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**THE CENTRE FOR EUROPEAN  
AGRICULTURAL STUDIES  
ASSOCIATION**

**RURAL RESPONSE TO THE RESOURCE  
CRISIS IN EUROPE**

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CENTRE FOR EUROPEAN AGRICULTURAL STUDIES ASSOCIATION

RURAL RESPONSE TO THE RESOURCE CRISIS  
IN EUROPE

Papers presented at a Seminar  
24-26 April 1981

Edited by Anne McLean Bullen  
and John Hosking

WYE COLLEGE (UNIVERSITY OF LONDON),  
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TABLE OF CONTENTS

	Page
<u>FOREWORD</u> John Hosking, BSc, JP, (Chairman, CEASA; Director, Agra Europe)	I
 <u>PAPERS PRESENTED:</u>	
1. <u>The resource crisis in Europe</u> by Sir Kenneth Blaxter, FRS, (Director, Rowett Research Institute, Aberdeen)	1
2. <u>Economic problems</u> by Mr. John Nix, BSc, MA, (Head of Farm Management Unit, Wye College, Kent)	7
3. <u>Social and political problems</u> by Mr. Stanley Blow, DL, (Fruit Grower, Paddock Wood, Kent)	18
4. <u>Possible solutions to the energy problems</u> by Dr. D.J. White, PhD, (Senior Principal Scientific Officer, Chief Scientist's Group, Ministry of Agriculture)	24
5. <u>Possible solutions to the husbandry problems</u> by Professor Colin Spedding, MSc, PhD, (Head of Department of Agriculture and Director of Centre for Agricultural Strategy, University of Reading)	38
6. <u>Possible solutions to the social problems</u> by Dr. Ruth Gasson, MSc, PhD, (Senior Research Associate, Department of Environmental Studies and Countryside Planning, Wye College, Kent)	46
7. <u>Rural development</u> by Professor Gerald Wibberley, CBE, Ernest Cook Professor of Countryside Planning in the University of London, at Wye College and University College	57
8. <u>Developments in German farming and countryside</u> by Dr. Martin Haushofer, (Upper Bavarian farmer; Deputy Director, Bavarian Farmers' Union College, West Germany)	70

	Page
9. <u>An alternative agricultural policy for the EEC</u> by Professor Louis Smith, (University College, Dublin, Ireland)	85
10. <u>Future EEC agricultural structures policy</u> by Mr. Guy Wilkinson, MA, (Former Principal Administrator, Central Advisory Group, EEC Commission; Trade Relations Director, Express Dairy Co.Ltd.)	96
11. <u>Summary</u> by Professor Denis Britton, CBE, (Head of Agricultural Economics Unit, Wye College, Kent)	104
 <u>LIST OF SEMINAR PARTICIPANTS</u>	 110
 <u>INFORMATION ABOUT THE CEAS ASSOCIATION</u>	 112



FOREWORD

The Centre for European Agricultural Studies Association is a group of people who are interested in supporting and promoting the Centre, and also in sharing and contributing to its studies of European agriculture, allied industries and rural affairs.

The Association held its own seminar at Wye in April 1981, to consider a subject which embraced the whole spectrum of the Centre's activities - the use and inter-relationship of the main resources connected with the land in Europe, and their future role not only in maintaining or recreating a prosperous agriculture, thriving rural communities and attractive countryside, but also in helping to overcome the shortage and imbalance of other important resources shared with industrial and urban neighbours.

It is a huge field. Inevitably, any such discussion is overshadowed by the all-pervasive Common Agricultural Policy (CAP), but we were determined that, for once, this did not become the dominant theme. On this occasion, we were more concerned to study the effects which that policy and other forces are having beneath the surface and beyond the present; and, in this regard, many of us are apprehensive about what we see.

In general, we see a European agriculture still kept relatively healthy by price support and tariff protection; but costs are continuing to out-run prices, as the effects of inflation and EEC budget considerations assume more prominence. In such a situation, the bigger and more intensive enterprises tend to get richer, while the rest get comparatively poorer. Some producers try to avoid these consequences by adopting part-time status, by converting cheaper imported feedstuffs into animal products, or by simply increasing production in some other way. Whatever the case may be, several major agricultural commodities remain in embarrassing surplus, the family farm and rural population continue to decline in numbers and political influence (along with many ancillary industries and services), and some large areas of the rural landscape are changing unacceptably.

While we smart from repeated lashes for our failure to overcome unemployment, energy shortage and overseas famine, it is pertinent to ask whether European agriculture and countryside hold potential solutions to some of these problems, as well as their own. Can we, should we, make the CAP more equitable, employ more people in the countryside, use more of our surpluses for food aid, and grow more fuel crops? Can we achieve all these things together, and thus perhaps ensure that at least the rural areas can flourish in such a balanced way that millions of others will benefit? What is, what should be, the general response of those most concerned with farming and the countryside to such questions?

