

Kent County Council

The Farming Economy Short Focused Inquiry (SFI) Report

January 2021



Headline Findings

- Agriculture in the UK provides half of the food we eat, employs almost half a million people and is a key part of the food and drink sector, which contributes about £120 billion to the economy. In Kent, the agricultural sector is highly concentrated and accounts for much of the country's soft fruit industry.
- The impact of Covid-19 on rural communities has been significant. The lockdowns have threatened the viability of many rural businesses through the loss of hospitality and food service markets, reduced capital investment and a decline in rural tourism.
- One of the most frequent concerns identified during this inquiry has been the impact of Covid-19 on restricting the labour supply, both nationally and in Kent.
- When the Brexit transition period comes to an end in December 2020, there are concerns that traffic delays could be very disruptive for exports, particularly for perishable agrifood destined for the EU.
- The impact of Covid-19 on the farming economy has highlighted the need for the Government to maximize domestic food production. As volatility in the food supply chain increases, food resilience and food security become even more important.
- Partly out of necessity during the first lockdown, many residents have supported the local farming economy by buying local produce. There is an opportunity for KCC to reinforce this trend.
- Apart from setting an example and providing direct support, it is also crucial that KCC continues to collaborate with local organisations whose objective is to promote Kent's food and drink produce.
- Many local farmers would welcome additional advisory support. Advice on how they might diversify would be particularly valuable because, for many farming businesses, diversification may be their only route to survival.
- As the country's economy begins to revive, the farming sector can play a pivotal role in rebuilding it in a more sustainable and environment-friendly manner. The new Agriculture Act will provide further incentives for agriculture to protect and improve the environment.

1. Introduction and Scope

1.1. Introduction

- 1.1.1. Past crises have highlighted the resilience and adaptability of the farming economy. The Foot and Mouth Disease (FMD) outbreak in 2001, and the associated rural shutdown, illustrated this as did the recovery from the 2007/8 financial crisis and recession. Some of the structural features of rural areas, notably their more dispersed population base and their already established tradition of home-based working, could well act as a source of resilience during this crisis.¹
- 1.1.2. Nonetheless, it would be wrong to assume that their resilience means rural communities can be left to fend for themselves. Capacities to withstand and adapt to periods of hardship and crisis are highly variable both between and within communities, and among different parts of the farming economy.
- 1.1.3. Agriculture in the UK provides half of the food we eat, employs almost half a million people and is a key part of the food and drink sector, which contributes about £120 billion to the economy.^{2 3} In Kent, the agricultural sector is highly concentrated and accounts for much of the country's soft fruit industry.⁴
- 1.1.4. The aim of this inquiry was to explore the impact of Covid-19 on the local farming economy, and to identify measures that KCC could take to mitigate this impact and to support its recovery.

¹ Newcastle University (2020) Centre for Rural Economy and Rural Enterprise UK, Briefing Note: Covid-19 and Rural Economies

² DEFRA (2019) The Future Farming and Environment Evidence Compendium

³ Food and Drink Federation (2020) Our Industry at a Glance, online, <https://www.fdf.org.uk/statsataglance.aspx>

⁴ Kent and Medway Economic Partnership (2020) Kent and Medway Economic Renewal and Resilience Plan: Economic Impacts Evidence Base, August 2020

1.2. Committee Membership

1.2.1. The membership of the inquiry consisted of most of the members of KCC's Scrutiny Committee:

Mr Andy Booth (Chairman, Conservative)

Mr John Wright (Vice-Chairman, Conservative)

Mr Matthew Balfour (Conservative)

Mr Paul Barrington-King (Conservative)

Mrs Rosalind Binks (Conservative)

Mr Gary Cooke (Conservative)

Mrs Trudy Dean, MBE (Liberal Democrat)

Mr Barry Lewis (Labour)

Mr Rory Love, OBE (Conservative)

Mr Alan Ridgers (Conservative)

1.3. Scope

1.3.1. The scope of the inquiry was:

1. To define and briefly set into context the farming economy.

2. To explore the impact of Covid-19 on the farming economy in Kent.

3. To identify measures that KCC could take to mitigate the impact of Covid-19 on the farming economy in Kent, and to support its recovery.

2. Background

2.1. Definition

2.1.1. Farming is a vitally important part of the UK's overall economy as well as meeting most of the country's domestic food consumption needs. Overall, agriculture contributes around £10.4 billion of Gross Value Added to the UK economy, with a farm output of about £27.3 billion.⁵

2.1.2. Collectively, the agri-food sector is worth about £120 billion - the equivalent of 6.3% of the UK's total GVA. This is larger than car and aerospace manufacturing combined. 13% (4 million) of all UK employees work in the sector.⁶

2.1.3. In this inquiry, the term "farming economy" includes all agricultural activities that contribute to Kent's economy, including those relating to crops, livestock, horticulture and viticulture, as well as diversified farming businesses such as venue lettings.

⁵ National Farmers Union (2020) State of the Farming Economy

⁶ Ibid

2.2. National and Local Context and Impact

National context

- 2.2.1. Agriculture accounts for around 0.5% of the UK's economy, but provides half of the food we eat, employs almost half a million people and is a key part of the food and drink sector.⁷ ⁸ 71% of the UK's land is managed by farmers and land managers.⁹
- 2.2.2. The UK agriculture industry is made up of 218,000 farm holdings, using 17.4 million hectares of land (about 70% of the UK land total).¹⁰
- 2.2.3. In 2019 the UK's Total Income from Farming (TIF) (that is, the gross value added minus the depreciation of farm assets, payment of wages, rent, interest and taxes, and in addition of farm subsidies) was £5.3 billion. England was the largest contributor accounting for 75% of this total, with Scotland contributing 14%, and Northern Ireland and Wales 5% each. In the UK in 2018, the total profit of all farm businesses (Total Income from Farming) was £4.7 billion.¹¹
- 2.2.4. About 60% of the value of the UK's agricultural production comes from livestock (£14.7 billion in 2019), of which Dairy, Beef and Poultry are the largest sectors (about £4.4 billion, £2.7 billion and £2.6 billion respectively).¹²
- 2.2.5. The overall output of crops value in 2019 was £10 billion, a rise of £562 million (6%) from 2018. A key contributor to this increase was wheat, whose value rose by about £330 million (16%) to over £2.4 billion.¹³
- 2.2.6. The output value of barley was about £1 billion, while those of oilseed rape and sugar beet were £585 million and £208 million respectively. The output of vegetables was £1.48 billion (an increase of £55 million (3.9%) from 2018), and that of potatoes was £776 million. The value of fruit in 2019 rose by £90 million from the previous year to £887 million, driven almost entirely by a 12% increase in price.¹⁴

⁷ DEFRA (2019) The Future Farming and Environment Evidence Compendium

⁸ Food and Drink Federation (2020) Our Industry at a Glance, online, <https://www.fdf.org.uk/statsataglance.aspx>

⁹ DEFRA (2019) The Future Farming and Environment Evidence Compendium

¹⁰ Ibid

¹¹ DEFRA (2020) Total Income from Farming in England, first estimate for 2019

¹² Ibid

¹³ Ibid

¹⁴ Ibid

2.2.7. Sales of fresh meat, milk and vegetables have decreased in the UK in the last 30 years, but we are buying more fruit and more meat in ready meals; this might be driven by trends in convenience and health, and by fluctuations in food prices.¹⁵

Local context

2.2.8. In Kent, 85% of land is classified as rural, and 62% of the land area is farmed.¹⁶ The total area of farmed land in the county is 224,535 hectares.¹⁷

2.2.9. In 2019 there were over 2,400 food and drink production enterprises in the county. This has grown by 3.7% over the last five years. Farming enterprises account for 88.8% of food and drink production enterprises.¹⁸

2.2.10. In 2018, the total output for agriculture and horticulture in the county was about £350 million.¹⁹

2.2.11. In 2018 there were an estimated 15,500 jobs in the local food and drink production industry, two thirds of which (about 11,000) were in crop and animal production.^{20 21}

2.2.12. The latest available figures show that, in 2016, there were 2,714 agricultural holdings in Kent. Ashford district had the highest number of holdings in the county (537), covering almost 45,000 hectares and employing over 1,700 workers.²²

2.2.13. Five Kent districts – Ashford, Dover, Folkestone and Hythe, Swale and Tunbridge Wells - have a higher proportion of food and drink production enterprises than the national average of 4.5%. The highest concentration is in Ashford (430 enterprises accounting for 6.7% of all enterprises in the district).

