Agriculture in Mid Devon - Briefing Paper **3rd Nov 2016**

1.0 As a predominately rural district agriculture has played a significant role in shaping and defining the character of the district. Although farming has undergone major difficulties in recent years and its contribution to the national economy is declining in relative terms, agriculture still remains an important driver for the local economy – not only through direct employment in farming, but also through food processing and manufacturing.

2.0 Mid Devon Farming in Figures:

- There are 1,374 agricultural holdings and 522 agricultural businesses in the district, representing 10% of all Mid Devon businesses.[1]
- There are a further 435 businesses involved in food processing, food manufacturing and primary retailing of agricultural products.
- In total, therefore, 18.5% of Mid Devon businesses are directly dependant on agriculture, either as primary producers, processors, manufacturers or retailers.[2]
- Livestock farming is the dominant land usage in Mid Devon, with 70% of holdings managed as grassland for dairying, lowland cattle and sheep, with a further 10% under mixed usage.[3]
- In 2013 3,327 people were directly employed in agriculture, representing 9% of the total Mid Devon workforce at the time. Of these 49.3% were working full time, including 1,113 full time farmers, and 370 full time farm workers.[3]
- 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.
- In 2008 agriculture's share of Devon's GVA was less than 2%.[4] If one includes the whole agri-food industry in its broadest sense, including restaurants, bars, supermarkets and accommodation, the contribution to the county's GVA is 13%. This is nearly double the equivalent figure for Great Britain at 7.6%.[5]
- However, the economic significance of agriculture as a sector has been contracting. Agriculture's share of Devon's GVA had fallen from 3.5% in 1995 to under 2% in 2008, which compares with a fall from 2% to less than 1% for the UK as whole.[5]

3.0 Current Issues in Farming

- Obviously, the dominant issue at the moment is the future of farming post Brexit and the need to develop a truly national agricultural policy that meets the needs of all UK farmers, balances food production and environmental needs, and provides value for UK taxpayers.
- However, we must not forget that even before the EU referendum UK farming was facing significant pressures from increasing competition from imports, soaring feed prices, increasing energy costs, prices being driven down by the large supermarket chains and incidents of major diseases such as foot and

[1] Defra June Farm Survey 2013 & MintUK database. Holdings are not the same as farm businesses, as farm businesses often include a number of agricultural holdings.
[2] MintUK database
[3] Defra June Farm Survey, 2013
[4] Gross Value Added (GVA), the standard measure of productivity, is only available at county level
[5] *Lobley, M, Trail Thomas, J., Barr D A (2012) Review of Devon's Food Economy CRPR No 34, Centre for Rural Policy Research, Exeter*

mouth & Bovine TB etc. These have all had and continue to have serious impacts on the nature and shape of British farming.

4.0 Agriculture Post Brexit

- From even a quick scan of the media, it is apparent that no one is mourning the loss of the EUs Common Agricultural Policy. Many people see it as an opportunity for a well needed national debate on the future of farming and more broadly on the future of the countryside.
- The emerging issues include:
  - What should be the extent and nature of agricultural subsidies? In 2014 agricultural subsidies made up 55% of farming income nationally (up to 80% in upland LFA (Less Favoured Areas).
  - The need to increase competitiveness and productivity within the agricultural sector to meet future challenges
  - Food security – How much food should we produce and how much should we import? We currently produce only 54% of our food needs. However, intensification of food production is likely to mean greater environmental impact.
  - The role of farming in ensuring broader environmental benefits – flood prevention, carbon capture, maintaining water quality, biodiversity, protecting soils, landscape management.
  - Balancing food production and other land uses e.g. for energy – biofuels, solar farms, wind turbines.

5.0 Since the June referendum a number of bodies representing the broad range of interests in farming and the countryside more generally have made policy statements in advance of a wider national debate. To get a flavour of the current debate it is worth looking at the following papers:

- The National Farmers' Union (NFU) 's 'Brexit Policy Statement' - calls for the development of 'competitive, profitable and progressive farming' and stresses food security alongside broader environmental benefit. (https://www.nfuonline.com/news/latest-news/nfu-council-supports-bold-vision-for-post-brexit-farming/)

- CLA (Country Landowners Association)'s 'New Opportunities' sets out six principles for a new food, farming and environmental policy:
  - A productive, competitive farming and forestry sector
  - Food security
  - Enhance the Environment
  - A dedicated UK budget
  - Value for money
  - Clear, proportionate regulation

  https://www.cla.org.uk/newopportunities

- National Trust (UK's largest landowner) – 'The Future of our Countryside' (Aug 16) calls for a more direct link between subsidies and environmental benefits

  'Taxpayers should only pay public subsidy to farmers in return for things that the market won't pay for but are valued and needed by the public' *NT Director-General, Helen Ghosh.*

  https://www.nationaltrust.org.uk/news/the-future-of-our-countryside

- Campaign for the Protection of Rural England (CPRE) – 'New Model Farming' (July 2016) Brexit vote offers chance for farming to become more diverse and environmentally resilient http://www.cpre.org.uk/resources/farming-and-food/farming/item/4347-new-model-farming

- Joint Statement by WWF, RSPB, & NT - 'A new policy for our countryside' - *The need for a policy for the countryside that delivers high environmental standards for land management.* http://assets.wwf.org.uk/downloads/18109_farming___wildlife_policy___a4_leaflet_27_9_16_c.pdf -

