

REPORT OF THE DIRECTOR OF PLACE

AGRICULTURAL OVERVIEW

Cabinet Member(s): Cllr Richard Chesterton

Responsible Officer: Richard Marsh, Director of Place

Reason for Report: To provide members with an overview of the key challenges facing the agricultural sector and set out current areas of activity within the District Council as requested by this group.

RECOMMENDATION: That members note the contents of the report.

Financial Implications: The report does not identify any new spend. Current activities undertaken across the authority with regard to the agricultural sector are carried out within existing budgets as part of the Council's regulatory and statutory functions. Some activities with regard to economic development will be supported through the Shared Prosperity and the Rural England Prosperity Funds.

Budget and Policy Framework: The report provides a review of the District Council's interaction with the agricultural sector. This has relevance to our local economy, environment and communities. Policy implications relate largely to planning policies within the Local Plan. It also has relevance to both the Corporate Plan and the Economic Strategy.

There are no budgetary implications arising from this report. Relevant work streams are already part of the existing budgets; however additional economic development support is being sought under the Shared Prosperity and Rural England Prosperity Funds.

Legal Implications: There are no legal implications arising from this information report. It should be noted that the District Council does not have any specific legal requirements with regard to agriculture other than its wider statutory duties such as planning.

Risk Assessment: The impacts of economic uncertainty to the agriculture, food and drink sector is significant and extremely wide-reaching. The ongoing work of the Economic Development Team only has a limited ability to mitigate the full impacts of these macro-economic factors on our farming related businesses.

Projects emerging from the Shared Prosperity Investment Plan will need to be taken forward with accompanying risks assessments.

Equality Impact Assessment: There are no issues arising directly from this information report.

Relationship to Corporate Plan: Given the importance of farming to the district it has relevance to all four priorities of the Corporate Plan: Homes, Environment, Community

and Economy. Under the economy priority the corporate plan includes the following: “Promote the development of the farming economy and local food production. Working in partnership with farmers to develop and grow markets on the principle of reducing carbon emissions and sustainability.” This report makes reference to such activities.

Impact on Climate Change: As is described later in this report, the District Council does not have any direct controls on any climate change impacts arising from agriculture. It does however have opportunities through its climate change partnership work and through its economic development function to help promote local produce (thereby reducing food miles) and encourage sustainable farming and landscape initiatives through the Council’s partnership work on its Sustainable Mid Devon webpage.

1 BACKGROUND

1.1 This report provides an overview of some of the issues facing the agriculture sector, the current roles which the District Council has with regard to this sector and makes reference to other bodies which currently give support to the farming community.

Mid Devon Agricultural Sector

1.2 The agricultural sector is a key component of the local economy. Mid Devon is classified as a ‘mainly rural area’ by DEFRA, based on 2011 census output areas.

1.3 Livestock farming is the dominant land use in Mid Devon, with 70% of holdings managed as grassland for dairying, lowland cattle and sheep, with a further 10% under mixed usage. As a predominately rural district, agriculture has played a significant role in shaping and defining the character of the district. Agriculture tends to have relatively low levels of labour productivity, and therefore in pure economic terms its contribution to the Mid Devon economy is significantly less than its impact on the landscape character and social fabric of the district. That said, and although farming has experienced major difficulties in recent years, agriculture still remains an important driver for the local economy – not only through direct employment in farming, but also through food processing and manufacturing. Approximately 8% of the district’s workforce is directly involved in agriculture, and 20.6% of Mid Devon businesses are dependent on agriculture, either as primary producers, processors, manufacturers or retailers. Food processing is a major element of the manufacturing sector.

1.4 Mid Devon’s food and drink producers are made up of farm shops, farmers markets, breweries (beer and cider), vineyards, apple juice producers, baked goods and a number of meat, cheese, preserves, confectionary and more. Mid Devon is home to a number of award winning producers such as Piper’s farm meats and Quicke’s Cheese.

Challenges in the Agricultural Sector

1.5 In preparing this report officers have held discussions with the National Farmers Union to better understand key challenges within the agricultural sector. These challenges include:

- the need for the UK to **increase its level of food and drink self-sufficiency** post-Brexit;
- **Labour shortages** post brexit;
- **Post Brexit Trade deals** – the recent trade deal with Australia is a particular concern to UK farmers amidst fears of the impact of cheap lamb, dairy and beef

imports – pending trade deals with Canada also look concerning with regard to the UK agricultural sector;

