

Farming Minister George Eustice MP finally decided to launch the LEADER programme on 14 October. Perhaps he thought doing so would act as counterpoint to the release of the results of the June survey of agriculture the next day, since as announcements go, it was a bit of a damp squib.

We already knew that £138million of competitive grant aid is to be made available to rural businesses to help promote jobs and growth, we were just waiting to find out exactly when it will be available. The timetable has continued to slide and what was perhaps more interesting than the content of the press release was that more space was devoted to the RPA CEO Mark Grimshaw than to the Minister; yet another sign that process has overtaken policy outcomes as the key concern of Defra and its “family”. This would be a great shame as we have many worthy projects just waiting to get out of the blocks which will make a significant contribution to jobs and growth in the rural economy. With under £2million per Local Action Group and with a lengthy build up to the grant going live there will certainly be some stiff competition in the South East.

### Diversification old hat?

Obtaining these funds is an important part of strengthening the diversified income streams of most farm businesses. If however you have been watching Harvest 2015 on the BBC you might think that diversification is old hat and what you actually need to do is invest in agri-technology – scale-up and gear-up. The programme certainly provided an excellent shop front for modern British farming. It was enough to give one a rosy glow, a sense of pride and excitement for a professional industry, innovating

# LEADER launched



BBC's Harvest 2015 will witness the harvest as it happens up and down the country. Pictured: Gregg Wallace, Philippa Forrester and James Manning ©BBC/Carl Pendle

and evolving, making the most of technology to feed the population and contribute to the economy. I have to admit though that I found myself wondering just what proportion of our farming output is attributable to these apparently well-honed businesses honoured by a visit from Philippa Forester and what contribution everyone else makes.

### Income potential

The results of “the June Survey” are billed as the “Structure of the Agricultural Industry in England and the UK” and I had hoped they might help with the answer. In fact all it really tells us is that there has been a modest increase in the dairy herd, the beef herd is fairly static, the sheep flock continues to slide and the area of uncropped arable land has had a sharp increase. I strongly suspect that the last factor is largely a product of the more accurate recording requirements of greening and EFA.

### Carrot and stick

Clearly the cash flows and income generating potential of individual farm businesses are all different but the main headings of farming income, subsidy income and diversification income to me are all part of the “Structure

of the Agricultural Industry” and would certainly feature in a structured farm budget. As the change in uncropped area shows, subsidy income has a direct effect on the other two headings. Likewise, the area of field beans increased by nearly 60% in 2015. Decades of Stewardship subsidy (since its payments are based on “income forgone”), has influenced cropping and stocking decisions. Subsidy is then the mechanism by which policy can and does influence business decisions and performance. When it comes to policy influencing business, the stick to the subsidy carrot is legislation.

Having spent an interesting day with two charming but frighteningly officious officials from the self-styled “Guardians of the EU Finances” the European Court of Auditors, one does start to wonder when the carrot and stick approach becomes the stick and stick approach. The increasing complexity of subsidies tends to engender two probably equally cynical points of view; 1. It's all the fault of the EU and 2. It's all a ruse to stop paying out subsidies at all. First we had the BPS fiasco and then hot on its heels the shambolic introduction of Countryside Stewardship, with key information released piece-

meal and a mountain of “evidence” required as a prerequisite of entry. I am an advocate of stewardship and believe that it is entirely possible to have your cake and eat it, to have a sound agribusiness while contributing to environmental gains. The fact that decades of work improving habitats and changing mindsets risks being undone because process has overtaken policy as the most important consideration is deeply concerning. The only thing worse would be if the policy is in fact to make the process so hard that subsidies are not paid out at all.

I am pleased to be working on some exciting LEADER projects and I am sure there are many more out there where we can focus on the contribution to the core business and the objectives of the Local Action Group and not let Mark Grimshaw's raft of procedural requirements derail entrepreneurial enthusiasm for rural economic growth.



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