ResULTS project: case study G, interview 46

Face to face interview with agricultural sector actor, conducted 6th December 2018

Interviewers: I

Respondent: R

I: So enough about the introduction, let’s start with the actual interview. And my first question is, could you please say a few things about yourself, your organisation, your involvement with upland areas?

R: Right.

I: Beef or sheep sector as well.

R: Yes. Well, I’m [my name], I’m section advisor to the [organisation 1]. We would hold ourselves out as the specialist national professional body representing briefing qualifying [professional body] across the United Kingdom. So we are not only in Scotland and England but also Wales and Northern Ireland.

Do you think it’s doing something?

I: No, I will just make sure. Yes, it is doing something [inaudible].

R: That’s good. And so, therefore, we provide a forum for agricultural [professionals], we qualify them, whether in the uplands or the lowlands or wherever for the work that they do. And so the technical and professional issues that arise out of that are things that come across my desk. And so it’ll be…I will see things like the preponderance of common land issues in England as a particular but not solely a feature of upland farming. Just as you will have common grazings here in Scotland and other issues. We do a lot of work…well, a step back. It’s a broad liberal profession, so we understand…have to have an understanding about a lot of things. So it’s land tenure, so ownership, taxation, other issues around that. It’s taxation. It’s business structures. It’s interaction with development control markets and, and, and. And so…

I: Okay. [Inaudible] your work is at the very core [voices overlap].

R: We like to think so. And we will have significant members active in the uplands areas as part of that.

I: Okay. So that’s the first question. My second question is, what are the special features particular to upland areas that should be maintained in your view? And I’m talking about general upland areas. Which features you would like to see in 20 or 30 years to be there.

R: That’s an interesting question because to an extent, we’re not in ourselves necessarily purposive in that sense, we would look to facilitate. And I suspect that we are going to see very significant change. And so slightly tackling your question a different way. It would be around looking at how best to manage that change so that the outcome was as positive as it could be. I think given the underlying lack of profitability in many of the uplands businesses, they’re going to have to adapt a fair bit in order to be able to do that. And that will depend on whether they are inherently commodity producer businesses or can find ways to add value.

Clearly, one of the major interventions will come from the state around how it would wish to manage questions around carbon or flood management. And of course, in Scotland particularly, the concern it has to maintain some sort of economic activity in remote areas. And much of that can only be beef or sheep.

But that means…and this comes back to why I asked you earlier about Wales because there’s the additional dimension in Wales around the deep rural areas as the reservoir for the language and historic Welsh culture. And I have arguments there that they need to find an economic underpinning that gives them a real reason for being there. That will then sustain the vitality of the language and you can parallel that out in less obvious ways for other rural areas. If, in the end, it’s simply a subsidy-driven exercise and endurance, that’s probably not a long run basis to do much other than manage decline.

Does that help?

I: Yes, definitely. And actually, in the past I have done a project on sustainability, pretty much that was the core type of finding behind it, you need a kind of economic drive.

R: Yes. If we can find economic vitality, the next generation will stay or good new people will come. If you can’t, it just dies. It takes a long time.

I: Okay. So now here comes an open question, which is, what does resilience mean for you?

R: [Inaudible]. And it gets quite interesting because you have the [inaudible] argument about fragility and anti-fragility, which I can get a bit lost in. I quite like the definition I heard somebody use at a forestry conference the other day, which was around the ability to bounce back from a shock. But to bounce back better so actually you come out of it in a…you’ve used shock to come out in a more advantageous position, which may be a bit clever as an argument but certainly the ability to absorb and recover from shock is probably what most people would think they mean by resilience. It clearly overlaps with the pure concept of endurance but that’s not necessarily so positive. I think there is that sense of rebound that probably comes with being resilient.

I: What do you mean because you said overlaps but it’s not so positive and why it’s not so positive?

R: Clinging on is what a limpet does.

I: What do you mean?

R: Simply clinging on is not necessarily being resilient, that’s an ability just simply to take what life doles out to you. I think resilience does imply something of an ability to recover.

I: So because of this particular project…I’ll show you [inaudible].

R: I believe you.

I: [Inaudible] one by one.

R: Don’t worry, I have, so far, no reason to doubt this.

I: Okay. The other thing…where is it, here. This programme is…our project is one of [inaudible] projects from under this umbrella, this programme resilience of the UK food systems in a global context. And as you can see here, there are a couple of things but ours is this one and it’s only in that one there. Okay.

R: Yes. I suppose another way of tackling it is…I served on Defra’s future of farming panel about five years ago, which was a rather messy, very swift piece of quite interesting work. And there was a phrase I picked up there out of the ecological world which is about managing the balance between risk and stability. And I think to be resilient, you have to have some level of openness to risk, you’ve got to have some adaptability. And simply being stable I don’t think what resilience is about. If that helps.

I: I understand. Don’t worry, we’ll come back to that. The only reason I’m showing this diagram, because the programme…the project, it refers a lot to the uplands food system term. And I thought that type of term might mean so many different things to people. So that’s why I have created this, which is pretty much the blue arrow is the supply chain, we start with the [inaudible] provider, uplands and lowlands farmer. And then primary processor, secondary processor, also retailer, consumer. And this is the supply chain. And then you have the orange circles which is banks, colleges, essential services, developmental agencies like here, [inaudible] or local council or whatever. And then certification of standards, certification. This is the inspecting agencies. Most of the examples is from Scotland which is the equivalent.

