. Subcontractor labour providers were also covered by the scheme. The legislation forces gangmasters operating in agriculture to obtain licences and to operate within the law, including respecting minimum employment provisions. There are also robust maximum penalties for breach of the law, including a maximum prison sentence of up to 10 years. This acknowledges the involvement of organised crime in gangmaster activities. The desire of frequently desperate people to migrate has unfortunately led to a growth of trafficking by organised criminals. The legislation was intended to make these criminal activities much more difficult to pursue.

We have now had this legislation in place for more than three years. Agriculture was one of the industries in which it was intended to make a considerable impact and to prevent the exploitation of vulnerable workers. I would be interested to learn today the Minister's assessment of the success of the legislation. As a former union official, it is my belief that the only way really to ensure that vulnerable people can escape exploitation is by means of union organisation, and my union has certainly given time and energy to recruitment in this area. At the time of the introduction of the legislation to which I referred, the Transport and General Workers' Union was involved and there was consultation.

The absence of trade union organisation creates a situation in which vulnerable individuals have to seek assistance from somewhere and, I believe with

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government encouragement, they often turn to CABs. Meanwhile, the legislation had the support of the National Farmers' Union and no doubt farmers have been assisted in their understanding of the legislative requirements and what they need to do to establish whether a gangmaster is licensed and it is therefore safe to hire labour through his agency.

I hope that the existence of this legislation has led to a substantial improvement in the conditions of such workers. When it was introduced, the Minister for Rural Affairs said:

“We are committed to bringing an end to the exploitation that has, for much too long, been associated with the supply of labour by agricultural gangmasters. There can be no place for unlicensed gangmasters in the future”.

I would very much welcome hearing the Minister's view on the success or otherwise of that legislation, on how we have progressed with the enforcement of it and on the current situation.

### **12.25 pm**

**Lord Livsey of Talgarth:** My Lords, I spoke on agriculture during the Queen's Speech debate, because the current situation in livestock farming is dire. I want to emphasise some of the points that I made then. Some noble Lords will remember that I called for the sacking of the director of the Pirbright Institute. I certainly do not retract that.

I welcome this important and very timely debate on farming and Defra, tabled by the noble Baroness, Lady Shephard. The temptation is always to be too negative about farming. I have often accused farmers of crying wolf too frequently. The weather, disease and poor prices all take their toll. The present situation is very mixed, however. For one part of the industry, cereal prices are buoyant, but for the livestock sector, feed prices have

doubled, disease has struck in the south-east resulting in animal movement restrictions and, in the west, Wales, the north-west and Scotland, export bans for three months have halted markets. The impact has been devastating—I really mean that—on all the upland areas, including the Pennines, the Lake District and the south-west of England. My remarks apply to all those areas, but the best thing I can do is to highlight some quotations from a speech by Rees Roberts, whom I know well from my time working for the Agricultural Training Board. He is now the chairman of Meat Promotion Wales and spoke at the Royal Welsh Winter Fair last week. This is equally relevant to England, and in particular to the role of Defra. He said:

“This had been one of the most damaging years for our industry that I can remember. Make no mistake—the industry in Wales is in crisis and the whole of the traditional Welsh rural way of life is now under threat. ... It is entirely possible that we could come to this event in two years’ time to discover that half of the Welsh sheep industry will have been wiped out”.

Those are the words of a very well informed person, not just somebody hyping things up. He says that it will not be possible for Welsh farmers to survive in this situation.

The Welsh sheep industry alone has suffered more than £30 million of losses since early August because of foot and mouth disease breaking out in Surrey. Meat Promotion Wales estimates that more than £2

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million a week has been lost since the first case was reported near Guildford on 6 August and losses are continuing to accumulate as farm gate prices are crushed beyond recognition.

In spite of that, retail prices are holding up. Just over a week ago, Welsh farmers were being handed 73p per kilo when consumers are joining long queues to pay £6 a kilo at the checkout. Rees Roberts said that we are heading at speed towards the collapse of our industry’s critical mass. The single farm payment is currently bolstering the hopelessly low pricing structure imposed by the retail sector.

That evidence confirms my long-held belief—I am speaking for myself now—that the Government are inadvertently subsidising the supermarkets, which discount single farm payments and offer ridiculously low prices to producers. There is an honourable exception in all this. Waitrose has paid 2006 prices this year, thereby giving their lamb producers a future in the industry. Why could the other supermarkets not do the same thing in the middle of the biggest crisis to hit the sheep industry for many years? Words fail me to describe their action, which has been despicable.

Frankly, the Competition Commission, for its report, should be able to see the evidence before its very eyes. As an aside, Rees Roberts and his organisation have calculated that to produce a lamb costs 143 pence a kilo, not the 73 pence that has been given to farmers over the past month. Bluntly, the headline is “Supermarkets seize massive opportunity of foot and mouth outbreak to boost profits and hammer the sheep industry into the ground”. That can properly be said. We Liberal Democrats have advocated for the past 10 years to the nation, the Office of Fair Trading and the Competition Commission the importance of installing an independent ombudsman to ensure that the prices paid to primary producers are fair. It should be illegal for purchases to be made at less than the cost of production.

It is very important that the code is updated to include the following—we hope that Defra will ensure that this is the case. Suppliers should be able to complain anonymously to the ombudsman as in Germany and other EU countries, and all agreements between suppliers and purchasers must be in writing. Compliance must be monitored. The ombudsman must deal with complaints and advise the OFT. He must be able to mediate and solve disputes, and his decisions must be binding on the parties within the code. If the current problems for suppliers and retailers are to be solved, those provisions must be included in the Competition Commission’s imminent report, and Defra must ensure that occurs. Defra has a moral obligation financially to support the sheep industry now in its hour of need.

Defra must surely also ensure a European ban on the import of Brazilian beef. FMD is rampant in three regions of Brazil, and yet we are still importing 33,000 tonnes of Brazilian beef a year into this country. Surely what has applied to us in the recent crisis should also apply to the import of Brazilian beef. The efforts of the Secretary of State for Defra to get farmers to absorb disease control costs at this time should be dropped immediately. He should stand up

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to the Treasury’s demands and face it down; I really mean that. The evidence of the Pirbright outbreak, the Brazilian imports and bluetongue should surely persuade him of that. The point will not be lost on Defra’s staff, who have had a very hard time and who have been working very hard indeed.

Other action points must surely ensure that Defra’s remit to provide social cohesion through upland farming is vital. Those areas have some of the lowest GDP in the United Kingdom. They do not have other production opportunities. The Minister replied to my question earlier today about historic payments. You cannot move mountains or the sheep that are hefted on them. They have been there for centuries, which is why the historic payment is a sensible rationale. I know that is not the view in the EU, but Defra should fight for those principles.

Defra is alert to the threat of climate change, flood-prevention measures and the

production of vaccines against exotic diseases. Those are all urgent priorities. Continued research on climate-change-busting agriscience must be a top priority. There is no doubt about that, given what has happened with climate change in the past five years. It is accelerating. Even now, on top of that, Defra has the CAP health check to deal with in 2008, which has been mentioned by my noble friend. The reforms of 2003 must remain in place until 2013. I know that is not a popular view. If Defra is only now beginning to put the Rural Payments Agency into proper working order, this is no time for further changes to take place.

The Government have a duty to fund Defra properly on the issues that I have mentioned. Defra has massive problems to solve, not least that of bovine TB. We know that the Minister is not afraid to speak his mind, and as long as he effectively continues to do so and gets results I, for one, will support him.

**12.35 pm**

**The Lord Bishop of Carlisle:** My Lords, I thank the noble Baroness for her welcome. I was told that the House is a warm and friendly place and I have found it to be so. It is a great honour to be a Member. I hope from time to time to speak particularly in support of the county of Cumbria, where I have lived and worked for the past seven years.

I am a Scot; my father came from Glasgow and my mother came from Edinburgh. My father, however, became an English barrister, and I grew up in Harpenden in Hertfordshire. I went to school in St Albans, where I was in the same class as Stephen Hawking, the discoverer of black holes and the author of *A Brief History of Time*. I get a brief mention in one of his biographies because of my conversion to Christian faith in 1955. It was that experience that in due course led to my seeking ordination as a priest.

I have been the Bishop of Carlisle for seven years. As I quickly discovered, the diocese is the most pastoral that I have ever worked in. In our first month, a shop assistant in Carlisle's Mothercare offered to carry our goods to the car in the car park. That would never happen in the other places where we have lived. Kindness is a basic value in Cumbria and

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every priest has to be both accessible and pastoral. If you put your answer machine on too much, your ministry is seriously hindered; you are expected to be there. In the 2001 foot and mouth outbreak, which affected north Cumbria very badly, the clergy were there in all the parishes and they earned huge praise for their support of the farmers.

Ever since the 1980s, when the Cumbrian economy was strong, the economy of the county has been going backwards compared to that of the rest of the country. There are

many reasons for that, particularly the huge reduction of the workforce in Barrow at BAE Systems and the winding down of the British Nuclear Fuels plant at Sellafield. Very recently, however, there has been an upturn. BAE Systems has a full order book with the Astute submarine class. West Cumbria has seen the arrival of the Nuclear Decommissioning Authority, for which we are very grateful. A most exciting recent development was the establishment of the University of Cumbria on 1 August. We had a splendid inauguration service two weeks ago, with the most reverend Primate the Archbishop of York on sparkling form. I hope to speak about the university on a future occasion.

Every section of the economy of Cumbria is now, and only very recently, starting to move forward positively, except for agriculture, which is why from a Cumbrian point of view this debate is so timely. Farming in Cumbria is mostly beef, dairy and sheep. I want to tell it how the farmers tell me it is. Hill farming is precarious financially at the best of times. As the noble Lord has just stated, this year it has been disastrous because of the ban on animal movement following the recent foot and mouth outbreak in Surrey. The farmers tell me that that could not have come at a worse time. It came at the end of August, at exactly the point in the year when hill farmers sell their lambs and around one-third of the lambs are normally exported for food. When the auction marts reopened, the prices collapsed, both for the farmers on the higher fells and for those lower down. Those who kept their animals instead of selling them have had to buy winter foodstuffs, and the price of lamb has not recovered. Sheep farming is a complex business in which lambs pass from the high fells to farmers lower down for the next stage in the breeding process. Farmers pointed out to me that what has happened this summer will also have serious consequences for next year, because the chain of breeding has been seriously interrupted.