¹⁵ DEFRA (2019) The Future Farming and Environment Evidence Compendium

¹⁶ SELEP (2015) South East Local Enterprise Partnership, Rural Strategy 2015-21

¹⁷ Kent County Council (2020) Farming Economy Inquiry, written evidence

¹⁸ Kent County Council (2020) Strategic Commissioning Statistical Bulletin, Food & Drink Production Industries in Kent

¹⁹ Kent and Medway Economic Partnership (2020) Kent and Medway Economic Renewal and Resilience Plan: Economic Impacts Evidence Base, August 2020

²⁰ Ibid

²¹ Kent and Medway Economic Partnership (2020) Kent and Medway Economic Renewal and Resilience Plan: Economic Impacts Evidence Base, August 2020

²² Kent County Council (2020) Strategic Commissioning Statistical Bulletin, Food & Drink Production Industries in Kent

2.2.14. Swale and Dover have some of the highest proportions of employees in food and drink production in the country (5.9% and 5.2% respectively – the Kent and national averages are 2.5% and 1.9% respectively).

National Impact

2.2.15. Although statistics that quantify the precise impact of Covid-19 on the farming economy are still generally unavailable, there is considerable evidence that the farming economy has been negatively affected by the pandemic.

2.2.16. While the UK's food supply system has generally responded well to the unprecedented shift in demand away from food service (such as restaurants) into retail, some **food supply chains** – such as those supplying the catering industry - have been greatly affected, because whole markets have disappeared, leading to significant losses.^{23 24}

2.2.17. The shifting of some commodities – such as eggs - from food service to retail and supermarkets proved logistically too challenging. One reason for this was specific supply chain pinch points, such as the unavailability of retail packaging at egg-packing stations for the wholesale or food service market.²⁵

2.2.18. Other issues included the lack of capacity to process milk destined for the food service market into retail orientated processing facilities. This also had an impact on producers who specialised in supplying high-end restaurants with premium goods and led to food waste.²⁶

²³ UK Parliament (2020) Effects of Covid-19 on the Food Supply System, online, <https://post.parliament.uk/effects-of-covid-19-on-the-food-supply-system/>

²⁴ House of Commons Environment, Food and Rural Affairs Committee (2020) Inquiry on Covid-19 and Food Supply (July 2020)

²⁵ Ibid

²⁶ Ibid

2.2.19. In terms of **food production**, the National Farmers' Union (NFU) has warned that there is a risk that lasting structural damage will be caused in some agricultural sectors with "a long tail of impacts". For example, the UK fresh produce sector (fruit, vegetables and salads) faced severe impacts from the **loss of access to seasonal migrant workers** due to restrictions on international travel. The Office for National Statistics (ONS) estimates that the UK agricultural sector employs 64,000 seasonal migrant workers; the majority of abattoir workers are from overseas and most abattoir vets are from the EU (75% and 90%, respectively); and an additional 121,000 EU27 citizens are employed in food manufacturing.²⁷

2.2.20. The rapid closure of the UK catering sector left many of the UK's 10,000 dairy farms operating at a significant loss. There is also a risk to the continuity of the global supply of animal feed, supplements and veterinary products, through disruption caused by export bans to protect supply and by drops in demand resulting from the impacts on meat and dairy production of global restrictions on the catering sector.²⁸

2.2.21. While the Government has put in place measures to mitigate economic hardship to businesses, these schemes are not necessarily well suited to agricultural production, as **farms cannot be furloughed when animals and crops need to be managed**.²⁹

2.2.22. Profits in the horticultural sector are comparatively low, with an average farm income of about £52,000. Land prices in the UK remain high and increases in labour costs, and loss of productivity from inexperienced labour, may reduce profitability further. A report jointly funded by the NFU, British Apples and Pears, British Summer Fruits and the British Growers Association concluded that Covid-19 has resulted in labour costs increasing by up to 15%. This is in addition to a 34% rise in labour costs over the past 5 years.³⁰

2.2.23. In terms of **trade**, although disruptions of the global trade in food have been minimal so far, the World Trade Organization (WTO) has forecast that trade in agricultural products will contract. An analysis by the UN Food and Agriculture Organization has suggested that high import dependency could expose countries to Covid-19 disruptions of international supply chains, such as a lack of personnel at critical connection points for trade. For example, UK food imports are heavily reliant on the Dover Strait maritime route.³¹

²⁷ Ibid

²⁸ Ibid

²⁹ Ibid

³⁰ Ibid

³¹ Ibid

2.2.24. In terms of farm specialisation:

Horticulture, dairy, arable and ornamentals

2.2.25. The Coronavirus lockdowns have affected the farming industry in several ways. The closure of coffee shops and hospitality outlets left an excess supply of milk, and put dairy farmers under severe financial pressure.

2.2.26. The closure of garden centres and florists at their busiest time of the year (before and during Easter) affected ornamental growers who lost sales.

2.2.27. Potato growers were affected by the closure of restaurant chains, fish and chip shops and takeaways.

2.2.28. Hop growers continue to be concerned about the closure of pubs and the surplus stock of lager and ale, as they will not be able to sell their 2020 crop. The imposing of a second lockdown to the hospitality sector, and limiting the sale of alcohol to takeaway businesses, will hit the agricultural sector again. This could lead to British hop and malting barley growers leaving the sector altogether and could affect Britain's oldest brewery, Shephard Neame based in Kent.³²

Livestock

2.2.29. Carcase balance – the demand for some cuts of meat has fallen, especially high value cuts that would have gone to restaurants. Retailer promotions, the weather, and some food service outlets reopening caused the beef carcase balance issue to improve.

2.2.30. Demand for beef mince rose – these are the cheaper cuts that go into retail.

2.2.31. Lamb export demand has dropped and is less able to bridge into retail.

2.2.32. The 2-metre social distancing rules have affected processing capacities causing a backlog of stock.³³

³² Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

³³ Ibid

Poultry

- 2.2.33. The retail demand for both poultry meat and eggs has increased significantly. It has been reported that the demand for eggs has increased by as much as 100% in some supermarkets.
- 2.2.34. Demand for poultry meat has reportedly grown by nearly 75%. There is, however, a significant fall in demand in the food service sector, where events have been cancelled, restaurants closed and hotels have been empty.
- 2.2.35. The wholesale poultry meat sector has been significantly affected since additional measures were introduced in March 2020 to contain the spread of Covid-19. Cutting-up operations in this sector have closed, partly from staff shortages and partly a lack of demand following the closure of restaurants and butchers' shops. This has impacted on the independent processors who reported that sales were down by 50% on pre-Covid-19 levels.
- 2.2.36. Surplus eggs from the food service sector have been re-allocated, where possible, into the retail sector but this has put the availability of packaging under pressure.
- 2.2.37. Some of the biggest concerns throughout the sector relate to the availability of labour, not only on farms, but throughout the supply chain including hatcheries, catchers, feed mills, processing and packing centres.³⁴

Additional Costs

- 2.2.38. Farm businesses, food processors and food suppliers, like many businesses in the UK, have faced extra costs because of the pandemic. These include: purchasing PPE and other safety equipment; having to alter workers' hours and shifts to meet social distancing regulations; and costs to ensure their premises are Covid-19 compliant. This put extreme pressure on productivity in March 2020, when local food was in high demand. Horticultural businesses, poultry farms, food processors, dairy farmers and meat processors have all suffered from a shortage of available labour.³⁵

³⁴ Ibid

³⁵ Ibid

Local impact

2.2.39. It appears that the strongest, negative effect has been on the availability of labour. Fewer migrants were able to come to work on UK farms, and those who came were often required to quarantine for two weeks. This was particularly challenging for some of Kent's fruit and vegetable farms because of their high reliance on migrant labour. Some larger businesses managed to charter flights to bring in their workers but this was not possible for small farmers.^{36 37 38}