R: That’s alright.

I: Yeah. So SEPA or SFA. And then here you have insurance companies, research centres, consultant services. Here we have from vets, land agents, business consultants. And then you have the industry association lobbies like NFUS or NSA.

R: Exactly, yeah.

I: And these organisations are around…your organisation is, I suppose, [voices overlap].

R: We’ll be hovering in that area.

I: Yes. And because you are also an association then you are also…

R: We are an association but we’re representing many people here, yes.

I: Exactly. And all these orange circles, they help the supply chain to survive and add value. That’s why I have the big one arrow which is livestock value chain.

R: Yes. And the question…there is a basic question which presumably you’re tackling elsewhere, which is whether farming in the hills does actually add economic value. And that’s then where I’m increasingly involved in discussions around, if you like, let’s just call it natural capital, about other ways in which you might demonstrate value from it. But you are…actually what jumped out of this for me was actually your dependence on primary processes. Because if you lose…in a very different way, we have a level of discussion going on with ministers in England about how they’d love to see more grass and livestock in Eastern England. Ecologically, it may all make a lot of sense but there’s no infrastructure for it. Very few markets, very few slaughterhouses, very few people with skills, particularly for large animals. And without the infrastructure, the problem with remoter areas like the hills, it’s having the volume of trade to justify it.

I was listening on the radio the other day to the man in Shetland who appears to be both manager and slaughterman and cleaner in the part-time slaughterhouse up there. Now if you’re willing to work like that, you can probably about make financial sense. But if you can’t, then you are actually pulling quite a large…pulling quite a lot of the necessary underpinning out of the way.

I: Okay. Don’t worry, we have great chance to discuss about that.

R: That’s alright, yes.

I: It’s just I wanted to lead from this.

R: But I’m conscious that in a world that has built itself around tariffs, shielded by enormous tariffs, particularly for beef and sheep, and a world that has been dominated by subsidy and obviously Scotland has then gone out of its way, by contrast to the rest of the UK, to have headage payments, that you can look at large areas, as you can for cereals farming, where it is not clear that farming adds value. And that’s a really big challenge we’ve got to face in terms of the changes that will allow it to add value.

I: So you mean it doesn’t add value if we get the subsidies out [voices overla]?

R: Well, the subsidies are not…the subsidies are probably part of the problem. The challenge to explore is how far the subsidies are to be…sorry to be…yes, so being slightly less robust about it, the challenge we have is how far the subsidies are not part of the problem. I mean, you can look at the headage payments and see them as a direct subsidy to Tescos. They’re encouraging people to produce at below the cost of production and to…and I think the point we’re probably going to come to somewhere in this is we’re encouraging them to remain in current business structures…

I: Exactly.

R: …that would otherwise have adapted. And we’re building ourselves up a serious problem because the point at which this structure cracks, we’ve got an awful lot of very good people who will simply be exposed to some very chilled winds very quickly. Managing chain and managing it so that we come out with the best businesses that have adapted is…I’m looking at this a lot harder in England and Wales where we’re going to remove…you know, we’ve already got plans laid out for removing basic payment and we haven’t had headage payments. But managing this so that businesses can adjust to a more market-driven climate is a big task for government and advisors and everybody else. And what you see is a little bit of an instinct in Scotland to try and keep it all the same. And I suspect that…I think that’s building risk into the system.

I: Building more risk, okay.

R: Because…well, effectively, it’s building political and financial risk into the system because at some point, those subsidies may change in ways that people can’t adapt too quickly.

I: I understand. We’ll have a chance to discuss about subsidies a lot. The other thing I would like to say here, except the value chain, then you have green boxes which are stakeholders and the government and funding, pharmaceutical market, energy market, environmental NGOs, social NGOs. And the local community obviously in upland areas and [tourism], the general public. And this is, if you wish, the human side of the system but we consider the biological organisms themselves, part of the system.

R: Yes.

I: Now I would like…as I said, this is a kind of indicative card but is there anything that you would like to change and you would like…does it make sense to you?

R: I suppose I’m coming back to this question, perhaps as you would expect me to, to where the value lies in all of this. I remember years ago, in slightly different economic circumstances, when the first Welsh secretary, cabinet secretary for agriculture was asked, what does Welsh agriculture add to the Welsh economy. And she was a rather brutal girl and she said, nothing. Which shocked a lot of people very seriously in arithmetic terms. She was right, it is then a reservoir for society and the culture and the economy.

But you are looking at, in many, many areas, the economic strength of rural communities now lying outside purely beef and sheep farming. We saw this obviously very starkly with foot and mouth. I was in a meeting the other while in Norfolk and they’re putting up that now actually tourism is a bigger part of the Norfolk economy than agriculture, which is the sort of thing that shocked a few people.

And you look at how the populations have changed in many of these districts and where they get their income from. And to some extent, of course, then you’re looking at what’s the economic character of those areas because some of the upland area are, as in Bavaria, very urban and some are seriously, seriously…particularly in Scotland are seriously remote.