Also see the following article: https://www.theguardian.com/environment/2016/oct/08/walking-into-the-unknown-rural-england-weighs-up-the-reality-of-brexit

Detailed Statistics

Number of Agricultural Holdings: 1,374 (*Defra, June Agricultural Survey, 2013*)[6]

Area of key crops			% difference 2010 - 2013
Total Hectares	81,591		+ 7%
of which			
Grasslands	57,282	70.2%	+6%
Cereals	12,056	14.7%	+16%
Arable Crops (excl. cereals)	6,830	8.4%	+11%
Fruit & Veg	458	0.5%	+4%

Source: DeFRA June Farm Survey 2013
https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june

Agricultural Holdings by Type

% of holdings not classed as other	Mid Devon (2004)	Devon (2006)	South West (2006)	England (2006)	
Cereals	7%	7.2 %	10.3 %	19.0 %	
General Cropping	1%	1.7 %	2.3 %	7.5 %	
Horticultural	6%	7.6 %	8.5 %	7.8 %	
Pig	7%	1.4 %	1.6 %	1.9 %	
Poultry		5.4 %	5.1 %	5.2 %	
Dairy	23%	15.9 %	15.8 %	10.7 %	
Cattle & Sheep (LFA)	-	15.3 %	8.5 %	10.7 %	
Cattle & Sheep (lowland)	46%	34.9 %	37.6 %	27.7 %	

[6] https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june

Mixed	11%	10.7 %	10.3 %	9.2 %	
Other[7]	31%	43.0 %	44.2 %	41.2 %	

Source: Butler, A. and Lobley M. (2007) Farming in Devon: Changes since 2002 and developments in the near future. CRPR Report No. 22. CRPR, Exeter

Agricultural Holdings by size

2006	**Mid Devon**	**Devon**	**England**
Less than 5ha	39.9 %	42.0 %	42.2 %
5 ha to less than 20 ha	21.2 %	20.3 %	19.8 %
20 ha to less than 50 ha	16.3 %	16.0 %	13.8 %
50 ha to less than 100 ha	13.4 %	12.5 %	10.9 %
100 ha and over	9.1 %	9.2 %	13.3 %

Source: Butler, A. and Lobley M. (2007) Farming in Devon: Changes since 2002 and developments in the near future. CRPR Report No. 22. CRPR, Exeter

Holding size in Devon districts in 2006
% of holdings in each district

	Mid Devon	**East Devon**	**North Devon**	**South Hams**	**Teign-bridge***	**Torridge**	**West Devon**
Less than 5ha	39.9	43.9	37.6	44.1	55.2	39.9	43.3
5 ha to less than 20 ha	21.2	18.9	19.4	20.0	26.6	21.4	18.8
20 ha to less than 50 ha	16.3	16.1	17.7	14.5	18.2	15.8	15.8
50 ha to less than 100 ha	13.4	12.0	14.7	12.3	-	13.2	12.1
100 ha and over	9.1	9.0	10.6	9.1	-	9.7	10.0

** Information suppressed about holdings between 50 ha to 100 ha and 100 ha and over.*

Source: Butler, A. and Lobley M. (2007) Farming in Devon: Changes since 2002 and developments in the near future. CRPR Report No. 22. CRPR, Exeter

Agricultural Labour Force

Agricultural Labour Force on commercial holdings 2013		%

[7] The high proportion of farms classified as 'other' may be a reflection of the well-known trend of new entrants purchasing small areas of land with a dwelling, but it could also be a consequence of a more rigorous approach to bio-security which has led Defra to issue more holding numbers

Farmers, partners, directors and spouses, Full Time	1,270	38.2%
Farmers, partners, directors and spouses, Part Time	1,113	33.5%
Regular Workers, full time	370	11.1%
Regular Workers, part time	314	9.4%
Casual Workers	203	6.1%
Total Labour Force	**3,327**	
Source: DeFRA June Farm Survey 2013 https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june		

- There has been a decrease in full time farmers and increase in part-time farmers – including those who are semi-retired, farmers scaling back on farming activities to develop other economic activities, and new entrants where agriculture is only part of their business activities.
- Fewer young people see a full time career in farming as a viable choice, leading to a lack of skilled labour and people with the appropriate training to take farming industry forward in Devon.

Components of the Agri-Food Sector

		Mid Devon	**% of agri-food businesses**	**% of total businesses**	**SIC 2007 Codes**
Core agri-food industry	Primary Production	522	54.5%	10.1%	01
	Food and Drink Manufacturing	38	3.9%	0.7%	101, 102, 103, 104, 105, 106, 107, 108, 109, 110
	Food and Drink Wholesaling	39	4.1%	0.7%	4611, 4617, 4620, 4630
	Specialist Food and Drink Retailing	48	5.0%	0.9%	4721,4722, 4723, 4724, 4725, 4729, 4781
Secondary Food sectors	Non-specialist predominantly food and drink retailing	12	1.2%	0.2%	4711
	Food and Beverage services	202	21.1%	3.9%	5610, 5620, 5630
Food related	Accommodation	96	10.0%	1.8%	55
Total Agri-food businesses		957	100%	18.5%	
TOTAL Businesses		5176		100%	

Data Source: Mint Database 11/10/16