The Government have provided a support package, for which of course the upland farmers are grateful, but they are still in great difficulty. One firm of Cumbrian farm accountants, taking a sample of 30 farms, has calculated that the estimated profit for the year ending next April is an average of just £2,000 per farm family, which compares with £18,000 two years ago. That £2,000 includes the single farm payment. In other words, a huge loss is being made on the livestock. There has been a large increase in applications to farming charities, because the bills cannot be paid. The farmers are borrowing more and getting deeper into debt, and the accountant whom I mentioned says that he is often a shoulder to cry on.

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Clearer policies to support food supply and livestock, which the noble Baroness pressed for, would do a great deal to help the morale of all Cumbrian farmers.

If hill farming were to fade away, the Cumbrian fells would become wild and the well cared-for landscape would change dramatically, as would biodiversity. That would affect

tourism, which is vital for Cumbria. This is not only about land management. One leading young farmer emphasised to me the contribution that farming families make to the social glue of rural communities. They provide social capital—I use the current terminology. Tourism in the Cumbrian hills and lakes flourishes because the farming families bind the rural communities together and a whole lot of related businesses flourish as farming flourishes. It really is vital that the hill farmers are supported.

For dairy farmers, the milk price has risen in the past year, not I think because of any change of heart by the supermarkets, but because of a shortage of dairy products worldwide. Things were looking up for the dairy farmer until August. However, the price of winter foodstuffs has also dramatically increased because of a world shortage of grain, so the gains of the better milk price are being taken away in other ways.

What has long been needed is for the farmers to take more of a stake in the food production process. The First Milk farmers' co-operative has bought the Dairy Crest cheese-making factory in Aspatria and another producer is to create a new factory for dairy products. All this is good, but the change is slow. It would really help if policies could be developed that encouraged this added value for the farmers.

Meanwhile, the beef and dairy farmers tell me that, at best, they just about keep afloat, but they have no possibility of investing capital in the future of their businesses. As they see it, their counterparts in Belgium and France receive much more support and competing with them in a European market is very difficult. One of the goals that the NFU seeks from Defra is a level playing field across the single market of the EU. The Cumbrian farmer finds it hard to see why we do not have clearer policies to support food production. As they see it, the carbon footprint would be reduced if more food was produced locally and they are aware of important issues about national food security, to which several speakers have referred.

In conclusion, farming is part of the fabric of communities all over Cumbria and many other businesses relate in some way or other to the prosperity of farming. Cumbrian farmers have always faced hardship and I am full of admiration for their resilience, but it is hard seeing them struggle when there could be policies to help them.

**12.43 pm**

**Lord Jopling:** My Lords, I have two happy tasks, the first of which is to thank my noble friend Lady Shephard for introducing this debate. Secondly, I am given the opportunity to congratulate the right reverend Prelate on his fine speech. I was particularly impressed with it because I had the honour for 33 years to represent in another place the southern

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part of his diocese. Since he went to Carlisle seven years ago, just before the foot and mouth outbreak, I know how much the diocese did to help in all sorts of ways the stricken farming community of Cumbria, which we were all so concerned about at the time. The right reverend Prelate and the noble Lord, Lord Livsey, gave a dramatic account of the crisis in the livestock industry and I shall not seek to follow either of them down that track.

I hope that we shall hear from the right reverend Prelate frequently. He talked about the importance of being in Cumbria, but I hope that people in his diocese will release him frequently to come and speak as he has spoken today. Many of us have missed for a number of years our old friend John Oliver, the former Bishop of Hereford, who was a great champion of the countryside and of agriculture. I hope that the right reverend Prelate will fill those shoes in the years ahead. Perhaps I may gently tease him, in the hope that he will be able to come here to explain himself, as my understanding is that when he was at Oxford he prepared for confirmation one Tony Blair. The right reverend Prelate has a good deal to answer for.

I declare an interest as a farmer who receives single payments and assistance under the environmental entry-level scheme. As a former Minister of Agriculture, like my noble friend Lady Shephard, I am dismayed at the way in which my former department, the Ministry of Agriculture, Fisheries and Food, has descended into the shambolic disarray that is now Defra. At a time of the most serious crisis in the livestock industry, one can only say that the present state of the Rural Payments Agency is a disgrace. Again, the outbreak of foot and mouth disease at Pirbright in recent months is a scandal. The Minister may say, "Oh, but that is not the responsibility of Defra". But it is, in part, and, in terms of the Government as a whole, it most certainly is a scandal.

I hope that the Minister will not accuse me of extravagant language in talking about the shambolic disarray, because I am not the only one who is implying that. As my noble friend said in her opening speech, the European Community is widely expected to impose substantial fines on the Rural Payments Agency for the situation in which it finds itself. We are told that a fine of something approaching €300 million is likely to be imposed on us as a result of the mismanagement of the single payment scheme. What I find inexplicable is reading in the press of the announcement of major staff redundancy programmes for Defra. We are told that some 300 members of staff are to take voluntary retirement in the near future under the most generous redundancy scheme in history. It seems clear that this huge impending fine on the department and the RPA is why they have had to make all those redundancies at a time when the RPA is quite unable to handle the situation that lies before us.

I ask the Minister why, inexplicably, we are having this voluntary retirement scheme now. Will it put back further the payments from the single payment scheme, which are already delayed, and will the redundancy programme include the RPA, from which farmers already find it difficult to get a reply on anything? The chaos was caused by the

Government choosing the

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most complicated single payment scheme. Frankly, I am sick to death of successive Ministers coming to Parliament and endlessly repeating phrases such as, “We are doing our best”, “We can only apologise”, and, “We are learning from mistakes”. That is really not good enough.

Finally, I want to voice a particular concern. I have here a document that refers to some of the environmental programmes, such as the environmental stewardship scheme, the higher-level stewardship scheme, the entry-level stewardship scheme and the organic entry-level stewardship scheme, as well as the environmentally sensitive areas scheme, of which I claim a certain paternity. The department says:

“It is important to note that these changes mean that we will no longer be acknowledging the receipt of your claim forms or indeed other correspondence”.

It goes on to say:

“Alternatively, if you require confirmation that your claim has been received, please contact the Incentive Scheme Service Team after 17 September 2007 on one of the following telephone numbers”.

Anyone who has tried regularly to telephone Defra knows that if ever there was an appropriately named department, with its deaf ears, that is it.

I was talking over the weekend to a consultant who helps me considerably at home. He is a person who handles these claim forms and he was telling me of a recent case in which he contacted Defra or the RPA—I forget which—and asked about a form that he had sent in. He was told, “Oh, we’ve lost it, we haven’t had it”. He said, “Don’t be so silly, here is the receipt you gave me”. He also had a copy of the claim. He made the point that farmers could lose thousands of pounds because of the frequent instances of Defra losing claim forms. It is absolutely wrong if Defra is not issuing receipts; certainly some of us in the Chamber today who are former Ministers would never have done that. Will the Minister give an assurance that he will review the ending of issuing receipts? Will he give a particular assurance that it will not apply to the single payment scheme?

**12.53 pm**

**Lord Rosser:** My Lords, I start with an apology. The Committee stage of the Local Transport Bill is due to start at 2 pm and at least one of the amendments in my name is

likely to be reached before the conclusion of this debate, which will almost certainly mean that I will not be present for some of the concluding speeches. Therefore, I offer my apologies in advance.

There are a small number of industries and organisations that do not lack a strong voice in your Lordships' House and, in my opinion, the farming industry is one of them. That is not an adverse comment; it is simply a statement of fact. I, too, congratulate the noble Baroness, Lady Shephard of Northwold, on securing today's debate and providing an opportunity once again for issues relating to the farming industry to be highlighted.

UK farming, as we know, contributes just over £5.5 billion to our economy; that was the figure for 2006, at least. The industry employs over half a million

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people. Many of those employed are not particularly well paid and government action on the minimum wage, minimum holiday entitlements and the position of part-time employees will have benefited some within the farming and agriculture industries. Despite the speech by my noble friend Lady Turner of Camden, there is a temptation in talking about the farming industry to spend too little time considering those employees who earn relatively little and asking whether they are getting a fair deal from those who employ them. Certainly, the more extreme examples of the gangmasters, to which reference has been made, show the extent of the problems that can exist and the need for legislation and regulation in some areas. Once again, the Government have taken action on that front.

Farming in the UK uses, as we have heard, around three-quarters of this country's land area. Public access and public rights of way can be a source of conflict on occasion. It is not unknown to find rights of way either deliberately blocked off or made difficult to traverse, although it is also true that not every user of a public right of way always acts responsibly. Reasonable access to our countryside is important. The Government's Countryside and Rights of Way Act 2000 and the right to roam mean that, in England, people now have nearly three-quarters of a million hectares of land across which they can ramble, climb and watch wildlife. Legislation last year also established Natural England, a new body with responsibility for promoting and encouraging the integrated management of the environment, nature conservation, biodiversity, landscape, access and recreation.

As we know from debates, Questions and Statements in your Lordships' House, the farming industry has faced difficulties. Last year, there were major problems with the single payments to farmers. This year, 98 per cent of payments for the second scheme year were paid by the Rural Payments Agency before 30 June. One hopes that further improvements in making full payments will be achieved in 2008. This year, which initially looked promising, has been one of significant difficulty and hardship for the livestock industry, with foot and mouth and bluetongue outbreaks and avian flu. The

president of the National Farmers' Union said that the industry had cause to be grateful to Defra officials for their work in bringing the outbreaks of foot and mouth, bluetongue and avian influenza under control.

One does not want to minimise the difficulties faced by those in the farming industry, but there is another picture. The Government launched the Farm Business Advice Service with £7.5 million in funding to provide free advice to English farmers on future options for their businesses. Following the foot and mouth and bluetongue situations, the Government recently announced an aid package to farmers worth, I believe, £12.5 million. Comment has been made that the average farm gate price for milk delivered in August this year was the highest August figure since 2001, although the right reverend Prelate told us in his thoughtful and thought-provoking maiden speech that increased feed costs are having adverse effects. The British food and drink industry has a good

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reputation and has potential for growth. The underlying trend shows that the amount of lamb and beef eaten here is up, and my information is that cereal farmers are not too unhappy.