And then you come back to the role of the beef and sheep…the role of those running beef and sheep in delivering the landscape, in delivering the setting in which other things happen. And that…obviously, where you have managed landscapes, that becomes potentially significant, probably with very little…in terms of the overall order of what the UK produces, actually it’s not that much contribution to production.

This is…I did a little thought exercise, going back to an earlier discussion about ministers wanting more grass and arable areas, and my objecting there that I didn’t see the economic sense of it, you know, what’s that grass supposed to do, how’s it to earn its keep. I said, okay, well, let’s just assume a tenth of it gets used for livestock. Commercial stocking rates, that’s so many animals. We’re in a market that clears for a given volume of meat at a given price. If that had been more efficiently produced [inaudible] in that market, it is probably at the cost of the hills. Now you may have a better ecology down in Lincolnshire but that will have been at an economic price on the hills.

And, you know, there is always this thing I’m conscious of about primary production and there are two three things, I think, coming through in terms of the longer run changes. An awful lot of what I’m saying, there’s nothing new about it, people have seen these things unfold, you’ve got…primary production has to be where…you know, whether it’s quarrying or mining or forestry or agriculture, it’s where you can do it. And this will be true for parts of Scotland but we were cropping parts of Dartmoor in the early Middle Ages in a slightly warmer clime. We then come off the hill. 80 years ago, we pulled people off St Kilda. There isn’t a necessity for every area to be farmed. The necessity is can it be farmed economically, does it deliver.

And the other thing that is I think going to become more apparent as we look at future changes is a revival of part-time farming or multi-income farming, so that people will farm but they will also be…and that’s an old pattern, we had that before the war, people would be farmers and they’d be quarry men or miners, or they’d be a publican and a farmer, or indeed land agent and a farmer. You know, some of my people still do that but that’s much less true. And actually, if you want resilience, in some ways that gives you a much stronger structure because then the household income is no longer dependent on the vagaries of one economic sector.

I: Great. I’m saying great because you are saying already things we are going to discuss later.

R: Right.

I: Don’t worry. So we’ll leave this one if you don’t have anything else, we’ll leave it aside for now.

R: Well, you know where you’re taking all this, so…

I: Yeah, I know, don’t worry. As I say…

R: I’m not worrying, I’m just [voices overlap].

I: It’s a kind of complex topic, that’s why I have these cards because I wanted to cover a lot of topics but sometimes some people, they raise it early, some other people they raise it later.

R: Yeah. So a lot of the issue in that is how far the hills can then provide something special. And the historic argument, particularly in sheep, is stratification. So they bring in extra genetics. And when you look at what Swaledale rams will sell for, for example, if you’re looking into Yorkshire, then you will look at…you will see very substantial value being paid to genetics. And that is a reward for the people who can produce it.

But again, if you follow the earlier example looking at your work in [area A], almost all of [area A] is within a one-hour drive of [city 1]. I’ve stayed at the top end of [area A] in a bed and breakfast that was run by somebody who’s a television presenter in [city 1]. And his wife did bed and breakfast, he commuted in daily. He was probably spending more in the local economy.

I: So it’s a diversified role, [inaudible]. Okay, so from the literature, what I have found out about what is resilience. I can read that for you. Resilience is the capacity of a business or a system as a whole to either absorb/buffer against internal and external disturbances. So pretty much what you have here is like, you do nothing and you absorb the loss. And here is [voices overlap].

R: Which is closer to my sense of endurance.

I: Yes. And learn and adapt through incremental changes. Those incremental changes, for example, for farmers can be increasing/ decreasing the stocking rates.

R: Yes.

I: Or the fertiliser amount they use or whatever. And then even transform through radical changes.

R: Yes.

I: And that radical changes it sounds can be compared to organic or give up sheep and doing only beef cattle or doing agritourism or [voices overlap]…

R: Exactly, ancillary business. And I suppose what you’ve got there in a sense [voices overlap]. No, like my earlier response, that’s the spectrum and I was taking the conversation down the spectrum rather than concentrating at the beginning.

I: Yes, because I wanted to have this type of discussion with this card because a lot of people, when they say resilience, they get only the first, a bit of the second and that’s it, and they…

R: Yeah, and I think I want to do a bit of the second and more of the third. And in a sense, the first I’ve called endurance.

I: Exactly. Okay, that’s fine. Any other comment on this one?

R: Not enormously. Yes, I suppose at a general level, that covers most things. Obviously, where my sense is that whether by changes in trade or changes in support or just larger economic and social change.

I: Any change.

R: Yes, agriculture probably we’ve held back change more than anybody I think in the industry perceives. And therefore, I think we are in need of managing…trying to find a way to manage sensibly a greater pace of change than…

I: So you think the whole sector is holding back?

R: Well, I think in essence, area payments have rewarded people stay tight. If you want an example of this, well, I mean, lots of our surveys and so on will show that in terms of where we are in the land occupation market. But actually, a very striking thing is the AHDB have just published this study on having worked out the top quartile farm is the most resilient and generally can stand more, they said well, what are the characteristics of a top quartile farmer. And given at this point we’re talking about commodity farmers, they are the blindingly obvious basic stuff about attention to detail, containing overhead costs, generally being timely and effective about things. Which leaves you with the sense that if those have been picked out as the distinctive characteristics of the top quartile, it’s pretty terrifying about the other three quartiles.

