

CAP REFORM WORKSHOP

Chair: Professor Wyn Grant

Presenters: Alastair Rutherford
Professor Allan Buckwell

Alastair Rutherford, Head of Agriculture, English Nature

Decoupling was the most important aspect of reform for the environment. The Good Agricultural and Environmental Conditions (GAEC) requirement had stimulated most interest from the farming community and English Nature. It was difficult to link EU framework directives with specific conditions on the farm. Cross compliance is to protect the environment from damage, it sets a baseline standard. It is not to reward good environmental management. Aspirations are fairly low in terms of delivery.

The Commission had resisted national envelopes, which had their origins in the sheep regime, because they were seen as too similar to modulation. Having pressed hard for their inclusion, the UK was not generally making use of them. There was, however, a national envelope for beef in Scotland and this had competitiveness implications for the rest of the UK.

The environmental consequences of reform were mixed and uncertain. The form of payment had little significance for environmental objectives. There was uncertainty about effects, but this offered a rich seam for research.

Professor Allan Buckwell, Country Land and Business Association

When sustainability was considered, environmental and social sustainability were emphasised at the expense of economic competitiveness. The survival of businesses was placed lower in the order of priorities. The emphasis was on reducing the environmental footprint. One new policy possibility was a conservation land reserve area.

Agricultural policy was essentially a set of measures put in place to moderate the pace of rural change. What is an acceptable rate of change?

RELU was too narrowly focused on the UK and UK drivers of change, some of the principal ones were international. Technological change upstream and downstream was key, agriculture was a powerless part of the chain. Until 1992 reform was concerned with coping with the highly protectionist scheme in place and failing to undertake the necessary task of reducing prices.

A new European legal definition was available of what a farmer was. There was short-term issue about horticultural crop authorisations. A market will develop in Single Farm Payments. Were the reforms the first step in re-nationalisation, the development of an Uncommon Agricultural Policy?

Other policy developments included increasing regulatory costs. Intensified supermarket competition had not peaked and would spread throughout Europe. The low profitability to be achieved from managing land remained a problem. There was a deep ideological resistance to the private means of production.

Discussion

Mike Winter commented that both speakers had emphasised uncertainty and unpredictability. How many unintended consequences were there in the old regime? RELU could offer new insights on an unstable situation.

John Lloyd-Jones raised the issue of whether there would new investments in the UK food processing industry if raw material sourcing was uncertain.

Philip Lowe stressed the importance of the CAP observatory interacting with researchers.