The Fresh Start programme aims to secure a sustainable future for farming in England by encouraging new entrants into farming. The Fresh Start Academy initiative helps new entrants to find openings in the farming industry with a 12-month training course in business skills. Some 14 academies are now running and more are in the pipeline. The initiative is industry-led and Defra support includes more than £100,000 for the production and distribution of publications, sponsoring and staffing stands at agriculture shows, hosting the website and providing a secretariat.

Another industry-led initiative, fully endorsed by the Government, is the Year of Food and Farming in Education campaign to promote healthy living by giving children direct experience of food, farming and the countryside. The initiative, which runs through the current academic year to July 2008, will also give young people a better insight into what happens on a farm, how food is grown, reared or produced and how it gets to the customer. Defra has also made a commitment to reduce net administration burdens by 25 per cent by 2010. The department's 2006 simplification plan contained initiatives to deliver an annual reduction of around £160 million in administration burdens, some of which will assist farmers.

I do not doubt that the farming industry does not think that it is well off. It is a fact of life that every effective pressure group pursues its own interests and agenda as hard as it can, seeking to ensure that attention is paid to areas where it feels that action and investment are required and remaining largely silent about areas where complaints are few. There is nothing wrong with that, since nobody achieves change by giving the impression that

there is nothing that needs putting right. However, I hope that at least some of the problems that the farming industry feels that it is having to face, or is about to face, can be addressed to the satisfaction of all parties involved. Equally, it is also fair to draw attention to some of the steps that the Government have taken and are taking to help the industry to operate as efficiently as possible and to address the difficulties that have been encountered, in addition to administering support policies agreed in Brussels that provide around £3 billion to UK agriculture.

**1.01 pm**

**Baroness Byford:** My Lords, I thank my noble friend Lady Shephard for the way in which she introduced this important short debate today. Her experience as a former Minister and her continued interest in, and practical knowledge of, farming matters were reflected in her thoughtful opening speech. I remind noble Lords of our family's farming interest, particularly as we are arable farmers, and of my presidency of the Royal Association of British Dairy Farmers.

Noble Lords have already referred to the fact that many farmers are suffering as a result of rising feed

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costs, reflected in increased milk prices. I also draw the House's attention to the difficulties being experienced by the pig industry. Its prices have not risen but feed and energy costs are hugely expensive. It is a sector very much under stress.

I am confining my comments to three topics, the selection of which was, in itself, a challenge: Defra management, cost of regulation and animal health and disease control. To be kind, let me say that Defra's delivery record as a new department has been at best disappointing and at times a total failure. Described by the noble Lord, Lord Haskins, as a "dog's dinner", Defra's broad remit and overarching role into several departments was perhaps too ambitious a concept. The department then had to deal with the 2001 outbreak of foot and mouth, which brought misery to many farmers. It imposed closures on some rural areas, with devastating financial implications for many local businesses. Add to that the visual spectacle on television and in the newspapers of thousands of animals being slaughtered and it is perhaps no wonder that the department got off to a poor start.

Unfortunately, incompetence has continued to dog the department. The single farm payment scheme chosen by Mrs Beckett was controversial because, applying only to England, it was different from the schemes chosen by the remaining home nations. Only Germany chose the same route. The RPA was given the responsibility for mapping the eligible areas, calculating the sums and paying the farmers. Due dates were set and Mrs Beckett kept assuring us that the money would be paid on time. March due dates were

then deferred to June and, clearly, even this target was not to be met. My noble friend Lord Jopling has again stressed the failures of that saga.

Farmers found themselves in financial difficulty and stressed to the limit, while confidence in the department fell to an all-time low. Between £18 million and £22 million was lost due to Defra management failure. Will the Minister tell us how many of the 2005 and 2006 payments are still unresolved and whether he has confidence that the 2007 payments will be paid in time? Can he tell me whether there are still any remaining IACS payments overdue? My information is that there are. Defra was then faced with fines from the European Commission for late payments to farmers. Will the Minister bring us up to date on what those fines might be? I understand that £64 million in administrative savings were planned for Defra and the RPA for 2005-06. How is that going to be realised?

I turn to animal diseases and the increasing risks to livestock producers. Bluetongue arrived in England this summer. The warmer weather forecast brought midges across from the Continent. The department was clearly not to blame for this new disease outbreak, but one must ask, given that it knew that an outbreak was likely, what strategy was in place. Was it adequate? Did it include vaccination and, if so, what steps had been taken to produce the virus?

The 2007 foot and mouth outbreak has been found to be caused by leaky drains at the Pirbright site. Although the Minister said, when we took the Statement in the House in October, that Defra does not own the site, he acknowledged that his

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department is the inspector and approver of health matters there. Professor Brian Spratt, in his report into the outbreak, said:

“An accidental release from a high security containment facility is of obvious concern to the public and raises issues of public trust in both science and Government”.

In 2002, the Institute for Animal Health review reported:

“Some of the laboratories ... are not close to the standard expected of a modern biomedical facility”.

The Spratt report, *Independent Review of the Safety of UK Facilities Handling Foot-and-Mouth Disease Virus* of 2007, concluded that, from 2003, the pipes were old and needed replacing but that money had not been made available. This showed an error of judgment, poor financial management, complacency or all three. I understand that in three of the past four years, Defra has cut funding to the institute.

Bovine TB continues unabated. It causes great distress to farmers to see their cattle killed—still about 30,000 each year—and costs the country millions in compensation. The Government urgently need to take firm decisions on tackling this scourge. The longer the delay, the more the spread of the disease continues. Someone within government must take a lead.

This year, 2007, has been a dreadful one for farmers affected by outbreaks of foot and mouth, avian flu, bluetongue and bovine TB. The Government's reaction is to propose a major shift in the cost and responsibility for future outbreaks of animal diseases, moving that away from government towards industry. This comes at a time when the whole of the livestock sector is in severe economic crisis because prices have not adjusted to the steep increase in feed, energy and regulation costs. To suggest now that the industry should be picking up additional costs from the Government is unfortunate. Indeed, with climate change likely to increase diseases, the Government should think twice about it.

Lastly, I turn to regulation. Defra has committed itself to reducing its administrative burden by 25 per cent by 2010. So far, only 5 per cent has been achieved. What strategy is in place to achieve its target and what areas of regulation have been identified that will make a difference? For a collection of relatively small businesses, agriculture and horticulture are disproportionately heavily regulated, and there needs to be better understanding across government of the cumulative impact across departments and agencies. Inspection fees set in the UK are not in line with fees required by other countries. Is it not time to review the way in which we set such fees, so that UK producers are not put at a competitive disadvantage?

I am sure that all who are partaking in this debate today wish to see UK agriculture and horticulture thrive. Food supply is crucial to the well-being of any country and Defra has its part to play to enable that growth to happen. In that context, I underline the importance of research and innovation as a key to success for the future. I would like Defra to succeed but I am concerned about the generous early

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retirement packages referred to by my noble friends, which may result in the loss of high-quality, experienced departmental staff. I hope in this respect that I shall be proved wrong.

**1.10 pm**

**The Lord Bishop of Ripon and Leeds:** My Lords, I am very grateful to the noble Baroness, Lady Shephard, for instigating this debate and for her incisive development of the issues which we all face with regard to the farming industry in this country. This is a subject which has not always received the attention it deserves, partly because we have

tended to look at it as a series of different issues—food, tourism, welfare of farmers, welfare of animals. This debate gives us the opportunity to bring those strands together and to encourage Defra in its pivotal role in the future of the land in this country. I am delighted, too, that my noble friend the right reverend Prelate the Bishop of Carlisle has been introduced here in time today to give his wisdom and current experience of the realism and kindness of Cumbria.

Today, 6 December, is St Nicholas's Day, a day when that church tradition which we now celebrate chiefly in Santa Claus looks to provision for the future. As a rural bishop, Nicholas looked to the future by providing—so legend has it—dowries to safeguard the future of young women and protection for young men against those who would starve them. I believe that this debate provides the opportunity for Defra to show that it follows in the footsteps of St Nicholas by establishing a firm way forward which will defend and safeguard the future of our farming industry and the way in which that affects and contributes to our whole economy.

I want to concentrate on two issues for the land as we look to the future. The church has long been committed to a vibrant sustainable agricultural sector for our economy. There is increasing evidence of the danger of agriculture coming to be seen as dispensable. We are less and less self-sustainable in our provision of food with an increasing proportion of imports. I want to come back to that in a few moments. One issue is the continuing price pressure which puts farming livelihoods at risk and which is an inevitable result of the dominance of the four great supermarket chains with their skewed buying power. I am grateful to the noble Lord, Lord Livsey, for drawing our attention to that. I am also grateful to the Ethical Investment Advisory Group of the Church of England for its recent survey, *Fair Trade Begins at Home*, which raises for all of us the dangers of the pursuit of cheap food. Through case studies, that report demonstrates practices which it describes as “invisible” and “pernicious”, unknown to the consumer and accepted with bitter anger by farmers as simply inevitable if they are going to do business at all. These include labelling which obscures the country of origin of the primary ingredients of products, flexible payment terms which are subject in practice to arbitrary change, and promotions which are made at the expense of the farmer not the retailer.

If farmers are to flourish as the Government wish them to do, there must be a greater control of prices

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and a fairer market. I believe that we need a supermarket ombudsman if we are going to achieve fair trade in this sector and I hope that the Minister will comment on that in his response. There are other ways of doing things—in Wensleydale local cheese and ice-cream manufacturers pay more realistic prices for milk—but these are small-scale in the general scheme of things. Unless more is done to end the silent collusion over the

continued rush to cheap food, we shall continue to see decline particularly in the dairy and beef industries.

My second point is to emphasise the need to return to the principles of food security and self-sufficiency and to do so before we are caught out by ever advancing climate change. The global challenges facing the world in the next 50 years make our countryside policies crucial and mean that Defra has a particular and major contribution to make. The countryside is not there simply for tourism, biodiversity and recreation, important though all of these are. There needs to be an increasing concern for food itself and I do not believe that we have yet properly tackled that issue. Andrés Arnalds of the Soil Conservation Service of Iceland makes that point dramatically when he argues that more food needs to be produced in the next 50 years than has been consumed in the past 10,000 years since the last ice age.