I: Yeah indeed.

R: And then I look into that and I’m not worried about farmers being old, I think that’s a grossly overstated issue. But there’s some interesting work that’s just come out from Dara in Northern Ireland on the links between age and disability, basically people whose physical daily routines, particularly in beef and sheep, are limited. And that is clearly again a constraint on being resilient.

I: That resistance comes from?

R: Dara in Northern Ireland.

I: Okay. I haven’t seen that, if you can send me a link for that?

R: Yes. It came out only about a month ago, a little bit over a month ago. Partly because I was over in Dara [inaudible] in the literature more clearly but also I am, in a different capacity, just signing off a document on farming retirement and housing issues, loosely under the mantel of the Prince of Wales and looking at the kinds of issues that revolve around farming retirement, make that interesting.

I: Okay. I would like to get…have some input about that issue about the retirement. Don’t worry [voices overlap].

R: No, I will just keep an eye on the time because I’d better make sure I don’t miss my flight.

I: Okay. When do you want us…?

R: I think it’s 18:25 or 18:35 and I’m about five minutes’ walk into the…

I: Eighteen twenty-five?

R: I think it’s something like that, 18:25 or 18:35.

I: Okay, you mean 6.25?

R: Yes.

I: This is the flight?

R: Yes.

I: Okay, which means, yes, we need to finish at least by half past five.

R: Oh, I would like that, yes.

I: Yes, good. What time is it now?

R: It’s now 25…we’ve got about an hour.

I: About?

R: About an hour.

I: An hour, good. If it’s an hour, it’s good.

R: That’s good. I thought you indicated it would be an hour and a half, two hours and I thought however much I rabbited on, you could probably cope with it.

I: Okay, don’t worry. I might skip that one because this usually is for the people that are in the supply chain, so whether their business is struggling surviving, making a reasonable living or [booming]. But I assume if you would like to answer something like that [voices overlap].

R: Yeah, you’ve got to have a business of your own and at that point I would simply see the entire range. [voices overlap] But I think the distinctive feature about an awful lot of beef and sheep farms is that, frankly, most of them don’t know. Dairy men are classically really quite good at figures and records. The whole history of national milk records and equivalents of all dairy men, a very large fraction, not all, a very large fraction of dairy farmers are actually really quite good at understanding accounts and figures and performance.

I: Why for sheep and beef we don’t have the same?

R: Because it’s not in the mentality of the people who are doing it because there hasn’t been…they’re much more complex sectors, so the simple methodologies haven’t been as evident. Dairying is, of course, neat because it’s producing a daily product whereas beef and sheep are producing let’s just call it an annual product but on a longer cycle with more complex supply chains. So technically, it’s harder to crystalise it. But most of them are creatures of cash flow. Provided they’ve got the money, then they’ll feel they’re going somewhere. It’s when they need new capital expenditure is when they get challenged.

I: I understand. When you said that probably the measures or kind of statistical [inaudible] are not really updated for that type of work, can you say a bit more about that?

R: Really just there’s a whole elaborate structure of people measuring margin of the concentrates, margin of the purchase feeds, margins per cow. And then all the way in which robotic milking has allowed people to know a great deal more about this. There’s something in dairying that responds to that. On the whole, yes, you know, there are endeavours by the AHDB and others to do benchmarking and the like but this is the end of farming that is more about identity than about being a business. I mean, there are…if I was to take you to [person 2], just thinking about somebody you’ve probably run across in the Scottish sheep industry, he would be pretty acute about his figures. So none of these are absolutes.

I: And do you think the resilience of the sheep and beef cattle farmers over the last…over the five years has been…how has changed?

R: Has been?

I: How has changed the resilience from struggling, surviving, making a reasonable living, booming, where they have [inaudible].

R: I don’t know.

I: And what is your prediction for the next three years and the next 50?

R: It’s easy to do the next 50 isn’t it. I mean, I think red meat…if we come back to the larger issue, I spend my life talking a lot about the kind of changes and so on that come with Brexit and so on but actually most of the ways I see those working out are accelerated versions of what we’ve seen for a long time. The new issues are those around climate change and control, are around biotechnology and are around public demand for food.

And the challenges from shifting public taste about red meat I think are very significant over your 20-year horizon. And the public will, I’m going to guess, want authenticity in the joints that it buys, so it will like to cook a nice piece of beef, it won’t care where the rest of the meat it eats, the mince, the meat in processed foods. And the difficulty with that is where you go on the economics of carcass balance. You have to get…to sell an animal for profit, you have to make money out of every part of it. You can’t just sell it off…you can no longer in this country sell it just for its for four quarters or its hind quarters, you’ve got to be able to sell all parts of it somewhere. And if you can’t sell out the bits that are going to be mince because they’ve been replaced by either artificially grown meat or by pea fibre that’s been modified, then the price of your joints has got to go up. And there are people who can…I think there are people who can do that, I think there are people who can…but it’s a high value trade, it’s not the conventional meat market.

I: Okay, great.