2.2.40. Social distancing had to be enforced on farms, making it more difficult to manage staff and increasing costs. This impact was particularly felt by vegetable/fruit growers, especially if they had workers living in farm accommodations that had to create "bubbles".^{39 40}

2.2.41. Farms selling on contracts to supermarkets have not been particularly disrupted, but those (normally smaller farms) selling products to the hospitality sector have suffered. For example, the closure of pubs and restaurants had a spillover effect on the demand for hops and cider apples.⁴¹

2.2.42. In terms of farm specialisation:

Top fruit

2.2.43. A moderate impact overall, although greater care was needed in managing the arrival of workers and keeping sites secure from the virus. There were also some problems relating to the availability of drivers to transport the produce.⁴²

Soft fruit

2.2.44. Infection rates amongst growers were low, but have been higher in the larger packhouses. The cost of putting in place Covid-19 measures, including lots of Personal Protective Equipment and screens, were not offset by higher prices and, in some cases, reduced profits. A report (June 2020) commissioned by British Summer Fruits looked into the cost implications of Covid-19. It showed an extra £15 million of costs for strawberry growers alone, 20% of whom are in Kent.⁴³

³⁶ Kent County Council (2020) Farming Economy Short Focused Inquiry, 13 November 2020

³⁷ Kent County Council (2020) Farming Economy Short Focused Inquiry, 18 November 2020

³⁸ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

³⁹ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁴⁰ Kent County Council (2020) Farming Economy Short Focused Inquiry, 18 November 2020

⁴¹ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁴² Ibid

⁴³ Ibid

2.2.45. Growers of fresh produce supplying larger events, such as Wimbledon and The Open Golf Championship, suffered considerable losses.⁴⁴

Arable

2.2.46. The extremes of weather over the last 12 months have compounded problems for some farmers. The national wheat yield was considerably reduced because the wet autumn meant postponing drillings until the spring, when drought made crop establishment difficult.⁴⁵

Ornamental horticulture

2.2.47. Ornamental horticulture was saved by the opening of garden centres; some nurseries managed to increase sales via farm shops and other channels.⁴⁶

Dairy

2.2.48. The dairy industry was particularly affected by the dramatic fall in domestic demand due to the closure of restaurants and coffee shops. Dairy farming suffered at the beginning of the first lockdown when staffing issues at dairy processors (purchasers) meant they could not process the milk and did not have the staff to bulk collect from farms. This meant that many dairy farms in Kent had to pour milk away which was heart-breaking for those farmers. There was also a long delay before these farmers received the money owed them by the processors/dairy; this was put down to the processors not being paid by the supermarkets. Some dairy farmers had payments delayed by up to 4 months which caused them major cash flow problems.⁴⁷

Viticulture

2.2.49. Revenue was lost from the cancellation of tours, tastings, events, and the closing of hospitality outlets. For those supplying the large supermarkets, sales have surged, as have orders from local retail and online orders. The more commercially minded producers have coped better than the artisan producers. This year's harvest was exceptionally good.⁴⁸

⁴⁴ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁴⁵ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁴⁶ Ibid

⁴⁷ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁴⁸ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

Hops

2.2.50. The 2020 hop harvest is difficult to sell and the 2021 crop is also under threat with possible grubbing up due to the closure of pubs and the consequent drop in beer production. As yet, it is unclear how much hop will be planted for next year.⁴⁹

Fruit juice producers:

2.2.51. Under strain due to the closure of the hospitality sector and people rejecting sugary drinks for healthier options. Direct sales at markets and events have been lost. These products are heavy and expensive to sell online.⁵⁰

Farm diversification

2.2.52. The impact depended on the type of diversification that the farm chose and the timing. Farm shops did relatively well; bed and breakfasts and camping did poorly at the beginning of the lockdown but then experienced higher demand following the growth of 'staycations'. However, the stringent requirements for reopening tourist accommodations hit the smaller B&Bs, which stayed closed. In general, many farms broke even on their farming activities, but made a profit only through their (diversified) non-farming activities. Many of the diversified businesses benefited from national schemes for loans and furloughing.⁵¹
⁵²

Positive impacts

2.2.53. The impact of Covid-19 was not negative for all farm businesses. Born of necessity during the first lockdown, many people decided to stay fit through a healthier diet. They also wanted to support the local economy and protect the environment. The local food and drink retail, and farm shops in particular, experienced a significant increase in demand.⁵³

⁴⁹ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁵⁰ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁵¹ Kent County Council (2020) Farming Economy Short Focused Inquiry, 13 November 2020

⁵² Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁵³ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

National policies and strategies

- 2.2.54. At least 16 ministerial departments - in addition to agencies, public bodies and advisory groups - are involved in food policy in England. They range from the Department for Environment, Food and Rural Affairs (DEFRA) to the Department for Business, Energy and Industrial Strategy (BEIS), the Department of Health and Social Care (DHSC) and the Department for International Trade (DIT).⁵⁴
- 2.2.55. The Government has put in place a number of measures to mitigate economic hardship as a result of the impact of Covid-19, including the following.
- 2.2.56. **The main intervention was the introduction of the Coronavirus Job Retention Scheme (CJRS).** The scheme helped employers to continue to pay part of the salary of employees who were otherwise at risk of redundancy. For employees designated as 'furloughed', HMRC reimbursed 80% of wage costs, up to a cap of £2,500 per month. On May 12th the Government extended the CJRS from its original end date (the end of June) until 31 October.^{55 56}
- 2.2.57. The **Job Support Scheme (JSS)**, which came into force in November 2020, is designed to protect viable jobs in businesses that are facing lower demand over the winter months due to Covid-19, and to help them to retain their workforce.⁵⁷
- 2.2.58. **The Coronavirus Business Interruption Loan Scheme (CBILS)** provides financial support to smaller businesses affected by the coronavirus. The scheme helps small and medium-sized businesses to access loans and other kinds of finance up to £5 million. The Government guarantees 80% of the finance to the lender and pays interest and any fees for the first 12 months. The scheme was open until 30 November 2020.⁵⁸

⁵⁴ Ibid

⁵⁵ All Party Parliamentary Group for Hospitality and Tourism (2020) Pathways to Recovery

⁵⁶ Gov.UK (2020) Changes to the Coronavirus Job Retention Scheme, online, <https://www.gov.uk/government/publications/changes-to-the-coronavirus-job-retention-scheme/changes-to-the-coronavirus-job-retention-scheme>

⁵⁷ Gov.UK (2020) The Job Support Scheme, online, <https://www.gov.uk/government/publications/the-job-support-scheme>

⁵⁸ Gov.UK (2020) Apply for the Coronavirus Business Interruption Loan Scheme, online, <https://www.gov.uk/guidance/apply-for-the-coronavirus-business-interruption-loan-scheme>

- 2.2.59. **The Bounce Back Loan Scheme (BLS)** enables smaller businesses to access finance more quickly during the pandemic. It helps small and medium-sized businesses to borrow between £2,000 and up to 25% of their turnover. The maximum loan is £50,000. The Government guarantees 100% of the loan with no fees or interest to be paid for the first 12 months. Thereafter, the interest rate will be 2.5% a year. The scheme was open to applications until 30 November 2020.⁵⁹
- 2.2.60. Agricultural-specific packages have included the Countryside Stewardship and Environmental Stewardship bridging payments, and the Dairy Hardship Fund.
- 2.2.61. **Countryside Stewardship (CS)** payments provide financial incentives for farmers, woodland owners, foresters and land managers to look after and improve the environment.⁶⁰
- 2.2.62. The **Dairy Response Fund**, which was withdrawn at the end of September 2020, was a one-off payment to support dairy farmers in England who produced cows' milk.⁶¹
- 2.2.63. The EU's Common Agricultural Policy funding for British farmers will end. The recent **Agriculture Act 2020** provides the legislative framework for replacement agricultural support schemes.⁶²
- 2.2.64. The Act sets out how farmers and land managers in England will be rewarded with public money for "public goods" – such as better air and water quality, thriving wildlife, soil health, or measures to reduce flooding and tackle the effects of climate change - under the Environmental Land Management scheme. These incentives will provide a powerful vehicle for achieving the goals of the Government's 25-Year Environment Plan and its commitment to reach net zero emissions by 2050.⁶³
- 2.2.65. This new system will replace the Basic Payment Scheme subsidy system, which largely pays farmers for the total amount of land they farm.⁶⁴