The global food challenges are immense and Defra has the opportunity to develop policies which can respond to those challenges. Climate change appears already to be affecting many of the traditional areas of food production, such as the Australian cereal farms affected by drought. If we allow our own agricultural industry to decline, we shall store up problems for the future rather than, like St Nicholas, providing for it. There is nothing sadder than to go to one of those once-flourishing parts of the Yorkshire Dales, such as Grisedale at the head of Wensleydale, which has been abandoned by the farming industry. Indeed, the abandoned area is increasing.

The most important point, however, is not the sadness but the danger. We have ideal conditions in many parts of our country for a vibrant farming community but its continuance is not inevitable. In 1988, UK self-sufficiency from all food types was 70 per cent; in 2006, it was 60 per cent. Self-sufficiency in indigenous crops was 82 per cent in 1988 and 74 per cent in 2006. This is a worrying decline. We cannot take it for granted that we can easily source food from across the world. Defra may be the most crucial of all our government departments at this juncture, both in securing fair trade prices for our own farmers now and, even more crucially, in a return to food security and self-sufficiency. Only in those ways will we be able to secure the future not just for ourselves but for coming generations in this country.

**1.20 pm**

**Lord Soulsby of Swaffham Prior:** My Lords, it is clear that this House is very grateful to my noble friend Lady Shephard for introducing the debate. By any measure, the past few years have been difficult for livestock farming. I shall restrict my comments to that

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area of farming, including BSE, foot and mouth, swine fever, tuberculosis in cattle and

badgers, avian influenza, bluetongue, and, most recently, the threat that Defra will be looking at making farming more contributory to disease control.

The hardships in farming have already been indicated by several speakers. They come not only from the loss of animals or the interference with their production capacity, such as meat, milk and breeding potential, but also from the disruption of normal trade within the country and in export. An example is bluetongue and the inability of sheep farmers, especially in Cumbria, which I know well since I am a Cumbrian, to take their animals to market, with the consequent reduction in the value of the animals and the extra cost of feeding those animals that farmers cannot sell or move to the auctions. This has been critically described by the right reverend Prelate the Bishop of Carlisle, and for that I thank him.

The indirect losses experienced nationally from disease are well exemplified by the experiences of a few years ago with the lack of exportation of animals and animal products because of BSE and foot and mouth disease. The suggestion from the Secretary of State, as reported in the press, is that the Government are determined to press ahead with the sharing of costs and responsibilities in a consultation before Christmas. Sharing responsibilities and costs is based on the Minister's comments that the present situation is unsustainable. The press indicated that with the industry bearing the costs, this will be the second year in a row that Defra will be cutting back on spending plans.

None of this is good news for agriculture but, as I think we know and as has been mentioned by a number of speakers, farmers will collaborate, or perhaps one should say they will comply. An increasing number of farmers are leaving the industry without knowing where to go and what to do. Unfortunately, a few have taken the suicide route to end their considerations. This cannot be good news for the countryside as a whole. If a greater burden is to be placed on farmers by sharing costs and responsibilities I think that the farmers expect Defra to be prepared, as a quid quo pro, to assist by way of an improved provision of services in disease control, as my noble friend Lady Byford indicated, in surveillance, diagnosis and the provision of vaccination to keep our livestock healthy. An example of support for livestock farming is given in the United States in the Homeland Security Program where, Members may be aware, substantial sums are poured into research and research training to provide the background of surveillance and provision of information of exotic diseases.

I will set out a few examples where farmers expect more than is being done at present. TB in badgers and cattle is a problem that has been brought to a head in recent speeches by Sir David King, particularly that yesterday to the Parliamentary and Scientific Committee where he again dealt with the subject. A vaccine for bluetongue in this country should not be beyond our means or our abilities. We know the strain of the virus. We know the midges that transmit it. And we know that it will come again when the midges

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become active next year. Furthermore, I believe that a vaccine for tuberculosis in badgers is a strong possibility. I know that that is a contentious statement and the Minister may well reject it, but we have the knowledge and the wherewithal to take that on board

A further point that is relative to surveillance of exotic disease is vigilance to detect and monitor the highly contagious entities that I say are poised to enter the UK owing to global trade and travel. Examples are African horse sickness, which is a devastating disease for equines, and rinderpest, which is almost eradicated in the world, but, if we are not careful, could rapidly re-enter parts of Africa. It may be of interest to noble Lords to know that rinderpest a century ago devastated the cattle population of London, in particular, where there were many small dairies; so much so that the then Archbishop of Canterbury offered a national prayer to save us from this plague. Whether or not that was particularly helpful, the plague was cured. Out of that came disease control by the Government.

Surveillance has been shown to be particularly good in the case of the SAARS outbreak in the Far East. If they can do it with SAARS, so can we. Other areas are public health issues; for example, the importation of bush meat carrying viruses, which, if eaten, are devastating to the human population, and the importation of raw or putrid meat to celebrate the birthdays of people of African origin.

I mentioned the Homeland Security Program. I have some good news. The programme for the training of veterinary scientists, the veterinary training research programme, of which I have the honour to be chairman, is going very well indeed. We look forward at the end of next year to having a substantial number of well trained young veterinarians who are able to pick up the programme of surveillance and help in the control of not only our indigenous diseases but those from overseas. These are examples of developments which will convince the farming community that Defra is on their side, not the reverse.

1.28 pm

**Lord Willoughby de Broke:** My Lords, like other noble Lords, I am grateful to my noble friend Lady Shephard for securing this important debate. I declare an interest as a farmer and assiduous Defra form-filler. While preparing for the debate, I looked up some of the paperwork that I received in the past few months. The latest single payment scheme book runs to 100 pages; the cross-compliance handbook to 47 pages; the cross-compliance soil management handbook to 40 pages; and, in a little light reading, the set-aside update for 2007 is 9 pages. And, one I seem to have missed, the SPS handbook, is 90 pages. That is not allowing for the waste management paperwork, the ELS—the entry level scheme paperwork—or the countryside stewardship. I do not blame Defra for this paperwork; it is simply doing Brussels' bidding. It is the implementation agency for our master in

Brussels, the Commission, which is responsible for the shambles of the common agricultural policy. It is a shambles, is it not? Even after so-called reform in 2003, the CAP still gobbles

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up 47 per cent of the total EU budget; it still supports tobacco farmers growing unsmokeable tobacco; the sugar regime remains largely unreformed; and, as the Spanish Minister of Agriculture said:

“There is not one hectare, not one head of cattle in all Spain that runs the risk of disappearing”.

That was after the reforms.

If that is reform, it is rather like a drunk saying, “Sure, I’ve reformed—I’ve gone off the scotch and I’m on vodka”. That is the sort of reform it is.

It is arguably even worse after reform. Those now getting paid our taxpayers’ money—we are a huge contributor to the common agricultural policy—are people who have never farmed, and who have not even had any intention of farming. Railway companies in this country, horse-breeding establishments in Germany and golf courses in Denmark and in this country all qualify in some mysterious way for common agricultural payments, which seems pretty odd. That may be a bit of a joke in a way, but it is not, it is a very expensive joke. Britain is still the second largest contributor to the European Union budget; France is by far the largest recipient of common agricultural policy funds—very nearly twice as much as the next recipient, which is Spain.

It looks very much to me as though the British taxpayer is supporting French farming. That seems absolutely mad. It is mad. It is not even as though the CAP is a success. It is generally agreed that it is a gross misallocation of resources; it fails consumers as it puts up prices; it fails the taxpayers because they have to pay the bill; as many speakers have said this afternoon, it has not even succeeded in securing or improving farm incomes; and, perhaps most lamentably of all, it fails the third world and the economies of developing countries.

Noble Lords may think this the ravings of a swivel-eyed Europhobe but it is not so. I want to quote briefly from a document called *Global Europe*, which was published only in October this year. The quote relates to the CAP as well as other aspects of European finance. Of the CAP it says:

“Internationally, it continues to attract criticism, creates tensions in the EU’s relations with trading partners, and imposes significant costs on developing

countries. Domestically, it imposes substantial costs on consumers and taxpayers and is inefficient in delivering support to farmers and promoting an attractive rural environment. Indeed much of the CAP still has a negative impact on the environment”.

The authors of this quote from *Global Europe* were the Prime Minister, the right honourable Gordon Brown, and the Foreign Secretary, the right honourable David Miliband. I think that we can take it as fact that as far as they are concerned, the CAP has had it.

I am supported in that view by the conclusions of a 2005 report by the EU Sub-Committee A. It used to be heresy and what the committee had to say on the CAP was that,

“several witnesses suggested to us”—

and they agree—

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“that such support ought to be financed nationally, not at EU level. Questions of how far to subsidise one’s farmers or how much to pay for protecting the rural environment fall naturally to nation states”.

If the Prime Minister, the Foreign Secretary and a highly regarded EU Sub-Committee of your Lordships’ House all agree that the CAP is a total failure and that it would be much better repatriating common agricultural policy to this country, who am I to argue? It is what I have been saying for many years. I was grateful for the intervention of the noble Lord, Lord Teverson, who mentioned the common fisheries policy which is an equally scandalous policy. I have news for him—the only way that is going to be resolved is to repatriate fisheries policy as well. Countries such as Norway, Namibia, Finland, New Zealand and Iceland have very successful fisheries policies. There is no reason we could not run our own fisheries policy in this country just as successfully.

I agree with the Prime Minister, the Foreign Secretary and the Sub-Committee of this House that, to repatriate the common agricultural policy and the fisheries policy would be good for the taxpayer, good for the consumer, good for British farming and good for the British environment. Finally, it would put Defra back into the centre of British farming policy—it would no longer be a simple cat’s paw for the discredited common agricultural policy.

**1.35 pm**

**The Earl of Caithness:** My Lords, first, I declare my interest as a trustee of an estate in the north of Scotland which has farming interests with pedigree Cheviots and Aberdeen Angus. I am sure the Minister will agree that the nation must be served with nothing less than a Defra which is well resourced, confident, capable, and respected, and peopled by highly motivated officials with good morale. This debate today has proved quite the opposite. It is sad that that is the case.

I should like to ask the Minister about the number of officials that are to take voluntary retirement. My noble friend Lord Jopling said that 300 staff are to go. I have heard that some of the best are taking the good golden handshake that has been offered. How can a ministry in the parlous state that Defra is in at the moment contemplate losing its best staff? How can it possibly take on the extra work that will be generated by the Climate Change Bill, which begins its Committee stage next week in this House, if it losing staff now? It is a matter of very great concern and it perhaps adds a great deal to the argument that Defra should not be the lead department when it comes to climate change.