R: So looking ahead…so, I mean, year on year Lord knows but long run, the argument is about soft commodities tending to fall in real terms, the prices tend to fall in real terms over decades. And then you’re looking at shifting public taste and Western public taste is probably moving in ways adverse to beef. And the largest part of our land market now is essentially Muslim, not traditional purposes, how we built trades in the low countries and in Germany is with people from the Middle East and North Africa and the Balkans who come into Germany, into Belgium, into Holland as well as into France.

I: And the same happening for the UK?

R: Yes. Oh yes. No, the sheep market would look very different if we didn’t have that demand. The traditional demand of people wanting a lamb shank is much less there than it used to be. And if you go into a pub, lamb will be one of the more dearly priced items on the menu.

I: You mentioned something, you said soft commodities, can you give me examples of that?

R: Yes, wheat, meat…no…yes, I’m looking at grains, I’m looking at…food will be a large part of that because that’s mostly where I spend my time thinking about these things.

I: Okay. And why you characterise them as soft?

R: Because they’re not minerals.

I: Ah, now I understand.

R: It’s not copper or iron ore or [inaudible] or rare earths. Like timber would be in there, which of course timber is cheerfully operating in defiance, at my guess, timber prices rising steadily. But that’s supply and demand.

I: This chart, it’s a discussion about functions, roles or goals, whatever you would like to call but it’s pretty much the same thing. I would like you to read the whole list. I have categorised it in three categories, one related with owners, private [inaudible], one related with the multiplier effect [inaudible] services. This is more related with [inaudible]. So about the farmers, upland farmers in sheep and beef cattle. My question is, please read the whole list, let me know if there is any important function which is missing from that list that should be there. And then we’ll discuss it more.

R: Yes. So firstly, you’re asking what’s missing. Because in many ways, you can wrap most things up under those headings.

I: Okay. [Inaudible]. Do you mind if I very quickly go and ask for a…would you like something else?

R: No, I’m alright.

I: Because I need a coffee.

R: I’m sure you do, yes.

I: After the Christmas lunch.

R: Ah yes.

I: Are you sure you don’t want something?

R: No, I’m quite alright, thanks, at the moment.

[Pause 0:38:33 – 0:40:49]

I: Here I am. Sorry. [Inaudible].

R: Yes, well, this is one of the downsides of being tucked away in a corner.

I: So did you have a chance to look at it?

R: Yes. And I suppose obviously, I would want to be quite cautious, despite something I said, about reducing this entire universe to a single stereotype. When I said most things can be wrapped up within this, for a lot of the people we’re talking about, what you have covered as personal family satisfaction and wellbeing overlaps what I would call identity. I farm because this is who I am, it’s what I do, I’ve been here for three generations or, indeed, 20 generations.

It’s like a military service ethic in many ways. It’s been quite interesting watching it exposed in some of the debates around the English Health and Harmony paper where farming particularly absorbed during and after the last war, this sense of being the food supplier to the nation, in a way that it wasn’t in the 19th or very early 20th centuries. And we have built a very strong self-image around it.

And that’s been one of the reasons behind some of the reactions that have come along to some of the proposals in play is slightly that governments haven’t really understood all the language that’s around. But there’s a whole lot of people who fundamentally identity, being self-employed, not been played around with, living a sufficient life, that will be a large one.

Equally, you’ve got other people who are much more seriously business focused. And there is a drift over the generations, I was just talking with a potato broker about this some months ago, towards people, the younger generations in all walks of life becoming more transactional, that they will do it now more if they see it as making sense to them, rather than it just being what they do because that’s who they are.

But that’s…in terms of importance to quite a lot of the people you’re talking about and the people who are, in some ways, the least likely to notice the shocks. Because some of these people can live on air, they typically, a lot of them, carry no debt, they pay no labour. They know how to manage basic machinery. And they will then work all the hours that God gives. And that will be, in many ways, their self-validation. There will be others for whom there will be other pressures and will look for more of a business line. It will overlap with your heading about respect in the community but actually, of course, many farmers, you know, they no longer recognise the community and the village because populations have changed. Chatting to someone [inaudible] a parish in West Herefordshire. And somebody was commenting, of course the only local people know are the farmers, there are no farm labourers. Everybody in the village has changed. It’s only out on the farms and the farms won’t know who the people in the village are.

I: Yeah. I would like to ask you if you’ve…for upland farmers, if you would like to give estimation about percentages, how many you think fit that description you gave about identity and how many are business minded, and any other category?

R: Well, this I think gets you to one of the interesting questions around all of this, which is none of the statistics probably make much sense. And I’ve been labouring on this with Welsh statistics lately. There are…they think there are probably 24,000 or 26,000 or whatever people who might think of themselves as a farmer. There are about 17,000 or 18,000 people who claim basic payment. So the gap there, probably the people are too small. Actually, in terms of a recent housing policy where you can get a second house on a farm to manage generational change, my working guess is there may not be 3,000 farms in Wales that large.

Then you’ve got all the complexity of contractual structures between farms, it’s more evident in the arable world, you find it in the livestock world. Actually, there’s an interesting question that a great many people who show up on surveys as farmers are probably not a significant part of farming production. So you’re probably then looking at a larger fraction of the former being identity driven and a larger fraction of the people who are committed to running farming as a relatively large-scale business, and by that I don’t mean very large scale, just simply turning over more than 100,000 or so, who will look at it in a more commercial mind. But they will be…both those groups will be a subset of the statistics, there’ll be different subsets. And I think the harder you look at agricultural statistics, the more they dissolve in front of your eyes.