⁵⁹ Gov.UK (2020) Apply for a Coronavirus Bounce Back Loan, online, <https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan>

⁶⁰ Gov.UK (2020) Countryside Stewardship, online, <https://www.gov.uk/government/collections/countryside-stewardship>

⁶¹ Gov.UK (2020) Dairy Response Fund 2020, online, <https://www.carlisle.gov.uk/Residents/Grants-and-Funding/ArticleID/1230/Dairy-Farmers-Coronavirus-Hardship-Response-Fund>

⁶² Gov.UK (2020) Landmark Agriculture Bill Becomes Law, online, <https://www.gov.uk/government/news/landmark-agriculture-bill-becomes-law>

⁶³ Ibid

⁶⁴ Ibid

Local policies and strategies

2.2.66. Although the Government introduced schemes to mitigate the impact of Covid-19 on businesses and workers, local authorities have also played an important role in delivering much of the national support programme. In particular, they have been in the forefront of providing practical and essential support by delivering those Government measures that have been channelled through the business rates system.⁶⁵

2.2.67. For the mid term, amongst other initiatives, KCC has been involved in the development of a wide-ranging **Kent and Medway Recovery Strategy**, which considers the post-crisis response in relation to several other aspects of public services and community resilience, and works in parallel with the **Kent and Medway Economic Renewal and Resilience Plan**.

2.2.68. The Plan seeks to deliver against three key principles, focused on:

- Greener Futures (building a more sustainable, lower carbon economy)
- Open and Productive (supporting long-term productivity growth in an economy that welcomes investment and trade); and
- Better Opportunities, Fairer Chances (ensuring that people are supported through recession and stand to gain from a more resilient economy in the return to growth).⁶⁶

2.2.69. In order to deliver these ambitions, the Plan sets out five 'channels' of activity. These are:

- Communications, confidence and trust: providing better intelligence to inform our actions and ensuring collaboration and partnership to drive our activity.
- Open for business: taking action quickly to build confidence and demonstrate that our county and our towns are 'open'.
- Supporting businesses in the return to growth: practical measures to help firms grow, innovate and adapt to changing circumstances and markets.
- Enabling people to access work and develop skills to reach their potential

⁶⁵ Kent County Council (2020) Kent and Medway Economic Renewal and Resilience Plan

⁶⁶ Ibid

- Accelerate capital investment, where it will support a sustainable, lower-carbon recovery and local employment and supply chain growth.⁶⁷

2.2.70. A key initiative by the two local authorities was to provide funding to Kent Invicta Chamber of Commerce to deliver the **Kent and Medway Growth Hub Covid-19 Helpline**. This offers businesses advice and support, including in accessing Government support schemes. Since March 2020, the helpline has taken over 8,000 calls, had over 1,800 webchat contacts, and delivered over 3,000 telephone advice sessions.⁶⁸

2.2.71. The Authorities will also establish a **Kent and Medway Employment Task Force** to promote and support employment and skills development. The key objectives of the Task Force are to:

- Identify and progress initiatives that will mitigate the extent and impact of unemployment, under-employment and economic inactivity - including temporary employment and employment subsidy schemes, jobs' brokerage and information, advice and guidance schemes, and additional training and re-training capacity.
- Secure resources to meet identified needs.
- Identify opportunities for innovation in addressing the employment crisis.
- Maintain an awareness of the current state of the labour market.
- Ensure that actions taken in support of future employment contribute to the three principles for Renewal and Resilience set out in the Plan (Greener Futures; Productive and Open; and Better Opportunities, Fairer Chances).⁶⁹

⁶⁷ Ibid

⁶⁸ Ibid

⁶⁹ Ibid

3. Key Issues and Recommendations

3.1. Introduction

3.1.1. Past crises have highlighted the resilience and adaptability of the farming economy. The Foot and Mouth Disease (FMD) outbreak in 2001 and the associated rural shutdown, and the recovery from the 2007/8 financial crisis and recession, illustrate this.⁷⁰

3.1.2. Nonetheless, it would be wrong to assume that their resilience means farming communities can be left to fend for themselves. Capacities to withstand and adapt to periods of hardship and crisis are highly variable both between and within communities, and among different parts of the rural economy.

3.1.3. The Covid-19 outbreak is having widespread effects on the farming sector, both nationally and locally. The pandemic has affected not only crops, livestock and labour, but it has also highlighted the need to maximise homegrown food production and to promote a local, diverse farming economy.

⁷⁰ Newcastle University (2020) Centre for Rural Economy and Rural Enterprise UK, Briefing Note: Covid-19 and Rural Economies

National Level Issues and Recommendations

3.2. Labour supply

- 3.2.1. One of the most frequent concerns identified by the Scrutiny Committee during this inquiry has been the impact of Covid-19 on restricting the labour supply, both nationally and in Kent.
- 3.2.2. There is considerable evidence that the UK fresh produce sector (such as fruit, vegetables and salads) has faced severe impacts from Covid-19, with the loss of access to seasonal migrant workers due to restrictions on international travel.^{71 72 73}
- 3.2.3. The NFU's data on the supply of seasonal labour is the only source that identifies the nationality of seasonal workers in agriculture. In its seasonal labour survey analysis (2017) it reported that, in the national horticultural industry, 99% of agency-sourced seasonal labour were EU nationals (67% from EU2 countries, such as Romania, and 32% from EU8 countries, such as Poland).⁷⁴
- 3.2.4. With the UK's exit from the EU, and the closure of national borders, there has been a significant reduction in the number of seasonal workers from the EU who have been able to work in agriculture in 2020. According to different estimates, the shortage of migrant labour supply ranged from about 65,000 to 80,000.^{75 76 77}
- 3.2.5. There have been attempts to fill this shortage. They have included chartering flights for migrant workers contracted in autumn of last year for the 2020 season. Although this initiative secured a core of workers with vital experience of horticulture, and knowledge of health and safety and food safety standards, it was insufficient and expensive, adding to already significant production costs.⁷⁸

⁷¹ UK Parliament (2020) Effects of Covid-19 on the Food Supply System, online, <https://post.parliament.uk/effects-of-covid-19-on-the-food-supply-system/>

⁷² Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁷³ House of Lords (2020) House of Lords Briefing, Coronavirus: Food Supply and Food Security Debate, 14 May 2020

⁷⁴ House of Lords (2020) House of Lords Briefing, Coronavirus: Food Supply and Food Security Debate, 14 May 2020

⁷⁵ UK Parliament (2020) Effects of Covid-19 on the Food Supply System, online, <https://post.parliament.uk/effects-of-covid-19-on-the-food-supply-system/>

⁷⁶ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁷⁷ University of York (2020) Vulnerability of the UK's food supply chains exposed by Covid-19, online, <https://www.york.ac.uk/news-and-events/news/2020/research/vulnerability-uk-food-supply-covid/>

⁷⁸ House of Commons Environment, Food and Rural Affairs Committee Inquiry on Covid-19 and Food Supply (2020) Written evidence submitted by the National Farmers' Union (NFU)

- 3.2.6. The 'Pick for Britain' campaign, which was developed collaboratively by the farming industry and DEFRA and attempted to recruit domestic seasonal workers, was only partially successful. The challenges identified included the possible requirement of furloughed workers to return to their original employment at any time during the season, and students to go back to their studies, leaving businesses significantly short of the workforce they needed.⁷⁹
- 3.2.7. Other problems included the inability of many applicants to commit to a fixed length of contract, while others sought a level of part-time work that it was not always possible to accommodate. Some were unable or did not wish to travel to or live on a farm.⁸⁰
- 3.2.8. There are also concerns over attracting and retaining highly qualified researchers. The Royal Society, for example, maintains that it is crucial to keep highly skilled scientists from around the world working in the UK, as they contribute to the country's global, scientific competitiveness.⁸¹
- 3.2.9. The closure of national borders could affect institutions such as the locally-based National Institute of Agricultural Botany (NIAB) East Malling Research (EMR) station. The centre has a long tradition of welcoming overseas students and visiting academics, who assist with research into breeding, genetics, physiology, entomology and plant pathology.⁸²
- 3.2.10. In September 2018, the Government announced a new pilot scheme - the Seasonal Workers Pilot - for the employment of seasonal agricultural workers. It started in March 2019 and was planned to run until December 2020. It allows fruit and vegetable farmers to employ migrant workers for a period of up to six months. It was originally capped at 2,500 workers a year. In February 2020, it was extended to 10,000 workers.⁸³
- 3.2.11. Although the pilot offers a means of increasing the supply of seasonal labour for the farming economy, its current intake is not sufficient; the demand in Kent alone is for about 18,000 people.⁸⁴
- 3.2.12. As the evidence suggests, it is vital that the current Seasonal Workers Pilot scheme is extended both in terms of time and the number of participants.⁸⁵