My noble friend Lord Jopling described the situation as shambolic. Indeed that was supported—in fact, introduced—by my noble friend Lady Shephard. Both my noble friends have great experience of the Ministry of Agriculture and of farming. I am particularly grateful to my noble friend Lady Shephard for organising the debate so that I can bring in the Scottish element which has not been raised so far.

It is a tragedy—I know that it will hurt the noble Lord, Lord Rooker—to be a Minister in a department

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that is either known as Deafra for its deafness or Deathra for the amount that it manages to kill. We were particularly lucky being north of the border that the single farm payment scheme was not administered by the English for us. That would have caused a huge amount of unemployment and the demise of agriculture north of the border. However, one of the quirks of the devolution system is that animal health and welfare policy is devolved but the budget is held by Defra on a GB basis for England, Wales and Scotland. That is based on the basis that GB is one epidemiological zone. While this is true, it opens the door to the sort of political wrangling between London and Edinburgh that we have seen over the past couple of months. By its attitude, Defra is doing a very good job as the stormtrooper for the nationalists north of the border.

The initial position of the Secretary of State, Mr Benn, was that the devolution concordat required Defra to pay compensation only on culled livestock and not for welfare schemes or compensation for economic loss. However, when reminded that Defra had paid for a

welfare disposal scheme in 2001, he changed tack and argued that the amounts this time around were not sufficient to access the Treasury contingency fund and could, or should, be accommodated from existing Scottish Government, Welsh Assembly or Defra budgets. However, when questioned as to the top-up LFA payments to English farmers and whether any of that was in respect of economic loss, he had to admit that there was of course an element of that.

I am glad to say that the Scottish Government have found £25 million, including the cost of a light lamb welfare disposal scheme, most of which will go to the ewe payment in recognition of the losses incurred by sheep producers, but that is nothing like the full extent of the losses. There is agreement that the immediate imposition of movement restrictions, which prevented a repeat of the 2001 disaster and a £3.5 billion bill to the taxpayer, was right. However, the restrictions have cost farmers hundreds of millions of pounds. The Government should recognise that, especially given the cause of the outbreak.

Will the Minister confirm that Defra Ministers have an open mind on going back to the Treasury when the full costs of the foot and mouth disaster have been calculated? In Scotland, it is estimated that they will be in excess of between £75 million and £100 million. If we transpose that throughout the UK, we are looking at about £1 billion. Surely that should come back from the contingency fund, not just from the internal fund of the department. If that is not the case, what is happening is government by financial expediency rather than principled policy-making. England has been given £12.5 million from the Defra budget. What happened to the £20 million that we understood that the Treasury was going to provide from the contingency fund?

Against that background and the extra associated costs, it is surely crazy for Defra to suggest that it should achieve its spending cut targets simply by transferring costs to the industry. I hope that the Minister will look at his own costs, because I understand that it costs the Government nearly six

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times as much per head to collect sheep for TSE testing as it does for the National Fallen Stock Company to collect equivalent casualty animals. If Defra needs to save a lot of money, which it does, it should look to more efficient ways of carrying out the work, rather than simply handing a bill to the industry. That might well involve a significant degree of self-regulation by industry-run bodies, such as the National Fallen Stock Company, but that is a better way to go forward.

As well as dumping its annual animal health and welfare costs on the industry, Defra would like to raise a levy to pay for any future disease outbreaks. Again, why should the industry pick up the cost of managing an outbreak from a body that cannot even manage its own laboratory safely? In Scotland, the industry already has a healthy working

partnership with the Scottish Government Ministers and officials. Legislation for responsibility-sharing is not wanted or needed.

Finally, I move on to the question of state aids. There are two points here. First, there is a strong feeling in Scotland that Defra will not use what it calls its negotiating capital to take forward Scottish problems. We saw that when it came to getting state aid approval in Brussels for the ewe payment and—the issue that affected us in the north of Scotland—the Orkney and Shetland shipping charges for livestock. It was a real tragedy that Defra would not use its negotiating capital because it said that it had more important things south of the border to take up with Brussels, rather than take up a remote Scottish issue. There is a mistrust of Defra on that issue. If Defra was to get that right, can the Minister assure me that Defra officials can present the Scottish case adequately and that Scottish officials and Ministers are given a proper and representative degree of interest in negotiations with Brussels?

I have time to raise one more question. It is a wide question, so the Minister may not be able to answer it now, but perhaps he will write to me when he has covered the other points that I raised. Where are the cost cuts going to be in Defra? Given climate change and the need for spending money on all sorts of areas that have already suffered from Defra cuts, where will the cuts be made so that Defra can balance its budget?

**1.44 pm**

**Lord Northbrook:** My Lords, I congratulate my noble friend Lady Shephard of Northwold on securing this debate on the role of Defra in supporting agriculture, and declare an interest as a landowner of mainly arable land.

The key issues on which I want to focus are, first, the Rural Payments Agency; secondly, FMD and cost sharing; thirdly, bovine TB; and, lastly, the structure of the department itself and its implementation of regulation.

The RPA fiasco has caused huge dislocation and chaos to farmers across England. In its November 2006 report, the NAO calculated the loss to farmers at between £18 million and £22.5 million. Against better advice, the then Secretary of State, Margaret Beckett, insisted on adopting the dynamic hybrid model,

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which is far too complicated and is different from the system in Scotland and Wales. There are also serious problems with the digital system of land mapping, where the system gave some farmers fields that they did not own while others had their land cut down and given to others.

What payments are still outstanding that should have been paid in 2005 and 2006? How many farmers do not yet have definitive entitlement statements? When are this year's entitlements due to be paid? I understand that the UK Government set aside £131 million for fines from the EU for failing to pay out on time. To make matters worse, that £131 million provision was increased in spring 2007 to £305 million. Can the Minister confirm that, and confirm whether that figure is in addition to the £131 million and whether it will come off the future Defra budget? It certainly ought not to. Why should farmers pay for the incompetence of the RPA?

I now move on to foot and mouth disease. In two official inquiries into the outbreak, serious failings were identified at both the Pirbright laboratories. If robust systems had been in place at the Pirbright site, could the 2007 FMD outbreak not have been avoided? On this subject, I am concerned, as are others, about the statement by the Minister, Hilary Benn, in his speech at the Farming for the Future conference on 19 November, that a major shift of the cost and responsibility for animal health should be made from government to the industry. Does the Minister believe that the £40 million levy on farmers to fund disease prevention after the outbreak is reasonable? Should not the Government, as the creator of the risk, pay all of that?

On 3 December, 29 UK farming and livestock organisations submitted a statement to Mr Benn calling on the Government urgently to reconsider their proposed measures on cost sharing for animal diseases. I urge the Minister not to rush to conclusions on those complex matters but to reach the right solutions by a much more measured approach.

I now move on to the subject of bovine TB. I am far from being an expert on that, but it seems that organisations such as the NFU are making a good point. If the general population of badgers is expanding as fast in the rest of the country as it is in my county, Hampshire, I can well understand livestock farmers' problems. As the NFU states, that is destroying livestock farming in more and more parts of the country, at great cost to the industry and the nation. The Secretary of State has asked for more time and space to take a view on the disease. I urge the Government to take robust and strong measures, as recommended in the Chief Scientific Adviser's advice to Ministers, given in July and published recently.

I now turn to the organisation of Defra itself. None of the following comments is meant to be critical of the generally hard-working staff in the organisation. Farmers do not look to Defra to shield them from the realities of the market place or from their legal and moral duties to manage their land. However, they do look to Defra to work towards three clear goals. First, Defra needs to understand the

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important role that agriculture and horticulture play in national life. Secondly, it needs to

realise that there should be a firm commitment to act, in a positive partnership with the industry, to meet the public policy objectives. Thirdly, farmers look to Defra to help to ensure that there is a level playing field in competitive conditions across the EU single market. However, the seemingly endless change in Defra has had damaging effects on staff moral. That makes it more difficult for farmers to develop good working relations with them and, because of the increasingly large remit of Defra's scope, puts farmers at the bottom of the list of priorities.

Finally, I want to cover the implementation of regulation. For a collection of relatively small businesses, agriculture and horticulture are disproportionately heavily regulated, as my noble friend Lord Willoughby de Broke has discussed. Some progress has been made on the deregulation agenda; for example, the reduction of inspections for food hygiene for farmers in assurance schemes. On the other hand, there has been serious gold plating. Does the Minister agree that that has happened, first, in relation to the EU environmental liability directive, which has been extended to national sites and species, not just the European ones required by the directive? Secondly, there is the nitrates directive, which has been unnecessarily extended to include requirements for cover crops. Dairy farms, already under pressure, will be burdened with costs for slurry storage works that will cost the industry hundreds of millions of pounds for, I understand, a minimal reduction in nitrate leaching. Another case of gold plating involves the implementation of the IPCC regulations, which have huge registration fees and ongoing annual fees, which at £3,000 far outstrip those applied in the EU and even in Scotland and Wales. Does the Minister agree about all this gold plating?

I have huge confidence that the Minister will, with his industry experience—unfortunately unusual these days—do his best to address farmers' and horticulturalists' concerns and will, in the same way that he has helped to clear up the RPA fiasco, address in his usual forthright manner the concerns mentioned by me and many others.

**1.52 pm**

**Earl Cathcart:** My Lords, I declare an interest as a farmer in Norfolk. When winding up the debate on Second Reading of the Climate Change Bill last week, the Minister said:

“I am not a business manager”.—[*Official Report*, 27/11/2007; col. 1212.]

At the time I thought, “More's the pity”, because that is exactly what Defra needs. Defra's incompetence was highlighted by the new single farm payment scheme in 2005, as others have mentioned. Farmers were assured by the Secretary of State that it would greatly simplify payments and reduce the burden of bureaucracy. Oddly, the Secretary of State then implemented an overly complex scheme against all the advice given by experts across the industry. The fiasco that followed led to extreme financial hardship and was

devastating for farmers, a third of whom already live in poverty.

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Was the Secretary of State held responsible for this foul-up? No. She was promoted to Foreign Secretary. “Good for farming”, I thought, “but heaven help our foreign policy”. It is typical of the Government: livelihoods ruined but the perpetrator rewarded. Farmers have already suspected that the Government did not care where the food came from, as long as it was cheap. Until my noble friend Lady Shephard mentioned it, I had not realised that Mrs Beckett was so insensitive and stupid as to say it in public. We have had three Secretaries of State in the past three years. David Miliband was also promoted to Foreign Secretary. There seems to be a theme: do a stint at Defra, then you get to be Foreign Secretary. Is it not time that we had a Secretary of State who knew something about farming or at least business management?

