

FOR WHAT IT'S WORTH

I am sure that this publication will be analysing the speech The Rt Hon Michael Gove MP gave at the WWF Living Planet Centre on 21 July in much the same way as other industry journals. Or perhaps Mr Gove's "vision for the future of the natural environment" will already have been side-lined by his colleague The Rt Hon Liam Fox MP's comments about American jet wash chicken.

Mr Gove's speech has widely been interpreted as warning farmers that they will have to "earn their subsidies" in the future. I am not entirely sure what is controversial about this premise (and perhaps that does indeed mean that Dr Fox will be occupying more column inches). What is perhaps notable is Mr Gove does not in fact mention "subsidies" at all, or "payments" either come to that.

SUPPORT OR INVESTMENT?

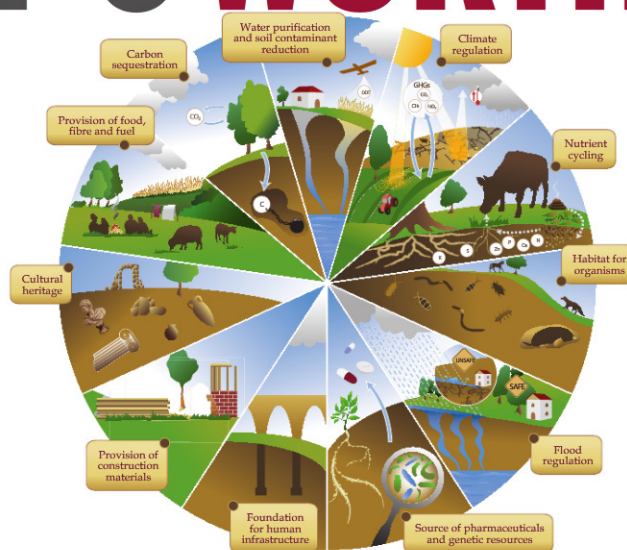
I had expected he might talk in terms of "investment" but it is hardly mentioned, instead he uses the term "support" extensively majoring on "the future of farming support". While he lists a very broad range of things he wants to "support"; (Environmental Benefits, Food (yes he does mention food production), growing producing and selling more, human ecology, tree planting and habitats) they are largely very "pillar 2esque" areas. And not only that but it is "support" not investment that he wants to provide; he doesn't mention purchasing public goods but giving support. The nature of "support" is that the type and amount will quite obviously always be dictated by those giving the support rather than those receiving it. In a world where "subsidies should be earned" would it not be more sensible to decide how we want to earn that income, to decide what it is you want to sell?

Mr Gove seems to indicate that there will be (some) money and that he is interested in certain things, certain assets and commodities. It is up to us to take the initiative and decide how to sell these to him. Despite the protestations of the Farmers Union of Wales that "Mr Gove is losing sight of the importance of people and food production" both are referred to in his speech with reasonably significant weight, well as much weight as one can attribute to Mr Gove who does not have the best track record on doing what he says.

WHAT ARE WE SELLING?

Don't misunderstand my own analysis of Mr Gove's speech, I am no fan but we would do well to listen to what one of our customers says he wants.

If he wants to support the production of high quality food (and high welfare standards) sell it to him, help him understand why he needs to pay a premium. If he wants to support increased productivity show him where to invest and what his return on capital will be. If he wants to protect the "ecology of rural areas" tell



› **Soil as Natural Capital:** These are the "ecosystem services" provided by your soils. These services have a value which can be quantified. Soil, woodland, grassland, etc are all natural capital assets whose value to society we would do well to understand

him how to spend his money. If he wants to support farmers' commitment to the countryside, put a value on that commitment and tell him what it's worth. If he wants to support habitat conservation, market it to him, tell him all the other things those habitats do besides look nice and encourage biodiversity.

DIVIDE AND CONQUER?

I am certain there will be a growing divergence between those who want to engage with the "support" that the government is prepared to give and those who are more than happy to take their chances with the market. But both have many assets that the government (for now at least) appears to be interested in paying for and we must therefore become better at putting values on those assets.

Mr Gove indicates that Natural Capital thinking will guide reforming agricultural support. But if we take ownership of it and understand its basis we can use it to help our sales pitch to Mr Gove... and whoever will inevitably and probably quite quickly come next.

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