I: I understand. But I make the question just very roughly to understand how much do you think they are business minded and how much they are not business minded.

R: I could quote you the now…he’s the now dead officer of a major representative body in the industry, who I dined with in March 1996. And that evening in the dinner, he said 90 per cent of our beef farmers are incurable romantics. And it was when I [voices overlap]. Well, yes, I think he was trying to make a point. When I…it was when I drove over the Severn Bridge that evening, I caught the midnight news as I was coming over the bridge, and that was when the BSE announcements were made.

I: Wow. Yeah. So I assume since then a few things have changed.

R: So 90 per cent is a wild overstatement but I think the lack of awareness of costs…I mean, I can take you down to the West Country, there’s some very sharp beef farmers down on Bodmin Moor and parts of North Devon, I can take you to very sharp beef farmers there but they polish each other, they [inaudible]. A lot of…there’s a very large pattern of farming isolation in which one of my jobs sometimes has been to get them out of the farm and go look at what other people are doing. There’s less and less of that around because people can make themselves very busy on the farm at home.

I: Because there are fewer people working on the farm and pretty much…

R: Yes, and it’s…

I: They stress themselves.

R: And it’s an easy way to retreat, just…there’s always things you can be doing, even if you’re doing them inefficiently and not very well, you can always find things to do.

I: I understand.

R: Sorry, this is not the world’s most positive picture I’m painting but there are more positive people. And I would say, thinking about Scotland, I went…the National Sheep Association I get on really rather well and I went to speak at Ballantrae at Scot Sheep. And it would be true in England as well. The vitality of an energy around the younger sheep farmers is actually quite impressive. So…

I: Okay. So you have good examples.

R: Yes. They are then…many of them will not be running historically classical farms, they’ll be having bits of land here, bits of land there, they may be doing something else, they’ll be doing some contracting, they’re doing all sorts to put a living together. But many of them will actually make a successful way of that but it’s a different model.

I: Yeah, which is…that kind of model, is it based…what size, big size, small size, what is the…

R: Those all start…those typically start small because on the whole that’s where you start. And a number of them will grow to be significantly larger as they seize opportunities, as they…indeed, as they’re lucky with the timing of when they do things.

I: For upland areas, do you think it’s a particular model that works better than [inaudible]? I’m asking…

R: I think what I’ve seen, you know, I remember looking down on [area A] as one of your study areas, there are still in the uplands…[inaudible] isolation there’s still in some of the upland areas still quite a strong tradition of farmers pooling their activities together. So I remember watching what was effectively communal sileage making going up and down because it was the best way to make use of labour and machinery within the limited window of weather to make sileage. And that clearly was where people would come together and they would be doing that because, in the main, they would all be related and there is a willingness and sympathy at that level to help people out. I can think of a farmer I used to deal with, he…

I: This is happening now?

R: Sorry?

I: This is happening now?

R: Yes, oh yes. He came…he went in and had a heart attack, went into hospital for a while. He came…he’s part arable, he came back and found his neighbours had sowed his fields. So, you know, there is that around but it’s within the close-knit community.

I: Okay. I’m asking because especially for that case [inaudible] the interviews from that one, but in a couple of interviews I got some interesting comments saying for upland areas it’s not the big size farm is the good one, it’s probably the smaller or kind of middle size farms but a focus on reducing the costs.

R: Yes. No, that makes enormous sense and it would fit…I mean, the AHDB studies have, as I said, pointed to the top quartile of farmers being most resilient. And then they go out of their way to say it’s the top quartile in any sector and it’s not related to size. And you can see why it might not be related to size. Obviously, it doesn’t mean you can’t do it and be big but you are looking at people who have always gone to expand because that’s been the macho thing to do. It’s been the broad lesson of farming economics for the last two generations that you expand to reduce your unit costs. You need so many sheep to support a shepherd or whatever. But it may well mean that if you are a larger farmer, you’re carrying more debt because you’ve been buying land or you’ve extended on working capital. It may mean that you have got more labour on your books, so you’re carrying higher overheads.

And the emphasis…I did have an interesting argument about this the other day and I will accept the point the man made. But nonetheless, the emphasis on holding fixed costs down, that’s where most businesses are most effective in clinging onto profit. [voices overlap] And the small and medium, depending of course what we mean by small and medium and all the rest of it, and I’ll give you a counterexample in a moment because it all depends what we mean by any of these headings, you are looking at…you’re able to focus better, you’ll probably be able to be a better stock man. You’re moving into a very different model if you’re seriously large.

I’ve been doing some work, which you will immediately tell me is not immediately uplands, nonetheless I think it has relevance, [inaudible] farm business survey figures. And having done my demolition of English cereals farming as a commercial enterprise, then looked at where we were on lowland grazing and lowland livestock, which, you know, you just read all the average figures and they are not good. Actually, when you take it apart, in principle, up to a certain level, the larger businesses there are the more effective but that’s the point at which they’re no longer part-time hobby businesses, they are a man who is committed to making his living off them and is therefore making it work.