One of the problems with Defra is the lack of a command structure, which leads to a lack of co-ordination. Like all farmers in Norfolk, and no doubt up and down the country, I have to deal with at least 12 different Defra offices. The mapping is done in Bristol. I correspond with the headquarters at Reading. Northallerton administers the single farm payment but the Newcastle office pays it. Environment schemes are agreed in Norwich but administered in Cambridge, and another office in Newcastle makes the payments. Livestock matters are administered in Bury St Edmunds. One has to inform Cumbria of movements but Worcester of long-distance movements, although to get the movement licence one has to apply to the Norwich trading standards office. There is another office for farm waste.

That is absurd. As things stand, there is total confusion, not just for farmers but for Defra staff. It is high time that Defra was reorganised so that every farmer had just one point of contact to answer on all aspects of his farm. My noble friend the Duke of Montrose tells me that all his Defra affairs are dealt with by the Perth office. If it can happen in Scotland, why on earth can it not happen in England? The Minister is already aware of all these offices and I am hoping that he will come back with a cunning plan.

Defra staff must be so demoralised with the present system—farmers certainly are—because they do not know what is going on, which leads to them giving conflicting advice. For example, with the recent outbreak of bluetongue in East Anglia, the Bury office would say one thing one day, while the next day the Reading office would write saying another. Farmers do not know where they stand, which makes Defra look idiotic and incompetent. The fragmented structure of Defra leads to confusion within it. No one seems to be able to make decisions, because they do not know the whole picture. I am not criticising those working in Defra. The animal health officials dealing with FMD, bluetongue and avian flu

have done an admirable job. All Defra staff whom I have come across have been polite and diligent in doing the work that they have been paid to do. It is the system that is too rigid and inflexible, obsessed with form-filling and box-ticking.

I have a stubble field with a 6-metre margin around it. I wanted to put it down to grass, so I asked the Norwich office whether I could add it to my existing countryside stewardship scheme. It advised me that I

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should ring the Cambridge office, which administers the scheme. “No”, said Cambridge, “Defra has no more money”. I said, “Okay, but if I put it down to grass, where do I put the fence?”. I was hoping that the office would reply, “Up against the hedge”, but no—because livestock must not graze the 6-metre margin, I must put the fence inside the 6-metre margin, 6 metres away from the hedge. I said that that would look absurd. I then suggested taking the field’s 6-metre margin out of the scheme and reducing my payment accordingly. “No, you mustn’t do that”, I was told. A contract is a contract and cannot be changed and, if I put the fence up against the hedge, I might jeopardise my entire payment. So, the field is down to grass, but unfenced. That is completely absurd and inflexible and it lacks logic, but the command structure does not allow for common sense and flexibility.

Agriculture and horticulture are disproportionately heavily regulated and the cumulative impact is crippling. Since 2001, there have been nearly 1,000 new Defra regulations. No one in Defra knows what they all are, but farmers must know. Heaven help them if they do not. Last year, my farm was inspected five times. All the boxes were ticked, but when I asked the fifth inspector, who came to Norfolk from Dorset, why I could not have one inspection looking at all aspects on the farm, I was told, “No, that would mean us inspectors would have to go on endless courses to learn all the rules and then go on frequent refresher courses because the rules are constantly changing”. That says it all.

While farmers are screwed down by Defra bureaucracy, Defra fails to do its job when it really matters. Here, I am talking about the foot and mouth outbreak at Pirbright. The Institute for Animal Health said that the drains were known to be dilapidated and due for replacement as far back as 2002. As my noble friend Lady Byford pointed out, Defra is the laboratory’s regulator. Yet this report, which said that there was an accident waiting to happen, was ignored by Defra. Defra failed to regulate. This shocked and infuriated farmers and destroyed the livelihood of some, which led to a further loss of credibility and trust. The one time Defra should have regulated, it failed. I keep asking myself whose side Defra is on. Defra, or the old MAFF, used to be farmer-friendly. Now Defra controls and overregulates and it is strangling the farming community. Rife with mismanagement, Defra must get its own house in order.

At Second Reading of the Climate Change Bill, I asked the Minister why Defra, not the Prime Minister, was in charge of climate change. The Minister replied:

“Why not? ... Defra has proved itself incredibly resilient in dealing with ... foot and mouth, bluetongue, the two sets of avian flu ... flooding”.—[*Official Report*, 27/11/07; cols. 1212-13.]

He may have convinced himself, but many would say that he is in denial. All I can say is that he should try convincing the farmers that Defra is fit and proper.

**2.01 pm**

**Lord Redesdale:** My Lords, I, too, thank the noble Baroness, Lady Shephard, for initiating the debate and I welcome the maiden speech of the right reverend Prelate the Bishop of Carlisle. I was

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reminded of the dark days of the foot and mouth outbreak, because I am a Northumbrian and we suffered just as badly, and of how the churches and the clergy of the area were such a rock for local farmers and brought the local community together in a time of such crisis. Unfortunately, although the scale of the problem was quite obvious then—the fires were visible from such a distance—the equally hard financial implications of the present crisis are going unseen. I declare an interest as a landowner with two hill farms. I know that the financial pressure of keeping young lambs on the fell without being able to sell them, and then suffering from the feed cost, is a major burden with very little return.

The debate has featured a cornucopia of issues, which I am sure the Minister will address in great detail. I shall focus on a small number because, as the noble Earl, Lord Cathcart, pointed out, we had better use the Minister now before he becomes Foreign Secretary. My first question, which is rhetorical, is: why is Defra being hammered so hard by the Treasury? I was reminded of the event that marked the formation of Natural England. I am sorry; I almost lost my bearings, because it was in the Locarno room of the Foreign Office. In a rather long speech, David Miliband said that the Treasury had just informed him that large cuts were being made and that this was obviously very difficult to deal with. He added that he was not going to fight the cuts but that in his next year of office he would seek to reverse them and bring more money into Defra. Unfortunately, he never had a second year in office to do that and now we have a new Secretary of State, Hilary Benn, and further cuts are being announced. This is obviously an issue, because Defra's role is to act as a lead on farming.

I know, as the Minister does all too well, that farmers are wont to paint a bleak picture, but I was particularly taken by a joke that I was told recently in the local pub. One farmer said

to the other, "What would you do if you won the lottery?". The other farmer turned to him quite happily and said, "I'd carry on farming till it was all gone". This is the issue: further costs and further bureaucracy. It has been pointed out that many of those costs come from Europe and not from Defra, but it does seem that insult was slightly added to injury after the outbreak at Pirbright. I commend Defra's role in controlling that outbreak, as I do its speedy action over the avian flu outbreak. Thankfully, that outbreak has not turned into the major episode that it could have turned into, which, just before Christmas, would have destroyed the poultry industry.

As the noble Lord, Lord Northbrook, mentioned, Hilary Benn announced on 19 December that there was talk of a levy being imposed on the farming industry to deal with disease outbreaks. This is not a new issue; the industry and the department have discussed it for many years. The timing seems to be rather unfortunate, given that many farmers are still suffering under the cosh of financial hardship. I have a number of questions about how that levy is to be introduced. First, when will it be introduced? Obviously there will be consultation if the levy is to be introduced at all, but will it be introduced under the new amalgamated

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Levy Board? The order went through the other day. The board is a welcome development. It will do a great deal to slim down and reduce waste, and I am hopeful that it will be a great success. The issue, however, is who will pay this levy and at what point it will be paid. At the moment, if it is paid at the point of slaughter, some members of the industry who rear livestock but sell them on will not be affected by the levy, which might fall disproportionately on one side of the industry. The Minister might say that he will not be able to answer those questions before any consultation, but I very much hope that the consultation will consider that major issue.

The agricultural buildings allowance, which has come directly from the Treasury, is also causing some worry, as the Minister will no doubt be aware. Phasing out the allowance at a time when the industry has to upgrade its premises for animal welfare, which is an excellent reason, and as a result of the nitrates directive, which protects the environment, will cause a great number of problems in the industry. However, what concerns me the most is the retrospective nature of that cut. Can the Minister say whether farms that have taken on the grant will have to pay back money that was claimed under it? Perhaps I have got that wrong, but I am not aware of another tax that has been imposed retrospectively.

There have been many cuts in Defra, which has badly affected morale in the department. It is very unfortunate that the problems with the Rural Payments Agency led to a switch of energy in Defra's work to deal with that crisis, especially as many people who were assessing the entry-level stewardship and higher-level stewardship programmes were moved away to deal with the crisis. I understand the reasons for that, but it is very

unfortunate. I declare an interest, as both my tenant farmers are looking at the stewardship scheme. However, it is vital that many farmers in the upland area are considered for the scheme, and putting it off indefinitely is a real issue.

My noble friend Lord Livsey made the very real point that, although there has been a crash in the cost of lamb, the supermarkets do not seem to have paid the same amount of money to the farmers as they could have. My noble friend mentioned Waitrose, which is an excellent example. I very much hope that the Minister will consider taking a stronger line with the supermarkets, because this is not the first time that this has happened. It happened during the last foot and mouth crisis; for it to happen again during this one, even though it will probably be a short-term event, shows that the supermarkets are taking a very short-term view. Does the Minister think that the Competition Commission should take a further look at this issue?

Defra is concerned not only with farming, but with climate change and rural affairs. I will run out of time if I go into those issues, which are for another debate. However, I hope that the Minister will look, through the role of Defra in fighting climate change, at the skewing of the marketplace as a result of the rush towards biofuels. The case for using corn in ethanol does not stack up on economic and environmental grounds. It has had massive effects in America, where

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it has had an upward pressure on feed prices. There have even been riots in Mexico because of the cost of food. The impact in this country is that the cost of other feedstuffs for animals has risen substantially. Can the Minister tell us whether any work is being done with pig farmers, who have found that the rise in feed prices has made their industry very uneconomical? While looking at biofuels is, for reasons of fighting climate change, a good thing, there is a massive resource in the country: the large areas of soft woodland in the north-east, Wales and Scotland. When those are felled, the by-product of that waste will be incredibly useful. Defra could take a lead in that. Using wood waste instead of corn to form ethanol would be a much better solution.

