

ENVIRONMENTAL LUNCH: CONSERVATION AND THE FUTURE OF THE CAP

Conservationists fear that a reform of the CAP will have damaging effects on the countryside. It is suggested, for example, that price reductions will lead to a substantial surplus acreage (eg 1 million hectares, or 5% of the total UK agricultural area), as production becomes more concentrated in larger farms, on the better land.

Points to make

1. First, a debating point. Conservationists are trying to have it both ways. They were concerned when the CAP was encouraging farmers to rip out hedges, level land and plough up the pasture, all in order to increase cereal production. Now that there is some prospect that the control of the CAP budget may reverse this process, conservationists are complaining again.
2. We shouldn't exaggerate the rate at which the CAP can be reformed. It needs price reductions of about 4% a year in real terms just to prevent the surpluses from growing. Our partners seem unwilling to envisage the larger price reductions which are needed to reduce the surpluses.
3. If, and when, surpluses are reduced, some land will undoubtedly be taken out of production, but economic forces will limit the extent. High commodity prices have forced up the price of farmland, encouraging intensive

farming operations. Lower agricultural prices will have the reverse effect. Land prices might fall in real terms; farmers will be encouraged to farm it more extensively, using fewer nitrates, and grazing fewer animals per acre.

4. There is no reason for any mass "exodus from the land". Farmers are enterprising businessmen and will adapt to changed circumstances. They are already doing so: farm tourism is the fastest-growing sector in farming.

Landscape conservation: where do we go from here?

The Government has made steady progress in reconciling agriculture and conservation (see Annex A). Can the conservation interests advise us how to respond to CAP reform? Should we:

- Think about alternative uses for agricultural land which are environmentally acceptable, and amend the planning system accordingly? It is absurd, for example, that a golf course has been refused planning permission because of agricultural objections.
- Reward farmers for doing environmentally-desirable things which they might not otherwise do and phase out grants which encourage operations which do nothing for, or even harm, the environment.

ANNEX: OUR RECENT RECORD ON CONSERVATION AND AGRICULTURE

In response to criticism from environmental interests, we have taken some significant steps to restructure agricultural grants in a manner which is sensitive to the environment. We have, for example:

1. Secured an amendment this year in the Community's Agriculture Structures Regulation (Article 19) which allows grants to promote low-intensity farming in Environmentally-Sensitive Areas (ESAs). And whereas Community grants usually encourage (unwanted) production, these grants do not, since they are based, not on the head of the animal population, but on the acreage which is preserved.
2. Substantially pruned the domestic grant scheme which now encourages the provision of hedges, walls and shelter belts; energy conservation; and the replacement of orchards.
3. Accepted the Countryside Commission's own "Broads Grazing Marshes Conservation Scheme", under Section 40, Wildlife and Countryside Act, which provides incentive payments of £50 per acre for farmers who agree to manage the grazing marshes in a traditional way.