- **Impact of cheaper imports** – there are fears that this will result in reduced quality, animal welfare issues and lower environmental standards. UK currently has a high level of food standards - such as hygiene and animal welfare rules;
- **Energy price increases** – this affects the whole of the farming industry but particularly dairy and poultry producers;
- **A need for on-site renewable energy generation**, such as 50kw small scale wind turbines
- **Avian Influenza** is currently a huge challenge for our poultry farmers;
- **Accommodation for agricultural rural workers**, this may include accommodation for next generation workers (while still allowing parent retirees to reside in existing accommodation on a farm unit);
- Poor **digital connectivity** inhibits modern business operations;
- Uncertainty over **future subsidies** post Common Agricultural Policy;
- **Rising costs** of animal feed – (last year c. £220 per tonne now over c. £400 per ton);
- **Fertilizer costs increases** – (last year c. £250-300 per tonne this year c. £1,000-1,100 per tonne)
- **Red diesel cost increases** - (approx. 70p per litre last year approx. £1.20 per litre this year) with likely future restrictions
- The costs of **greater automation** (particularly challenging for small scale producers);
- **Increase costs of ‘on costs’** – transport and packaging
- **Climate change** – longer drier summers is already proving to be a challenge in some areas;
- **Restrictions on exports** – increases in trading tariffs along with export restrictions;
- **Nutrient neutrality** and related costly and exacting standards; and
- Agriculture, forestry and fishing, food and drink and tourism are typically considered as **low productivity sectors with low wage employment**;
- **A need for silage pits and slurry stores**, in response to requirements of forthcoming legislation affecting farming practices;
- **Biodiversity net gain and offsetting on farm units**, and;
- **On-site water storage**, where climate change may bring hotter, drier summers, and potential drought conditions.

The above list of challenges is far from exhaustive. The following section of this report refers to the district council activities which relate to the agricultural sector; however as is explained below the District Council’s ability to contribute towards addressing the above issues is extremely limited.

2 DISTRICT COUNCIL FUNCTIONS RELATING TO AGRICULTURE

- 2.1 It should be noted that the bulk of activities with regard to agriculture, regulatory or otherwise, is the responsibility of other agencies such as the Department for Environment, Food and Rural Affairs (DEFRA), the Environment Agency and the County Council. Whilst not directly involved in agriculture, given the significance of the agricultural sector in Mid Devon it is not surprising that there are a number of District

Council areas of activity which have a bearing on the farming community. These areas of activity include:

- Planning (Development Management & Enforcement)
- Planning Policy
- Public Health
- Economic Development

2.2 In addition there are also cross cutting activities such as the work the Council is undertaking with regard to the Climate Change agenda which also has relevance.

2.3 The following sections takes each of these areas in turn:

Development Management

By and large, farming remains outside the country's land use planning system. This is since, under Town and Country Planning Act 1990 (TCPA 1990) "the use of any land for the purposes of agriculture or forestry...and the use for any of those purposes of any building occupied together with land so used" does not involve 'development'. Agriculture is defined as including: horticulture, fruit growing, seed growing, dairy farming, the breeding and keeping of livestock (including any creature kept for the production of food, wool, skins, or fur, or for the purpose of its use in farming the land), the use of land as grazing land, meadow land, osier land, market gardens and nursery grounds, and the use of land for woodlands where that use is ancillary to the farming of land for other agricultural purposes.

The TCPA 1990 defines 'development' as the "carrying out of building, engineering, mining or other operations in, on, over or under the land, or the making of any material change in the use of any buildings or other land". Therefore, development will have taken place on agricultural or forestry land where; it is proposed to change how land or buildings used for farming are used for something else; new dwellings; or, usually where applying for a grant to fund a project that needs a building or other development. In such instances planning permission will be required. However, certain developments may also be permitted e.g. on farms of 5 hectares or more there is a right to erect, extend or alter a building, carry out certain excavations and engineering operation; temporary uses of land, agricultural buildings below a certain size, forestry buildings, and caravan sites and related buildings in some circumstances.

2.4 As with any other business sector, planning affects the agriculture, food and drink sectors. There are a number of permitted development rights which relate to agricultural practices; however there are still a wide range of activities which would require planning permission.

2.5 As part of the work that informed this report a discussion has taken place with the National Farmers' Union who have offered to meet with planning committee members to talk through emerging issues facing the farming community which are likely to

generate planning applications in the future. For example there are likely to be an increase in applications for slurry storage facilities.

- 2.6 Applications for renewable energies is another area which effects farming communities. Whilst proposals for large scale renewable energy projects are often brought to mind when considering this issue, there is increasingly interest from farmers wishing to install small renewable energy wind or solar installations looking to become more self-sufficient to help address increasing energy costs.
- 2.7 Under the Environment Act 2021 'biodiversity net gain' is soon to be a requirement through the planning process. All planning permissions granted in England (with a few exemptions) will have to deliver at least 10% biodiversity net gain. Increasingly off site land is being identified to fulfil this obligation. Whilst this can provide a valuable income to some farmers there are concerns about taking land out of food production and also a lack of regulation which may lead to some landowners being vulnerable to unfavourable settlements or fraud.

Planning Policy

- 2.8 There are a range of planning policy issues which relate to agriculture including: agricultural rural workers' dwellings, renewable energy, rural employment, farm diversification and tourism, biodiversity net gain and offsetting, and protecting high grade agricultural land. As members will be aware the Local Plan is currently being reviewed and the planning policy team will be developing policies in the coming months in liaison with the agricultural sector.