**2.11 pm**

**Lord Taylor of Holbeach:** My Lords, I am grateful to my noble friend Lady Shephard of Northwold for tabling this Motion. Her speech and the subsequent debate have drawn attention to yet another area of government weakness and dysfunction. I know the Minister will resent this attack on his department. Both inside and outside this House, he is a highly regarded and respected Minister, who clearly understands the problems faced by UK farmers. Our purpose is less to criticise the Minister than to reinforce his role within Defra. Nor is our criticism of the staff, who work diligently for the department. Our concern on these Benches, and expressed elsewhere in this debate, is the failure of the

department and the Government to establish a proper working relationship with UK agriculture and horticulture. As my noble friend Lord Jopling said, this has caused considerable damage, both to the Government's reputation and to all those who live and work in the countryside.

The perception outside Westminster, particularly in the farming community, is of a Government totally disengaged from the concerns of UK farmers. I declare an interest. I am one of many Members of your Lordships' House who will go home this evening to the real world of 21st century farming in the UK. I farm in England, where Defra has direct responsibility, and our position contrasts acutely with those working with devolved Administrations elsewhere within the United Kingdom. I regret to say that among my neighbours, friends and colleagues this Government are not seen as an ally, but as a hindrance. "Defra than ever", they say. There is a lack of trust and a loss of that sense of partnership which should be the basis of a successful farming industry.

I know the Minister will agree that farming is over-regulated and burdened with bureaucracy. My noble friend Lord Cathcart has shown how Defra's bureaucracy results in a multiplicity of offices and service points. Many noble Lords will know how much time we spend filling in the boxes. Farming should not be like this. Those engaged in farming do so to grow and produce food and to cultivate and care for the countryside. No Government should impose such a costly and time-consuming regime on an industry where so many of the active participants have to do it all themselves. My noble friend Lord Cathcart posed a very pertinent question: why are so

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many different inspections and inspectors necessary? The notion is that the regulations are so complex that no government official could be expected to understand them all. But what about the farmer, who has to comply with them all, at the risk of financial and legal penalty?

Not surprisingly, farmers see regulation and bureaucracy as a largely irrelevant imposition on their businesses, a tax that they have to pay to be in business and make a living. Why are English farmers subjected to a nightmare single payment system? My noble friend Lady Byford has been like a terrier in exposing its shortcomings. My Scottish friends received their payments on 3 December and the intention in Wales was the same, but English farmers will be waiting until spring. This year it will cost them £30 million in interest alone, let alone the loss of working capital and facilities for investment. As we asked at Question Time today, what is the advantage of the dynamic hybrid model to them? What, I might add, is the advantage to Defra? It must cost a fortune to run. We discussed this at Question Time today but I still find it hard to see why the simpler scheme adopted in Scotland and Wales cannot be used in England.

Many noble Lords have talked this year of disease and disaster. We have already had much debate about this in your Lordships' House. Noble Lords have graphically described the costs and losses visited on farming communities. I will not elaborate, except to say that the unexpected is part of farming, so it should be part of government planning. What has become of the Government's contingency funds? How much has Defra been able to draw on this? Meanwhile, how is farming supposed to make up its losses? Cost-sharing proposals simply show how inadequate is Defra's response. As my noble friend Lady Shephard said in her opening speech, the truth is that the dead hand of the Treasury looms large.

Defra's responsibilities grow, and yet it faces acute budget costs. My noble friend Lord Soulsby talked of the consequences of this for the industry. A demoralised staff face redundancy. My noble friends Lord Jopling and Lord Caithness pointed to the dangers of this. It is often the case that the best go first. This is a department that prided itself on its expertise. How can it get to grips with its problems and responsibilities in such a situation? One fears that the British farmer will pay the price. It may seem a harsh judgment, but as I said in the debate on the Loyal Address, if Defra were a school it would be in special measures and, I might now add, earmarked for closure.

I hope I have made it clear that my concern is the failure of the Minister to achieve his ambitions for agriculture. He listens and makes it plain that he aspires to deliver, but his lack of influence over outcomes is evident. I take, as one example, food procurement by Government and public bodies. We all know that the Minister believes in a policy of sourcing from British farmers. Indeed, where possible, British farmers should be supplying all government agencies. All we see, however, is that this campaign, which was supposed to apply across all departments of government, has been a total failure. Can we

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imagine a French Minister of Agriculture tolerating a situation where the military were not fed French-produced food? What do we expect people to eat in French hospitals, French schools and French government catering departments?

I know that the Minister gets up early and I am sure he will have heard the item on the "Today" programme two or three weeks ago about the meat supply company which, among other public sector customers, supplied Her Majesty's Treasury. It is now out of business and it was revealed that rather than making doorstep deliveries, its drivers were dropping produce in the street or throwing it over the fence. It produced in my mind a vivid image, an apt metaphor. I had a picture of the Defra delivery van driving along Great George Street chucking the carcass of British agriculture over the Treasury fence.

The biggest tragedy is that we are now at the start of a new era in which the challenges to farmers and growers will be very different from those of the immediate past. My noble

friend Lady Shephard mentioned a number of these. She dramatically illustrated ways in which our understanding of these changes will be considerable. Access to food has become a real issue. In a powerful maiden speech, the right reverend Prelate the Bishop of Carlisle also spoke of the ways in which this will impact on farming. Finding ways to preserve our countryside and yet provide British people with the stuff of life will be a major challenge, not just for British farmers but for Defra too.

We are currently debating the Climate Change Bill. My noble friend Lady Shephard brought climate change into context. The right reverend Prelate the Bishop of Ripon and Leeds made a similarly powerful point about its consequence. It will bring a whole new perspective to government and it is not just Defra that needs to rise to the challenge. This Government must listen to the message of the failure of Defra or they will fail to meet the challenge of the new era. The Government need a positive policy which is designed to support and promote the farming industry of the United Kingdom.

**2.22 pm**

**The Minister of State, Department for Environment, Food and Rural Affairs (Lord Rooker):** My Lords, I congratulate the right reverend Prelate the Bishop of Carlisle on his maiden speech. As he probably heard, because I think he was present at Question Time, I have spent most of this week in Cumbria. I have not been here until today. I have had my ears bent enormously in Cumbria. Yesterday, I was on a farm on the outskirts of Carlisle. A coach load of children visited the farm as part of the Year of Food and Farming experiment to encourage children to visit farms to see how they work. We have had a lot of references to the north-west, but, justifiably, we will hear a lot more.

I am grateful to the noble Baroness, Lady Shephard, for securing the debate today. The other night, I caught up on the debate in the other place where there were references to and quotes from the

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noble Baroness's book on her experiences at MAFF and what she had to say about her Ministers. Now she has this debate today, so things are going really well. What probably will not go down very well is my response. This debate is on the role of Defra, to which I intend to stick. I do not want to spend all my time on the RPA, which figured at Question Time. It has permeated through the debate and I should like to answer a couple of specific questions.

I acknowledge that there are significant difficulties. I know that one noble Lord said that people are fed up to the back teeth with the Minister saying that he is sorry, but that he has still failed. It is true. In Defra, my main role, above all else, is the RPA and single farm payments. I do not qualify that at all and it has been the case since May 2006. The RPA

has taken a wide range of actions to improve its performance: 98 per cent of the 2006 single farm payments were made by the end of the payment window, which is our legal obligation, against the target of 96.14 per cent. We of course have set challenging targets for this year's payments: 75 per cent by the end of March 2008 and 90 per cent by May. As I have already said—it is well known—for the year just finished, we started to test the system in January and started making payments in February.

The RPA is not all about the single farm payment. It is the biggest payment scheme and is worth £1.5 billion to farmers. But the RPA's staff of 4,000 plus administer more than 30 other schemes, which are worth more than £0.5 billion—for example, export refunds and hill farm allowance. I have a list of dozens of them, including what some people think is the defunct school milk scheme. There are an enormous number of schemes. The RPA also issues the 2.8 million cattle passports every year, which are free—unpaid for—to the farmers. It is a public good for cattle tracing and traceability of the system. Originally, it was intended to charge for them. There is still a case for a charging system, but they are free to farmers. They help to demonstrate to consumers that there is traceability in the system. The RPA is responsible for that as part of its function and role.

There are 11 or 12 single farm payments which remain to be paid from 2005, almost all of which relate to probate. That is no different from the previous IACS scheme arrangements. There were always delays because of probate, breakdown of relationships or changes on farms. In 2006, the RPA achieved its target, which is why for 10 months we heard nothing on "Farming Today" about single farm payments. It was not an issue. The target of paying 96.14 per cent of the fund by 30 June was achieved. The figure now stands at more than 99 per cent. Out of a total of 108,000, there are 115 cases where no payment has been made and a further 110, where, at the beginning of this week, partial payments had been made and the top-up remains to be paid. If necessary, I can give further information on the hill allowance. That is where the RPA stands. By any stretch of the imagination, the overwhelming majority of its work is a success. As I said at Question Time, we are paying more farmers more money earlier than we did last year. I can be confident of that, but I will not give any dates.

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In terms of my response, Defra has been mauled over today, sometimes in a very unfair way. It is involved in a complex range of difficult tasks, as was identified at the Second Reading of the Climate Change Bill. It is staffed by a team who are working hard to assist the industry in becoming second to none. Defra and its staff want a thriving, sustainable and profitable farming industry. It is part of our strategic objectives, which is laid out in the public service agreements from the Comprehensive Spending Review. The strategy is no different. It was set out in the sustainable food and farming strategy. It detailed how

industry, government and consumers work together to secure a sustainable future for the industry. There was a vision to create a policy framework to help farmers compete successfully.

Yesterday, travelling along George Street, I was reminded of the Plumgarths vans in Cumbria. They were initiated by the farmer of the year, who created a brand new business for local food producers in Cumbria. They serve 18 Asda superstores, one of which I went to visit, which are leading on using local food. I was thinking about the vans belonging to the farmer who did it himself with initial support from various agencies and now assist massive amounts of local producers and supermarkets, as well as local hotels. They are not in competition, but are working together. I make no apology for giving Plumgarths and Asda a plug.