The point where the curve inflects is where you get larger still and you’re carrying more sheep. And I think that has to do with the fact you’re probably then on land which is almost [inaudible] and so you’re actually looking at a slightly different business behind it. And that’s the problem with all these stats is there are always things behind the stats. So I think people have…and it varies by geography, people have very different ideas as to what small, medium and large actually are.

I: Definitely. Just to say what was the comment about the big farms, it was pretty much a model that, especially in uplands, you don’t have [inaudible]. And then…

R: And what we’d be calling ranching of sheep, just putting them up there and forgetting them.

I: Yeah, but the thing is that if you’re aiming for a big scale model, then you increase all the inputs. And that creates a bit more vulnerability while those systems are by nature extensive ones, so you don’t necessarily need to increase the input, especially the reliance on inputs that come from distant markets. That was the idea behind.

R: And sheep is generally better at not having particularly much in the way of inputs, as I said, the biggest input might be a shepherd and a quad bike. There are many different sorts of beef system and some of them…and interestingly, some of the ones that may be most climate change supportive are ones which require higher levels of input and faster turnarounds.

But, I mean, that’s where there’s an interesting argument, going back to my food demand concerns, that actually the extensive grass-fed livestock that we run may have a long run place in the world’s diet because we are not, on the whole, filling too much of it at that level up with grain, which there will be beef producers who are very large and doing grain-fed beef. Grassland Britain, which is on the whole undermanaged, what do you do with it? Well, it’s beef or sheep or it’s forestry.

I: As a solution, yeah.

R: Or you leave it. There’s the fourth, you know, the re-wilding that’s happening in one or two areas. But if you’re looking at trying to get economic value from it, then it is very largely…alright, you’ll find some amenity uses but you’ll probably run out of those fairly quickly. So it’s beef, sheep or it’s grouse shooting or forestry.

I: Alternative uses, okay. [Inaudible] with the functions, did you find anything which is missing?

R: Well, as I said, I think I can always be ingenuous enough to smuggle things in because succession effectively and the family continuity will tend to fit with wellbeing. Reasonable workload, I don’t see many farmers looking for a reasonable workload.

I: At this moment, I forgot to say that obviously some of them there are interrelated, so if you would like, you can group them together. Yeah.

R: Yes. I don’t think I see, particularly the identity-driven farmers, perceiving the case for a reasonable workload. There’s a slightly macho sense in which actually the bigger the workload, the more validated they are. And when we talk about farming retirement, it’s the sense I’ll ease back to about 45 hours a week. Sufficient local employment opportunities, that’s only relevant for part-time farmers, most of them won’t be very worried by that. Respect in the community, social cohesion, well, which community? You see so many of these areas, farmers are actually now outside the local community with population change.

I: Yeah, you mentioned that.

R: Food security will be the…well, food security is a concept farmers like to talk about. It’s part, again, of validation and part of the food security, it keeps various [inaudible] at bay. Again, it dissolves as a concept when you start working at it but it’ll be wrapped up in their sense of purpose that they will feel they’re delivering it, whether or not they actually are. Other products. Well, yes, as you say, you’ve added in breeding stock. That will be the only high value product…

I: Number…which one?

R: You’re looking at eight, you’ve added breeding stock. The other one you would add in there is tourism. You know, it is the upland…

I: [Inaudible] creational value…

R: Yeah, provision of other products.

I: Yeah, 19.

R: Nineteen, yes.

I: [Inaudible].

R: Yeah, but it’s actually…no, they’re probably resentful of access by the public. What they are about is looking for…it’s the north and the west that went, 50, 60 years ago, into bed and breakfast. Trying to find bed and breakfast in much of Eastern England’s really quite hard on a farmhouse. Ever since I was a child, you’ve been able to find it in Cornwall or Wales or the Lake District or the Pennines because it’s how you…a lot of farmhouses historically are large, they’ve got spare rooms. How do you turn those rooms to bring income in.

And one of the challenges then is the farmer himself may not be that amenable to meeting the public. Some of them are, some of them aren’t. And so you have separation in the house, those areas where the farmer comes in and those areas where the guests are. But bed and breakfast I would see as distinct from access and recreation by the public, this is a direct business opportunity. On the whole, access by the public most would regard as a problem, as a difficulty. They leave the gates open.

I: Yeah, okay. So from those, can you prioritise the five most important critical functions for farmers in upland areas? And as I said before, you can group some of them together and say, for example, three and 20 together is my most important priority.

R: Because these are again functions…to some extent, these are functions for different people.

I: Yes. I was thinking what do you think the farmers in upland areas, what they are doing now, so which are the five most important functions, roles for them as they do, and what they should do in the future?

R: Ah. As I said, I would stay with the satisfaction, wellbeing and identity.

I: Can you use numbers, it’s easier.

R: Sorry, 10.

I: Yeah, number 10.

R: And I added identity into it. It’s only limited parts of the uplands do breeding stock in any style.

I: Number?

R: That’s number eight. But only limited areas, I mean, I know people up in parts of the [area A] whose real income from selling breeding stock. What they will get in the ram sales will be an enormous reward. They will feel they…alright, they will feel they contribute, six. They will be concerned in the main about succession. And on a good day, they’d love to think about one, actually making profit.

I: But then, so that’s what is happening now. What do you think should be the five most important?