Already, agriculture in Europe has reacted to the high cost and shortage of two of its main resources - land and labour - by the greater use of two others which have, until recently, been relatively

cheaper - capital and energy. These, together with State benevolence, have enabled the industry to make the fullest use of science and mechanisation to increase production substantially on less and less land. But has this process gone too far? Are there now perhaps more important considerations than efficiency?

This is the point at which we would like to have invited the late Dr. E.F. Schumacher to make a contribution to our discussion. He would undoubtedly have reiterated that "moral criteria should be paramount in the consideration of economic objectives". He often used the subject of fuel energy to illustrate the simple thesis that economic growth, having no apparent limit, is certain to collide with a finite environment; and he led on from that to his famous belief that small-scale operations, however numerous, are much less likely to be harmful, because the recuperative forces of nature can survive them.

In our case, we asked what effects are these, predominantly economic, currents having on rural and natural life today? What are they doing to the appearance of the countryside? What are they doing to our traditional ideals of crop and soil husbandry? How are they influenced by the leisure aspirations of a growing urban population? Are we now requiring in the EEC a Mark II Mansholt Plan? Much depends on the answer to the question: what does the Community require of modern agriculture, socially and economically? As that answer changes gradually from generation to generation, can we continue to convince politicians and the non-rural population that the maintenance of a prosperous countryside, managed by people who have to make their living in it and from it, is in the best long-term interest of all mankind?

In our seminar, we tried to stand back from the trees, so that we might see the wood more clearly. We wanted to distinguish the main problems, and then to sift out the most practical responses to them. Readers of these papers will judge for themselves how successful we may have been; but there was little doubt among those who took part that the issues were much clearer at the end than at the beginning. We now hope that, with the publication of the papers, an even wider public will be helped to make a more positive and intelligent contribution to any debate on the future role of agriculture and the countryside in Europe.

We also hope that even more people will be encouraged to join the CEAS Association, so that they can become better acquainted with the work of the Centre, and so that they can take part in our future meetings and discussions (see last page).

John Hosking,  
Chairman.

August 1981.

THE RESOURCE CRISIS IN EUROPE

by Sir Kenneth Blaxter, FRS,

Rowett Research Institute, Bucksburn, Aberdeen.

While this Symposium is concerned with ways in which European agriculture and its associated rural structures might or could deal with a series of problems related to resources, I will give most emphasis to such problems as they relate to the United Kingdom. The reasons are, that I am more familiar with them and, that in some ways the United Kingdom is confronting some problems in a more acute form than are other countries. Even so, we should not assume that simply because the UK led Europe, in terms of the industrialisation of its agriculture and in the urbanisation of its people, that it is still in the van and setting a pattern which other countries will follow. Admittedly, we have a low percentage of 2.7 of our labour force in farming compared with 8 per cent in the EEC as a whole, but Belgium has only 3.3 per cent. The contribution that farming makes to the gross domestic product is also lowest in the UK at 2.8 per cent but Germany runs us close with 3.2 per cent. With respect to certain other indices we are certainly no longer in the lead. Thirty years ago, some 80 per cent of the UK's population was urbanised, the highest proportion in Europe. This percentage has dropped as our city centres have decayed and now Germany, Austria and particularly Belgium, are countries far more urbanised than the UK. We are among the leaders with respect to the proportion of the working population concerned with service industries, and the proportion which is salaried or wage-earning, as distinct from being self-employed, but we are no longer trail blazers in many aspects of social and economic change, or indeed in terms of many criteria of agricultural efficiency. Nevertheless, from the changes that have occurred in the United Kingdom one can infer certain patterns of change in other countries and one can anticipate that in Europe as a whole, there will be a movement towards a greater uniformity of structures; conversely, those problems we can foresee are not peculiar to us alone.

It is desirable at the outset to consider what we encompass by the term 'agriculture'. Agriculture is usually defined as that industry which produces primary foodstuffs and some of the fibres required for clothing. In Europe, the proportion of income spent on food and clothing varies from country to country but not to a very great extent. With the exception of Italy and Ireland, all European countries come within the range 30-35 per cent but this range is considerably above the proportion of income spent on food and clothing in the United States, which is less than 25 per cent. What the consumer spends on food and clothing, however, includes expenditures which relate to the processing and distribution of these primary products. Consider food alone. It has been the lesson of the last 50 years that the balance between the three sectors of the food provision industry (farming, processing and distribution of food) changes - the primary production sector



diminishes and the secondary sectors augment. In terms of labour, as farm labour has declined so labour in the UK food industries has increased, not just relatively but also in absolute terms. Since no European country has achieved that low proportion of income spent on food and clothing recorded in the USA, we might expect that the trend towards further change in the balance of these three sectors will continue. Engel's law will undoubtedly continue to apply and the relative remuneration of the primary producer will inevitably fall. Equally, as remuneration and numbers in farming decline so does its political influence.