We have to focus on being a smarter regulator in order for the department to be able to deliver. The number of people in the department is not the issue that counts. People have referred to this, but I cannot go beyond what has been leaked in the press. Being a smarter regulator does not necessarily mean having the same number of people doing exactly the same jobs that they have been doing for a while. We need to make public food procurement better. To that extent, I plead guilty as a failure. The noble Lord used my words: French farming Ministers would not stand for what happens here. It is unpatriotic not to use local produce where it is available, and it is available. It is as simple as that. More government departments should do it. In the health service and education it is improving slowly, but in a couple of our key departments, it is not good enough. Defra pushes on this and I have told it: "It is not your job to count the figures. It is your job to change the policies. That is what we are accountable for under the public service agreement".

So, this has been a difficult year, as everyone has realised. There has been unpredictable weather—no doubt we will get the blame for that as well. Whatever flood prevention measures we take, more than six inches of rain in 24 hours would overcome many of our defences. Volatile commodity markets have certainly contributed, and that volatility may continue. For arable and milk, it is not bad at the moment; but we must be aware that it is still volatile.

The summer flooding provided a stark reminder of what we face if climate change becomes a regular feature, particularly in the middle of the growing season. No amount of planning would have prevented that. The Environment Agency is also a

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Defra-funded body—we fund it, but do not run it—and it played a key role in that respect. I want to pay tribute once again to the emergency staff of the Environment Agency, who never got the proper thanks for the work that they did at the switching station at Walham,

near Gloucester. They did not finish that work off, but they started by identifying it, and moved. The members of the emergency team of the Environment Agency were not on television with their badges and uniforms, but they actually prevented that flooding. Had Walham failed, it would have knocked out electricity for half a million homes.

In many of the problems, agriculture has a key part to play. Farmers are among the first to feel the effects of climate change, and to be in a good position to manage those effects. We will be able to debate that during proceedings on the Climate Change Bill. The Stern review on the economics of climate change said that agriculture accounts for 14 per cent of global greenhouse gas emissions. That is why we need farmers to adapt to climate change; it is that simple. Defra is putting millions of pounds into research programmes to assist with that, particularly to reduce agricultural emissions. That is a substantial amount of money.

However, that money is just a drop in the ocean compared with the amount that we are pumping into the English countryside. The England Rural Development Programme has a budget of £3.9 billion, of which £3.3 billion will be allocated to agri-environment and other land management schemes, including the environmental stewardship scheme, which is open to every farmer in the country. Some £600 million will be made available to agriculture and forestry to make them more competitive and to enhance opportunity in rural areas. I am pleased to tell the House that this programme has, within the past 24 hours, been agreed by the EU. We will proceed to full implementation as soon as possible.

Of all the things that I heard, the one that worried me—and I do not get too worried—was raised by the noble Lord, Lord Jopling. The stopping of receipts for the entry level stewardship application form was done only while awaiting agreement on the rural development programme. Because neither the money nor the agreement from Europe was there, we had to stop processing applications. That is a huge tranche of money, but applications will now start to be processed again and all of the associated paperwork will start to flow. The noble Lord was quite right that people should receive acknowledgements for their applications.

Currently, over half of English farmland is under agri-environment schemes. That is more than 2 million hectares, and under those schemes farmers are managing in excess of 180,000 kilometres of hedgerow—enough to stretch around the world four and a half times. That is far different from the time when the noble Lord, Lord Jopling, and the noble Baroness, Lady Shephard, were running MAFF. In those days, the farmers were paid to dig out the hedgerows. It may have been as a result of the Common Market and everything else, but that was the reality. In one six-year period, a quarter of this

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country's hedgerows went, but we are paying farmers to reinstate and manage them to

increase biodiversity and maintain the wildlife of this country. That costs money, which is coming from Defra—nowhere else.

**Lord Jopling:** I think that the Minister has his dates slightly wrong. If he is kind enough to look it all up again, he should find that I was the Minister who started paying farmers to reinstate hedgerows again.

**Lord Rooker:** My Lords, on that, the noble Lord has my undoubted congratulations. I am simply pointing out what I know; that over a six-year period before 1997—since I remember being challenged about this during my first time round in MAFF—we lost a quarter of hedgerows in the country, because farmers were paid to take them out. It is true that a lot of policy changes occurred before 1997, including on the building of supermarkets in out-of-town areas. For that important change in policy, John Gummer deserved the praise. So I do congratulate the noble Lord, Lord Jopling, as I mean none of this personally. My point was just that farmers were paid to take out the hedgerows, and we are paying substantial sums of money to maintain and put them back—and that is coming from today's Defra, which was described as shambolic here.

For another practical scheme to improve the natural and historic environment, look no further than the ruined Norman moat and castle at Kilpeck in Herefordshire. Natural England—another agency to which we pay money, but do not run—negotiated a new agreement that changed the way the land was farmed, which in turn enabled the area's archaeological remains to come out of damaging cultivation. Livestock was brought back onto its small fields, which gave a purpose to restoring the ancient species-rich hedgerows that has helped to bring one of our ancient landscapes back to life.

In addition to the flooding, the summer has also seen a number of animal disease outbreaks, which have been listed here. In response to each outbreak the department worked along with key stakeholders. Not a single major decision has been taken in this situation without consulting a massive range in the chain of industry stakeholders. Swift action was required. Being up in Cumbria for three days—about as far as you can get from Surrey while remaining in England—I realise that farmers understood that, with foot and mouth, we had to move fast to shut down movement completely, not knowing where it came from but having proved that we had learnt the lessons of 2001. That has had an enormous cost effect on the whole industry, as I have admitted more than once, but I make no point about that. The contingency plans were delivered effectively on the ground.

The Animal Health agency, another much-maligned part of Defra that used to masquerade as the State Veterinary Service, also provides a crucial service to farmers. It has 1,700 staff in 25 offices around the country and is the first port of call at Defra for most farmers. We need to have those offices around the country. I am conscious that this was

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raised with me by the noble Earl, Lord Cathcart, who may have disappeared—I beg his pardon, for he has not. All that the noble Earl said is exactly true, from his own circumstances. However, those 25 offices are managing the economic and public health risks of animal disease. In addition to their 700 field staff, they work closely across the country with several thousand local veterinary inspectors from the private sector. That is our resource; on call and under contract as part of the contingency plan, and that resource reacted rapidly to the foot and mouth outbreak and to avian influenza.

Within hours, nearly 300 people were working from the local disease control centres—first, for foot and mouth, in Reigate and Guildford and then, for avian influenza, from Bury St. Edmunds. Now, those people came from somewhere, but not from those local areas. They had packed their bags at half an hour's notice to come from virtually as far north as John O'Groat's, or from Land's End, as part of the Defra team to assist the farming community in those areas to manage and stamp out these diseases. Again, they were working with our stakeholders. I am not getting into the blame culture, for the reality is that when the disease was there we had to deal with it.

Therefore, we have established robust frameworks to deal with such things, and clearly we will have a debate about cost-sharing responsibility. I cannot answer your Lordships' detailed questions on that, but nothing will be rushed and there will be a document around which we can debate. We can have no debate without a document, and I freely admit that I have pushed within the department to have one so that we can have a genuine debate. Frankly, no one will talk to me in a serious way without one.

Among other opportunities, I have discussed the public sector food procurement initiative, which we are continuing to push. Equally important to the framework is regulation. I agree with much of what has been said here about over-regulation, and with some of the examples given. I was given direct examples by farmers and others during my three days in Cumbria. We have a policy of delivering a 25 per cent reduction, and we are about to publish our annual assessment of that. I do not know the publication date, but it is before the House finishes for Christmas.

We want to look at how we can work with farmers. I was given the example of four different agencies coming onto a farm in seven working days, some of which might have been duplicating, and some of which were completely unnecessary. We have to stop such things happening over a seven-day working period—some came without any warning, ignoring all the biosecurity arrangements at the farm gate as well. I am going to deal with that. There must be more co-ordination. We have to have a degree of regulation for public safety and traceability, but it must be done in a more efficient way.

The Whole Farm Approach—the IT system that Defra set up—is part of the answer. It provides guidance to farmers, reduces the need for inspections and helps with registration

for the waste exemption licences. It went live last year and so far 11,000 farmers have signed up to it. People might think that farmers would

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not bother about using new technology, but 11,000 have signed up for it. We believe that all of that can assist in providing a thriving, long-term future, although I fully accept that there will be some major problems.

I will finish at this point. I also accept that there are problems with arables and that the milk price has changed, but the worst affected, most damaged farmers are the hill sheep farmers. They cannot do anything else. I was in two valleys, both of them six-mile cul-de-sacs. I had to drive from one to the other, which was the drive of a lifetime I can tell noble Lords. They were both cul-de-sacs, so it was difficult to get across them. I knew about the families I was going to meet before I got there. I knew their ages, whether they had children who wanted to stay in farming or had left. I knew whether the farms were tenanted or owned. I could work out from the information that I had been given by my NFU colleagues and others that, in 10 years' time, they could both be wilderness valleys if no one goes into farm them.

We have to ask ourselves as a society whether we want the landscape maintained. Should the landscape be maintained for city dwellers who use it for their recreation? If we think that that is a good thing, we have to put a value on it and say that it is for the public good to maintain the landscape; otherwise it is a wilderness. Those are questions that we must ask. How we pay that, I do not know. Quite clearly, it will not work expecting sheep to go to market and come back through the food system. It appears that that is not a viable proposition. Those questions must be asked and answered. Otherwise, we will see the destruction of rural communities and the destruction of our landscape at the same time. In 10 years' time, I do not want to be someone who is fingered for being part of that.

**2.43 pm**

**Baroness Shephard of Northwold:** My Lords, as expected, the debate has been knowledgeable and expert. We have had points of view from every sector of the industry, from England, Scotland and Wales, and from the worlds temporal and spiritual. I should like to add my congratulations to the right reverend Prelate the Bishop of Carlisle on his outstanding maiden speech.

I thank the Minister for his reference to my book, which is out of date, out of print and in my garage. If he would like a copy I would be very happy to let him have one, to know that his life is not necessarily the worst ever lived by a Minister of Agriculture.

No one doubts the Minister's diligence and enthusiasm, and his response this afternoon

demonstrates that he has listened not only to the concerns expressed in this debate but to those that he hears as he goes around the country. He mentioned the changes that Defra is having to cope with. It is because we in this House wish to see Defra in a strong position to cope with those changes that we called this debate. I know that he understands that. I beg leave to withdraw the Motion for Papers.

Motion for Papers, by leave, withdrawn.