⁷⁹ Ibid

⁸⁰ Ibid

⁸¹ The Royal Society (2020) Brexit and UK Science, online, <https://royalsociety.org/topics-policy/projects/brexit-uk-science/>

⁸² NIAB EMR (2020) About NIAB EMR, online, <https://www.emr.ac.uk/about-us/>

⁸³ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁸⁴ Kent County Council (2020) Farming Economy Short Focused Inquiry, 13 November 2020

⁸⁵ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

3.2.13. Having considered all of the above issues, the Committee makes the following recommendation.

Recommendation 1

KCC's Cabinet Member for Economic Development should write to the Secretary of State for the Home Department, and ask her to secure sufficient seasonal labour through extending and expanding the Seasonal Workers Pilot scheme.

3.3. Trade and perishable goods

3.3.1. The UK crossings from Kent are a major route for foodstuffs, but when the Brexit transition period comes to an end in December 2020*, there are concerns that traffic delays could be very disruptive for exports destined for the EU.

3.3.2. In its “Reasonable Worst Case Scenario” document, the Government has outlined measures to deal with potential disruption to freight travelling between Britain and the EU from 1 January 2021. The assumption is that the EU will impose third country controls on UK goods at the end of the transition period. This will mean that all freight that travels to the border without the correct documentation will be stopped before boarding ferries in the UK or on arrival at EU member state ports. The Government has estimated that, in the worst-case scenario, 40% to 70% of trucks travelling to the EU might not be ready for the new border controls.⁸⁶

3.3.3. The evidence submitted to the Committee indicates that there are particular concerns with regard to perishable agrifood. Fresh produce, such as vegetables and fruit, may go to waste in heavy goods vehicles waiting to cross the Channel.^{87 88 89}

3.3.4. These concerns have been heightened since the Government set out new details of its Operation Brock - the traffic management strategy in Kent. The Department for Transport confirmed that only day-old chicks and seafood would be given priority status for travelling through Kent to reach the Short Straits; this may mean that fresh agrifood would go to waste in the event of lengthy hold-ups at the port of Dover.^{90 91}

* While the information in the report was accurate at the time of writing, on 24 December 2020 a trade deal between the UK and the EU was announced. As at 22 January 2021, it appears that new border procedures, including additional customs paperwork and the Covid tests required by France, are running generally smoothly. However, HGV traffic volumes remain around 30% below average and the potential for the issues expressed in the report therefore remains.

⁸⁶ National Farmers’ Union (2020) NFU Calls on Government to Do More Following 'Worst Case Scenario' Border Announcement, online, <https://www.nfuonline.com/news/latest-news/nfu-calls-on-government-to-do-more-following-worst-case-scenario-border-announcement/>

⁸⁷ Kent County Council (2020) Farming Economy Short Focused Inquiry, 20 November 2020

⁸⁸ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁸⁹ National Farmers’ Union (2020) No Priority for British Food at Kent Ports, Government Confirms, online, <https://www.nfuonline.com/news/eu-exit/eu-exit-news/no-priority-for-british-food-at-kent-ports-government-confirms/>

⁹⁰ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁹¹ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

- 3.3.5. In addition, small, local food and drink businesses rely on “just-in-time” service and will suffer losses if there are extensive road blockages. These could be exacerbated in 2021/22 with the growing popularity of domestic staycations.^{92 93}
- 3.3.6. The consequences of traffic congestion after the transition period are concerning for the local and national farming economy; in 2019 alone, £10 billion worth of agri-food products crossed from Kent to the EU.⁹⁴
- 3.3.7. The NFU is lobbying the Government to ensure that fresh produce, such as vegetables and fruit, is given priority in the event of Operation Brock.⁹⁵
- 3.3.8. The Committee supports the NFU in this campaign, and recommends that KCC lobbies the Government to ensure that fresh, perishable agrifood is given priority in the event of traffic delays due to Operation Brock.

Recommendation 2

KCC’s Cabinet Member for Economic Development should write to the Secretary of State for Transport and ask him to ensure that fresh, perishable agrifood is given priority in the event of traffic delays due to Operation Brock.

⁹² Kent County Council (2020) Farming Economy Short Focused Inquiry, 18 November 2020

⁹³ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁹⁴ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

⁹⁵ Kent County Council (2020) Farming Economy Short Focused Inquiry, 20 November 2020

3.4. Food security

- 3.4.1. Until early March 2020, about half of all food spend in the UK was outside the home. The lockdown closed this part of the UK food system abruptly. There were two major consequences: an increased demand for food through the retail channel, and an inability to move supplies destined for foodservice into retail rapidly, in order to meet the increasing demand.⁹⁶
- 3.4.2. This focused attention on the complexity of the domestic food supply chain, on the production vulnerability of a wide range of food and grocery products, and on the importance of the country's food security.⁹⁷
- 3.4.3. The Centre for Food Policy describes the food system as “the interconnected system of everything and everybody that influences, and is influenced by, the activities involved in bringing food from farm to fork and beyond”. It comprises a range of activities above and beyond producing, processing, packaging, retailing, storing and consuming food. **The complexity and connectedness of the food system means that it is vulnerable to a range of shocks and stresses; an action in one part of the system has consequences for other parts.**⁹⁸
- 3.4.4. The unprecedented impact of Covid-19 on the UK's food supply system has affected all agricultural sectors to some extent. While some agricultural supply-chains servicing retail have seen demand increase, those servicing the hospitality sector have, unsurprisingly, seen it decline severely.⁹⁹ The account provided by a local farmer indicates that, when the first lockdown was introduced and hospitality outlets were closed, he rapidly lost, as a result, about 30%-40% of his trade.¹⁰⁰
- 3.4.5. The Government has introduced a range of measures to mitigate economic hardship, such as the Coronavirus Job Retention Scheme, the Coronavirus Business Interruption Loan Scheme and the Small Business Grant Scheme. However, these schemes are not necessarily suitable in the context of agricultural systems and businesses. Farming systems are biological in nature: production on farms cannot be furloughed when animals and crops need to be tended.¹⁰¹

⁹⁶ House of Commons (2020) House of Commons Environment, Food and Rural Affairs Committee Inquiry on Covid-19 and Food Supply, Written Evidence Submitted by the National Farmers' Union

⁹⁷ Ibid

⁹⁸ UK Parliament (2020) Effects of Covid-19 on the Food Supply System, online, <https://post.parliament.uk/effects-of-covid-19-on-the-food-supply-system/>

⁹⁹ House of Commons (2020) House of Commons Environment, Food and Rural Affairs Committee Inquiry on Covid-19 and Food Supply, Written Evidence Submitted by the National Farmers' Union

¹⁰⁰ Kent County Council (2020) Farming Economy Short Focused Inquiry, 18 November 2020