The definition of agriculture solely as a component of the economic activity of meeting needs for food and clothing is not, however, a sufficient one for our purpose. Agriculture is the most obvious industry in Europe since it uses the most land but most urban people regard farmed land not only as an analogue of their own work places but also as an amenity, either in terms of its visual impact or as a recreational area. Increasingly, and because of the strength of the urban lobby, constraints are being placed on agricultural development which have economic effects but the infra-structure of rural areas depends on farming's economic health and on the population it supports. Thus, in dealing with agriculture, we should not confine discussion solely to its technical or economic dimensions and the diminishing role of primary production in the whole system of food provision but should consider also, its impact on rural life. The classic division of resources by economists is into three; land, labour and capital. The relationships between these are certainly complex, even for economists. I shall attempt to follow this division.

The first fundamental resource is land. It is fundamental since it has the dimension of power, for every hectare represents an annual influx of energy as solar radiation. The whole purpose of farming is to capture part of this power using green plants and where desirable enrich the captured product using animals in secondary conversion processes. This entails judicious use of power from other sources - manpower and also the power usually termed 'support energy', exemplified by machines and resources other than labour which are brought to the farm. Indeed land, labour and capital all have the dimension of power, and extending the concept, the quality of land might be regarded in part as indicative of the additional resources required to realise the potential of the solar radiation receipt. In the UK mean annual incoming radiation does not vary by more than  $\pm 10$  per cent from a mean of  $9 \text{ Mj/m}^2$  per day over the whole latitude range from  $51$  to  $58^\circ \text{N}$ . Land quality as reflected in its price is thus not a measure of the energy receipt itself but of other factors, soil attributes, topography and aspects of climate which limit its use. Limitations of land due to water supply and fertility of soil can, however, be removed in part by drainage or irrigation and by the use of additional resources such as lime, fertiliser and organic matter. Limitations due to other components of climate, to altitude and aspect, are not included in such argument.

The amount of land for farming in Europe is diminishing due to pressures from forestry and urban and industrial sources. In the UK, estimates from the last 10 years suggest an annual removal of

about 50,000 hectares. This is based on simple accounting but losses may in fact be greater, and similar trends may equally have occurred in other European countries. The depopulation of major urban centres, previously mentioned, has created a considerably greater urban-rural fringe and isolated and fragmented farm land in new, semi-urban areas. Such land is clearly not highly productive agriculturally. Much of it, although classified as farm land, is used for leisure activities and even in Aberdeenshire, land around the city of Aberdeen is increasingly moving from farm use to pony grazings. Such attrition on land is likely to continue.

The fact that land represents a continuous source of power no doubt could be a basic reason for its value as a long-term investment. The value of land dominates the financial accounting of farming in any balance sheet and the return of it, as judged by rentals, is small. The present financial problems of many farmers relate to the fact that while they can use land as collateral in borrowing, the servicing of the loan comes from current income. The high price of land in terms of its investment value probably operates as a real constraint on the entry of new and younger men into farming. How we should best use the resource of land, how we should resolve problems related to the demand for the use of land for non-agricultural purposes, and how it should be optimally packaged in terms of farm size should demand our attention.

Given a defined area, obviously the mean size of farm reflects the number of farmers. The United Kingdom diverges from the rest of Europe in this respect with an average farm size of about 66 hectares; in most other European countries mean farm size is about a third of this. Additionally, and understandably, there is a reasonable correlation between farm size and the proportion of the total farm labour force made up of the farmer and his family. Regression analysis for all European countries indicates that for a mean farm size of 10 hectares, 94 per cent of the labour will be family labour while for the 70 hectare holding it is 62 per cent. Additionally, there is a negative correlation between farm size and the total labour force. In the UK the increase in farm size over the years has been associated with a decline in total rural population density, particularly in those areas in which there is no easy access to non-agricultural employment. Glen Buchat in the Don Valley of East Aberdeenshire is a good example. The 1931 census showed that the population was 222 and there were 20 tenant farmers. At present there are 9 tenant farmers and the 1971 census showed a population of only 100. It has since declined further. Since the war the school, the post office, the local shop and the petrol supply station have all closed, and the number of people employed by the two major estates relating to sporting activities has diminished. Incomers have been those seeking second houses and they contribute little to the life of the Glen. In less isolated areas within commuting distance of industrial or commercial centres, an incoming commuting population has in many instances preserved the infra-structure of schools and other services. No doubt as farm size and reduction of the farm labour force occurs in Europe the same infra-structure problems will emerge. They may be delayed, however, if patterns of part-time farming as seen in West Germany provide a pattern of social resistance; this pattern,