Public Health: Food quality and standards

- 2.9 Food Safety Officers whilst working less with the agricultural primary sector they are closely involved with those businesses in food manufacture and sales, as part of the teams' general activities to work to ensure a high standard of food hygiene and safety across Mid Devon. They are responsible for:
- Inspection and Enforcement of food safety legislation in food businesses
 - Registration of food businesses
 - Following up complaints about food sold or manufactured
 - Investigating cases of food poisoning and infectious disease
 - Fish inspection and
 - Food sampling
- 2.10 Food Safety Officers inspect food premises according to the risk they pose. The Food Standards Agency - Food Law Code of Practice determines how often each premises are inspected. Additionally, officers provide a number of services to assist local businesses to include:
- Producing food safety guidance and leaflets on food safety issues
 - Food hygiene training courses
 - Seminars and workshops on food safety issues
 - Food safety award schemes

Economic Development

- 2.11 The UK Shared Prosperity Fund (UKSPF or the Fund) is central to the government's Levelling Up agenda. Mid Devon has received this year's allocation from the fund via a funding formula rather than a competition. The intention of this fund is that it will provide opportunities in lieu of European Union, by investing in local priorities and targeting

funding where it is needed most. The District Council has made submissions to government setting out how it plans to deploy this funding.

- 2.12 One of the District Council's investment priorities for Mid Devon is to "Support a thriving agricultural sector that showcases field-to-fork practices and low food miles to market". Funding will be used to promote local food production and field-to-fork initiatives as well as the adoption of agri-tech solutions and environmental practices. With the aim to increase the number of local producers supplying directly into local markets to build a stronger and more resilient agricultural sector and a stronger and more resilient rural communities.
- 2.13 As well as a Leader style grant programme which will allow businesses and community groups to apply for funding to invest in the agricultural priority and their business, some of the funding will be ring-fenced to support projects such as the Taste Mid Devon campaign to promote Mid Devon's producers and rich food and drink offer e.g. introducing food trails / experiences which support our growers and producers.
- 2.14 The Economic Development team will be supporting this sector to apply for the funds to help establish, grow or innovate businesses. The team will also use the Visit Mid Devon platform to support, promote and bring awareness to the 'shop local' campaign.
- 2.15 Members may also be interested to note that the Economic Development team is currently recruiting for an Economic Development Officer post. This role will have relevance in terms of the District Council's ability to effectively engage with related sectors.

Climate change

- 2.16 As members will be aware, the District Council is aiming for net zero carbon emissions by 2030, and is seeking to address the challenge through our own services and by working with the wider community within the district. With regard to agriculture the district's role is limited to its regulatory functions and its influence through partnership working.
- 2.17 As referred to above the Council does have a role with regard to its planning function which is relevant to the growing demand for renewable energy installations.
- 2.18 Through Mid Devon's Climate and Sustainability activities and website the District's farm shops and farmers' markets are promoted as part of the ambition to reduce food miles and support local producers. This initiative is important and works alongside other Council initiatives such as the Taste Mid Devon campaign referred to above. In addition to helping reduce food miles it also provides support for the local economy by explaining the virtues of lower food miles and the importance of high quality produce at a time when cheaper less regulated imports may start to become more readily available.
- 2.19 Food resilience, sustainable farming and landscape consideration are also elements which have been considered as part of the District's wider climate change conversations with partners and promoted through the Climate and Sustainability website. One good example of partnership working with the agricultural sector has been the 'Connecting the Culm' initiative which has previously been reported to this group. This project has been working with nature and local communities, to help make the River Culm and its catchment better for wildlife and people, and more resilient to flood and drought.
- 2.20 Officers will also continue to liaise with other organisations to continue to be informed of other developing schemes such as those supporting permaculture and agroforestry.

3 EXTERNAL BODIES WHICH SUPPORT THE AGRICULTURAL SECTOR

3.1 Whilst the District Council's responsibilities and ability to help the farming community may be limited there are other organisations who are better placed to offer specialist assistance and guidance. These include:

- Department for Food and Rural Affairs (Defra)
- Rural Payments Agency (RPA) (e.g. Slurry Infrastructure Grant)
- Devon County Council (County Farms & Devon Agri Tech Accelerator (DATA) scheme)
- Business Information Point (BIP) – Farm visits and business advice
- The National Farmers' Union (NFU)
- Environment Agency (EA)
- The Agriculture and Horticulture Development Board (AHDB)
- Food, Farming and Countryside Commission Devon (FFCC)
- Farming Agents

4 CONCLUSION

4.1 It is undoubtedly a challenging time for our agricultural sector. Whilst the District Council's role is limited there are still a number of areas where the authority can make a positive contribution. Key areas include future planning policy formulation and economic development initiatives funded through government programmes such as those which support the 'buy local' message. The continued engagement with the agricultural sector will continue to be important. Future briefings from the National Farmers Union to the Planning Committee and the Economy PDG are proposed for 2023, along with ongoing liaison with the planning policy team. It should also be noted that the District Council also has the ability to lobby government for interventions with regard to specific issues should the Council consider this appropriate.

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List of Background Papers:

[Home - Mid Devon Climate Sustainability
\(sustainablemiddevon.org.uk\)](https://www.sustainablemiddevon.org.uk)