¹⁰¹ Ibid

- 3.4.6. In addition, the requirement for social distancing has led to increased costs in different parts of the farming sector, for example in packhouses, egg-packing plants, meat processing plants and on farms. These have included: the costs of PPE, additional washdowns, slowing lines down to create the necessary distance between employees, and larger car parks.^{102 103}
- 3.4.7. The impact of Covid-19 on the farming economy has highlighted the need for the Government to maximize domestic food production. As volatility in the food supply chain increases, food resilience becomes even more important. It is vital that UK products have easy access to a range of markets and are able to manage market disruptions. The NFU warns that the country is experiencing a long-term decline in the UK's self-sufficiency in food, although it believes this trend can be reversed.¹⁰⁴
- 3.4.8. Kent farmers and growers are at the base of the domestic food chain. They supply a complex, dynamic food and drink industry that includes processing, wholesaling, distribution, retail, and catering.¹⁰⁵
- 3.4.9. While there are enormous benefits associated with the UK's food supply system, this faces volatility and several stresses and shocks - including those resulting from Covid-19, exit from the EU and climate change.¹⁰⁶
- 3.4.10. On 11 November 2020, the long-awaited Agriculture Act 2020 received Royal Assent. A key aim of the Act is to establish a new agricultural system, based on the principle of "public money for public goods" for the next generation of farmers and land managers. The NFU has described it as a "landmark moment for post-Brexit farming".¹⁰⁷
- 3.4.11. Amongst other things, the Act requires the Government to report to Parliament on food security every three years. However, Covid-19 has highlighted how fragile food security is in the UK, and the importance of domestic agriculture in achieving it. The NFU believes that scrutinising food security every three years is insufficient, and recommends that the Government should monitor, and report on, food security on an annual basis.¹⁰⁸

¹⁰² Ibid

¹⁰³ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹⁰⁴ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹⁰⁵ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹⁰⁶ Ibid

¹⁰⁷ National Farmers' Union (2020) Agriculture Act Marks New Era for British Food and Farming, online, <https://www.nfuonline.com/news/latest-news/agriculture-act-marks-new-era-for-british-food-and-farming/>

¹⁰⁸ Kent County Council (2020) Farming Economy Short Focused Inquiry, 20 November 2020

- 3.4.12. In addition, the organisation recommends that there should be clear requirements relating to the proportion of the nation's food security that is provided by domestic production, and a clear commitment to prevent any further decline in self-sufficiency.^{109 110}
- 3.4.13. The NFU argues that the planning system should make it easier for farmers to move to a sustainable intensification of land use, buildings, and operations, to create more effective and resilient food supplies. This would also help to maximise the use of less productive land for public goods, allow more farm diversification and support rural communities.¹¹¹
112
- 3.4.14. The NFU believes that the Planning for the Future White Paper, and the strengthening of the National Planning Policy Framework, provide a timely opportunity to promote both food security and the protection of potentially productive farmland, and climate change planning policies that protect rural communities and can help them thrive. Such a planning system would ensure that the objectives of the Agriculture Act, to create more resilient food supplies while protecting the environment, can be achieved.¹¹³
- 3.4.15. The Committee believes that attention should be drawn to the devastating impact felt throughout the food production and supply chain in Kent of the Covid restrictions imposed on the hospitality industry, and urges that this impact is fully taken into account during future consideration of current or further restrictions.
- 3.4.16. The Committee is concerned about the volatility of domestic food security, and recognises the importance of domestic agriculture in securing the country's food supply. The Committee agrees with the NFU that food security should be monitored every year, and that the planning system should be strengthened to promote food security.

¹⁰⁹ National Farmers' Union (2020) The Agriculture Bill 2020: A Brief Ahead of 2nd Reading Debate

¹¹⁰ Kent County Council (2020) Farming Economy Short Focused Inquiry, 20 November 2020

¹¹¹ National Farmers' Union (2020) 'Planning for the Future' Needs to Work to Support Food, the Environment and the Rural Community, online, <https://www.nfuonline.com/cross-sector/rural-affairs/planning-and-local-authorities/planning-news/planning-for-the-future-needs-to-work-to-support-food-the-environment-and-the-rural-community/>

¹¹² National Farmers' Union (2020) Reform of Planning System Must Be Flexible and Support Rural Businesses, online, <https://www.nfuonline.com/news/latest-news/reform-of-planning-system-must-be-flexible-and-support-rural-businesses/>

¹¹³ National Farmers' Union (2020) 'Planning for the Future' Needs to Work to Support Food, the Environment and the Rural Community, online, <https://www.nfuonline.com/cross-sector/rural-affairs/planning-and-local-authorities/planning-news/planning-for-the-future-needs-to-work-to-support-food-the-environment-and-the-rural-community/>

Recommendation 3

KCC's Cabinet Member for Economic Development should write to the Secretary of State for Environment, Food and Rural Affairs, and recommend that food security is monitored by the Government on an annual basis rather than every three years.

Recommendation 4

KCC's Cabinet Member for Economic Development should draw the attention of the Secretary of State for Environment, Food and Rural Affairs to the devastating impact felt throughout the food production and supply chain in Kent of the Covid restrictions imposed on the hospitality industry, and should urge that this impact is fully taken into account during future consideration of current or further restrictions.

Recommendation 5

KCC's Cabinet Member for Economic Development should write to the Secretary of State for Housing, Communities and Local Government, and urge the strengthening of the National Planning Policy Framework to promote both food security and the protection of potentially productive farmland, as well as climate change planning policies that protect rural communities and help them thrive.

Local Level Issues and Recommendations

3.5. Promotion of the local farming economy

- 3.5.1. There are several, strong reasons for supporting and promoting the local farming economy.
- 3.5.2. Many local farming businesses are just managing to survive; without direct government support and business diversification, several would be operating at a loss.
- 3.5.3. In recent years, the one factor that has helped to keep the farming sector viable has been the direct subsidy support provided by the Basic Payment Scheme under the EU's Common Agricultural Policy. The NFU points out that the specific provisions of the Agriculture Act are still unclear and that, without direct support, 70% of national farm businesses would become unprofitable.^{114 115}
- 3.5.4. In order to survive, much of the agricultural sector has had to diversify its operations. Farmers have diversified into tourism, leisure, retail, catering, business centres and storage to supplement their businesses. Many would be at risk without this diversification. Indeed, it has been suggested that many farmers would welcome additional advisory support to help them to diversify.^{116 117}
- 3.5.5. Also, as mentioned earlier, farming is critical to domestic food security, and needs to be protected. The impact of Covid-19 on the farming economy has emphasised the need to maximize domestic food production, because the country is experiencing a long-term decline in its food self-sufficiency. Local farming should be promoted because the volatility of the food supply chain can be best managed with the support of a resilient agriculture sector.¹¹⁸

¹¹⁴ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹¹⁵ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹¹⁶ Kent County Council (2020) Farming Economy Short Focused Inquiry, 13 November 2020

¹¹⁷ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹¹⁸ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

- 3.5.6. Because of the complex and interrelated nature of the food supply chain, if the local farming economy suffers, other sectors and the local community at large will suffer too. As Produced in Kent aptly put it, “Kent residents need to be made aware that unless they buy, eat and drink local, the sector will suffer irreparable damage which will negatively impact the local economy, the countryside, the availability of high-quality food, Kent’s culinary offering, tourism and the quality of life in the county”.¹¹⁹
- 3.5.7. Partly out of necessity during the first lockdown, many residents have supported the local farming economy by buying local produce. There is an opportunity for KCC to reinforce this trend, by encouraging the general public to buy local and to support Kent’s farming economy.¹²⁰
- 3.5.8. The Committee identified several ways in which KCC could support the local farming economy.
- 3.5.9. KCC could lead by example by re-establishing a strategic, outcome-driven Kent Rural Board.
- 3.5.10. A recent Parliamentary Select Committee on the rural economy concluded that rural England faces new and diverse challenges arising from Brexit, declining farm profitability, an ageing population, climate change and the pressure from piecemeal and inappropriate development. There are also new opportunities. In particular, the digital revolution has the ability, if properly managed, to transform the rural economy and improve the quality of life for those living in rural areas. The Select Committee argued that the first step to address these challenges more effectively, and to transform the national rural economy, was through the development of a comprehensive rural strategy.¹²¹
- 3.5.11. A Kent Rural Board would be well placed to address many of these issues at a local level. The primary role of this strategic rural partnership would be to bring together key organisations that oversee Kent’s economic, social and environmental rural agendas to raise awareness of key rural matters and work collaboratively to develop and implement solutions. A key task for the Board would be to develop a Kent Rural Strategy which clearly sets out Kent’s ambitions and objectives for local rural areas, and which would make it easier for the Authority to bid for rural funding.^{122 123}

¹¹⁹ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹²⁰ Kent County Council (2020) Farming Economy Short Focused Inquiry, 16 November 2020

¹²¹ House of Lords (2019) Select Committee on the Rural Economy; Time for a Strategy for the Rural Economy, Report of Session 2017–19

¹²² Kent County Council (2020) Farming Economy Short Focused Inquiry, 13 November 2020

¹²³ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

- 3.5.12. To complement the re-establishment of the Kent Rural Board, the Committee recommends that a KCC Member should be given the responsibility of actively championing rural matters and promoting rural engagement within KCC and across the county.
- 3.5.13. KCC could also help local farmers by exploring ways in which its own procurement policy could prioritise and maximise the purchase of local food and drinks. Kent farmers suggested that the Authority could also stimulate and expand this trend by encouraging other local, public bodies, such as schools and hospitals, to do the same.¹²⁴
- 3.5.14. Finally, KCC could provide direct support to local farmers by aiding their markets. The Kent Farmers' Market Association reports that many smallholder farmers were seriously damaged by Covid-19 when almost all markets closed (Spring to mid-Summer 2020) and they lost one of their main sales outlets. Even when these markets re-opened, there was a downturn in visitor numbers, and therefore no opportunity to recover lost income.¹²⁵
- 3.5.15. While the number of visitors has declined, the expense of running markets has increased because of the costs associated with PPE and social distancing regulations. All this is threatening the viability of farmers' markets.¹²⁶
- 3.5.16. The Committee believes that the survival of local farmers' markets is vital not only from an economic point of view. These markets help to promote the quality, seasonality and freshness of Kent's produce. Also, meeting and talking to farmers and food artisans offers consumers an invaluable opportunity to learn more about how and where food is produced. The Committee recommends that KCC explores ways in which it could assist farmers' markets with their expenses, in particular the waiving of costs for road closures.
- 3.5.17. Apart from setting an example and providing direct support, if KCC is to maximise its assistance to the local farming economy, it is also crucial that it continues to collaborate with local organisations whose objective is to promote Kent's food and drink produce.

¹²⁴ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹²⁵ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹²⁶ Ibid

- 3.5.18. Produced in Kent is a not-for-profit body that represents Kent's local independent food and drink sector, working on behalf of over 280 growers, producers, manufacturers, wholesalers, retailers and hospitality businesses. Its core activities include sector advocacy, promotion and marketing of its members, networking facilitation and technical business support. Produced in Kent's annual Taste of Kent Awards is the county's flagship event for local food and drink, celebrating the finest products Kent has to offer.¹²⁷
- 3.5.19. Throughout the pandemic, Produced in Kent has promoted the "Buy Local" message through its successful campaigns Support Your Local and HelpKentBuyLocal, which reached 5.5 million people. Seizing the opportunity to encourage a green recovery, the organisation is putting sustainability at the core of its activities, by championing sustainable food and drink and helping our businesses to operate in an environmentally and socially sustainable way.¹²⁸ The Committee commends all the hard work of Produced in Kent in supporting the local food and drink sector.
- 3.5.20. It appears that statistical data on the local farming economy is limited, and that better data would provide an opportunity to secure funding and investment. The Committee believes that an organisation such as Produced in Kent would be well placed to develop, with KCC, a bank of statistics on the important role of the Kent food and drink economy in supporting the local economy, public health, countryside conservation and the environment.
- 3.5.21. The Committee also recommends that KCC encourages the body to market its logo more widely – as this denotes and guarantees the provenance of quality Kent produce. This would help to reinforce the Buy Local trend and further support Kent's farming economy.
- 3.5.22. The promotion of the local farming economy is vital to supporting Kent's farmers, as well as domestic food security and other local sectors involved in the food supply chain. The Committee believes that KCC should lead by example and take the following actions:

¹²⁷ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹²⁸ Ibid

Recommendation 6

KCC should re-establish an outcome-driven Kent Rural Board. A key task for the Board would be to develop a Kent Rural Strategy which clearly sets out Kent's ambitions and objectives for local rural areas, and which would make it easier for the Authority to secure rural funding.

Recommendation 7

KCC should give a KCC elected Member the responsibility for actively championing rural matters and promoting rural engagement within KCC and across the county.

Recommendation 8

KCC should explore ways of maximising the purchase of locally produced food and drinks in its own procurement policy. The Authority should also encourage other local, public bodies, such as schools and hospitals, to do the same.

Recommendation 9

KCC's Cabinet Member for Highways and Transport should consider waiving the costs of road closures to local farmers' markets.

Recommendation 10

The Committee commends all the hard work of Produced in Kent in supporting the local food and drink sector, and recommends that KCC:

- **Works with Produced in Kent to develop a bank of statistical data and evidence to quantify the important role of the Kent food and drink economy in supporting the local economy, public health, countryside conservation and the environment, and to help secure funding and investment.**
- **Encourages the organisation to market its logo – which denotes quality Kent produce – more widely, as this could help to reinforce the Buy Local trend and further support Kent’s farming economy.**

3.6. Advisory support

- 3.6.1. As well as benefiting from additional promotion, many local farmers would welcome additional advisory support.
- 3.6.2. There are organisations that offer general advisory support to farmers. The Farming Advice Service is a national helpline, funded by Defra, which helps farmers understand and meet the requirements of Cross Compliance, the Basic Payments Scheme and directives on both water protection and sustainable pesticide use.¹²⁹
- 3.6.3. The NFU's CallFirst Service is a helpline that provides the Union's members with information and guidance on matters concerning land, employment, planning, environment, transport, health and safety and taxation.¹³⁰
- 3.6.4. Nonetheless, there is evidence that Kent farmers would find local, one-to-one assistance valuable, especially to help them diversify their businesses and implement innovative ways of working.¹³¹ For many farmers diversification may be the only route to survival.^{132 133}
- 3.6.5. This guidance could help local farmers to take advantage of the subsidies available from the new "public money for public goods" focus of the new Agriculture Act.¹³⁴ Although direct payments from the CAP will be phased out, there will be subsidies to improve animal welfare and environmental management, and for initiatives to boost the production of high-quality food in a more sustainable way.¹³⁵

¹²⁹ Gov.UK (2020) Farming Advice Service, online, <https://www.gov.uk/government/groups/farming-advice-service>

¹³⁰ National Farmers' Union (2020) NFU CallFirst, online, <https://www.nfuonline.com/membership/your-nfu-member-services/nfu-callfirst/>

¹³¹ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹³² Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹³³ Kent County Council (2020) Farming Economy Short Focused Inquiry, 13 November 2020

¹³⁴ National Farmers' Union (2020) Diversification Report; The Latest Trends, Insights and Analysis to Help UK Farmers Explore Opportunities for the Future

¹³⁵ Gov.UK (2020) Landmark Agriculture Bill Becomes Law, online, <https://www.gov.uk/government/news/landmark-agriculture-bill-becomes-law>

- 3.6.6. The Committee believes that KCC should explore whether it could provide assistance, or additional assistance, to local organisations that support Kent's farming community - such as Produced in Kent and Visit Kent – in order to offer one-to-one advisory support to local businesses in the farming economy. The financing of such an initiative could be identified through a channel similar to that of the Leader Programme.¹³⁶ This is a bottom-up, community-led approach to the delivery of the Rural Development Programme for England, which is funded in part by Defra.¹³⁷
- 3.6.7. Kent farmers may also need more support with mental health counselling.
- 3.6.8. Concerns about the mental health of UK farmers persist and are intensifying. In recent years they have faced devastation from flooding, intense media scrutiny of livestock farming, the constant threat of bovine TB and concerns about their future post-Brexit. While these factors remain key issues, the coronavirus pandemic has amplified the uncertainty and fragility of the conditions within which farmers operate.¹³⁸
- 3.6.9. Local evidence echoes these concerns; uncertainties over whether to seed crops to grow over the summer, and over the shortage of labour supply for the fruit-picking season, have added to farmers' mental stress.^{139 140 141}
- 3.6.10. There are organisations, such as the Farming Community Network charity, that help farmers and their families through difficult times, and that may benefit from additional support.^{142 143}

¹³⁶ Kent County Council (2020) Farming Economy Short Focused Inquiry, 16 November 2020

¹³⁷ Country Land and Business Association (2020) Leader Grant Funding in Kent, Surrey and Sussex, online, <https://www.cla.org.uk/community/your-area/south-east/rdpe-funding/leader-grant-funding-kent-surrey-and-sussex>

¹³⁸ The House (2020) Farmers Cannot be the Forgotten Heroes of the Coronavirus Pandemic, online, <https://www.politicshome.com/thehouse/article/farmers-cannot-be-the-forgotten-heroes-of-the-coronavirus-pandemic>

¹³⁹ Kent County Council (2020) Farming Economy Short Focused Inquiry, 18 November 2020

¹⁴⁰ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹⁴¹ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹⁴² Kent County Council (2020) Farming Economy Short Focused Inquiry, 18 November 2020

¹⁴³ The Farming Community Network (2020) What is FCN?, online, <https://fcn.org.uk/about-fcn/>

3.6.11. However, although problems of mental health can disproportionately affect rural communities - as these tend to be more isolated and less able to maintain social contact while social distancing and shielding ¹⁴⁴ - they are so widespread that the Committee feels that any support should not be confined to organisations helping the farming sector.

3.6.12. The British Medical Association reported, prior to Covid-19, that the country's mental health services were often unable to provide all patients with the level of care they required because of a lack of resources. The Association expressed concern that the increase in demand as a result of the pandemic could make that provision worse still, and advised urgent action.¹⁴⁵

3.6.13. Having considered the above issues, the Committee recommends that:

Recommendation 11

KCC should explore whether it can offer assistance, or additional assistance, to:

- **Local organisations that provide advisory support to the farming community.**
- **Local organisations that provide mental health counselling to the wider community.**

¹⁴⁴ Newcastle University (2020) Centre for Rural Economy and Rural Enterprise UK, Briefing Note: Covid-19 and Rural Economies

¹⁴⁵ British Medical Association (2020) The Impact of Covid-19 on Mental Health in England; Supporting Services to Go Beyond Parity of Esteem

3.7. Farming and the environment

- 3.7.1. The agriculture sector is well placed to deliver broad environmental improvements, while at the same time driving productivity and creating job opportunities.
- 3.7.2. The impact of Covid-19 on rural communities has been significant. The lockdowns have threatened the viability of many rural businesses through the loss of hospitality and food service markets, reduced capital investment and a decline in rural tourism. However, as the country's economy begins to revive, the farming sector can play a pivotal role in rebuilding it in a more sustainable and environment-friendly manner.
- 3.7.3. Agriculture is already contributing directly to net zero targets and improvements in biodiversity and water quality. For instance, 65% of farm businesses have a diversified activity with a fifth hosting solar energy, a tenth hosting other forms of renewable energy, and a significant proportion operating food processing, retailing, hospitality and leisure enterprises.¹⁴⁶
- 3.7.4. Total greenhouse gas emissions from agriculture have fallen by 19% since 1990. In the same period there has also been a significant increase in the richness of plant species in arable and horticultural land. Farmers have created around 37,000 km of grass margins, which help prevent water pollution and protect hedgerows from agricultural activities.¹⁴⁷
- 3.7.5. Industry-led initiatives like the Campaign for the Farmed Environment, Tried & Tested, the Greenhouse Gas Action Plan and the Voluntary Initiative have played a role in promoting good environmental practices on farms.¹⁴⁸
- 3.7.6. The new Agriculture Act, which received Royal Assent in September 2020, will further increase the potential of agriculture to improve the environment.¹⁴⁹

¹⁴⁶ National Farmers' Union (2018) United by Our Environment, Our Food, Our Future

¹⁴⁷ National Farmers' Union (2020) Farming and the Environment: Did You Know...?, online, <https://www.nfuonline.com/news/latest-news-rh-panel/farming-and-the-environment-did-you-know/>

¹⁴⁸ National Farmers' Union (2018) United by Our Environment, Our Food, Our Future

¹⁴⁹ House of Commons Library (2020) The Agriculture Act 2020, online, <https://commonslibrary.parliament.uk/research-briefings/cbp-8702/>

3.7.7. The Act introduces the Environmental Land Management Scheme (ELM), which focuses on the principle of “public money for public goods”. Under this new system, farmers will be able to receive payments for producing public goods, including: better air and water quality; thriving plants and wildlife; better soil health; and protection from environmental hazards including flooding and climate change.¹⁵⁰

3.7.8. This is set to play a central role in achieving the goals of the Government’s 25-Year Environment Plan and its commitment to net zero emissions by 2050. ELM is intended to encourage a boost to the agriculture sector by creating greater investment in new technology, maximising land potential and increasing productivity.¹⁵¹

3.7.9. The Act also requires the Government to report on UK food security to Parliament every three years: this will include an analysis of the impacts on food supply of the coronavirus pandemic, as well as a wide range of themes including the global availability of food, food safety and consumer confidence.¹⁵² As already indicated, given the importance and volatility of domestic food security, the Committee believes that it should be monitored and scrutinised on an annual basis.

3.7.10. **The Committee applauds the Agriculture Act’s commitment to supporting farming by focusing on positive environmental outcomes.**

¹⁵⁰ Gov.UK (2020) Landmark Agriculture Bill becomes law, online, <https://www.gov.uk/government/news/landmark-agriculture-bill-becomes-law>

¹⁵¹ Ibid

¹⁵² Ibid

- 3.7.11. A more specific, local environmental issue that was brought to the Committee's attention is that of fly-tipping.
- 3.7.12. During the pandemic and lockdowns local farmers have witnessed a significant increase in people visiting the countryside for walks, exercise, and leisure. While this has supported community wellbeing and boosted the local farming economy,¹⁵³ it has also exacerbated countryside issues such as thefts, hare coursing and fly-tipping in particular.¹⁵⁴
- 3.7.13. Farmers play a major role in providing public access to our landscapes. Farmland is the destination of 48% of visits to the natural environment in England. It accounts for about 4.1 billion visits every year and boosts local economies.¹⁵⁵
- 3.7.14. Farmers host and maintain a vast network of rights of way. Since 2006, more than 1,600 farmers have taken part in LEAF (Linking Environment and Farming) Open Farm Sunday, welcoming over two million people onto their farms. The value of educational visits to farmland across the UK is estimated at £1.86 million.¹⁵⁶
- 3.7.15. It is important that farmers continue to play a key role in making the landscape accessible, but fly-tipping remains a problem for them. Fly-tipped waste is costly and time-consuming to remove, dangerous to human health, wildlife and livestock, and in some cases can pollute watercourses and contaminate land.¹⁵⁷
- 3.7.16. Currently, when incidents of fly-tipping take place on private land, it is the landowner's responsibility to remove the illegally discarded waste - even though they have been the victim of a crime.¹⁵⁸
- 3.7.17. Evidence from the NFU and other sources suggests that it should not be the sole responsibility of landowners to deal with the aftermath of fly-tipping, and that more consistency is needed in the way that local authorities, the Environment Agency and the police engage with landowners on this issue.¹⁵⁹

¹⁵³ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹⁵⁴ Kent County Council (2020) Farming Economy Short Focused Inquiry, written evidence

¹⁵⁵ National Farmers' Union (2018) United by Our Environment, Our Food, Our Future

¹⁵⁶ Ibid

¹⁵⁷ Ibid

¹⁵⁸ Ibid

¹⁵⁹ Ibid

3.7.18. The Kent Resource Partnership is a joint venture between Kent's district councils and KCC which, amongst other things, looks at how waste management in the county can be improved. It is committed to delivering efficiency and quality in local waste services, with a focus on improving social, environmental and economic outcomes.^{160 161}

3.7.19. The Committee believes that the Kent Resource Partnership is well placed to explore ways in which farmers can be better supported with regard to rural crime and fly-tipping in particular.

Recommendation 12

KCC should encourage the Kent Resource Partnership to explore ways to better support local farmers with the management of fly-tipping.

¹⁶⁰ Kent County Council (2020) About the Kent Resource Partnership, online, <https://www.kent.gov.uk/about-the-council/partnerships/kent-resource-partnership/about-the-kent-resource-partnership>

¹⁶¹ Kent County Council (2020) Kent Joint Municipal Waste Management Strategy (KJMWS) 2018/19 to 2020/21