R: I don’t know that there is actually a sensible answer to that because it depends who the farmers are. If we have a renewed [voices overlap 1]…

I: But then you have a kind of modelling what you are heading…

R: If we have a renewed process of change in who farmers are, as we had for example in significant areas between the wars, an enormous number of Scots farmers came down to East Anglia, people out of the South West came into the Home Counties. Those flows of farming populations moving around, then those people might be moving for their own reasons, which might be different.

I: What do you mean moving, moving for what, selling their products or…?

R: Well, the obvious area that would look at, whether it’s right, is people moving for alternative lifestyles.

I: Ah okay, so [inaudible] movement?

R: Yes. No, real change in who the farmers are is…you know, we’ve seen that before.

I: Can you give me a bit more information about that because I’m not aware of that kind of…

R: No, I’m looking ahead, I’m looking at your question.

I: Ah ahead, okay.

R: At what point do we actually find, if land prices fell far enough, at what point the significant number of Eastern Europeans or Asians wish to take up farming.

I: Yeah, in this country.

R: Yes.

I: But my question is, do you have an ideal type of farmer and that type of farmer in upland areas, which of those functions you would prioritise.

R: Yeah, but I think this is where, you know, may go back to the extent to which I am interested in the practicalities of how things work, rather than setting larger objectives, policy objectives. These things will work their way out in the marketplace according to what people want. So I can observe a shift towards people being more interested, in the main, in money, and by which I mean your heading one. But equally, if you go into places like Caernarvonshire, you will see very significant areas being effectively taken over for alternative lifestyles. People are basically going…there’s a man I knew down there, one said, he said, oh, in that village they knit [inaudible]. People go there and do that. And they will keep several pigs in the orchard and some goats and other things.

I: So it’s more like crofters?

R: Yes, a little bit like that if you think about that. But doing it for other motivations and world outlooks altogether. I think the real driver is if you want to be a commodity producer, you’re probably going to have to continue to try to be bigger because margins are likely to continue to narrow. Or you’ve got to be much better at how you market.

I: Since you mentioned about commodities, is there potential of adding value to beef and lamb products coming from upland areas currently reached? If not, please elaborate on [voices overlap].

R: No. I think this is the… [inaudible] your machines. I think this is the real challenge for UK agriculture, again, not just uplands. In a sense, everybody talks about the uplands because they know upland economics are rather hard. There are an awful lot of lowland economics are actually really rather difficult as well. And we are a high-cost country and if we are to find a viable future, it’s a question of finding where we can do specialist things well that add value. And so you look at things, and there are people in the uplands doing this who are selling…making specialist products, particularly focusing on whether it’s organic meat boxes.

An example I always think of is back in the 1930s above Nidderdale and Swaledale, no, Wensleydale. Kit Calvert opened the Hawes Creamery. And he did that for two reasons. One, he did it to provide an outlet for milk in the Dales, so to support the dairy farmers. And the second reason he did it was for local employment. There probably now is almost nobody within 20 or 30 miles is working in the creamery, they all come in from the Lancashire towns. And that’s the changing nature of the area. But as a basis, he is the only place you can buy Wensleydale cheese made in Wensleydale. That gives you quite a strong position if you can build that. But it’s building those things so that you can create margin and hold margin.

And coming back to the sense of pending economic pressures, that route has got to be one of the ways in which many people will handle them, by trying to find a way of moving up the value chain. Other people can do beef and sheep as commodities much more cheaply than we can. And that is a very big economic challenge.

I: The next card is about challenges. But I would like to ask you about achieving the full potential of adding value. What stops right now for upland farmers to do?

R: Right, imagination.

I: Imagination.

R: We have built…since the war, we’ve built the model of a full-time engineering farmer producing product. And that has adapted a bit over the last X years but it’s something that if you start saying who is actually going really to be able to use the new innovations, who is going to be innovative in marketing, very often not the people currently running the farm businesses. And I think it’s possible but it requires people who are willing to be less risk averse. I think there is a question whether farming has got more risk averse. They are people…and, you know, one of the real…like a really nice success story is I can think of a hops and apple farm, so again, not quite in the uplands, it’s on the edge of some nice hills, where it was the wife came with a background in marketing in London. And she has built it so that craft hops sell well, are internationally exported and sorted out the apples. She has brought an imagination and a vitality to that business.

I: So it’s kind of like it’s imagination but also, it sounds to me, a gap of skills, especially marketing skill.

R: Yes, skill gaps. Yes, and we’ve got big…you know, the whole question, everybody who trots around this whole area of productivity winds up saying we lack investment and we lack skills. And then the fourth wall I think in acting terms that I would…that I’m busy trying to work on opening up, is freer markets in land occupation and use, so that we can get proficient people, the right people to use the right land in the right way.

I: Can you say a bit more about that, what are the restrictions and how the whole thing doesn’t work?

R: Partly driven by area payments which encourage people to stay where they are in order to collect the area payment and pension. Partly it is restrictions particularly strong in Scotland around land tenure, which are shutting off opportunities for other people to do things. And indeed, the ones that are available are more for those who can stand risk more effectively. And so that tends not to be the new and the small.

I: I could maybe ask you something here. When you say tenure in Scotland, you mean those that [voices overlap?

R: Tenancy law in Scotland is a mess.

I: Yes, I know examples of estates that pretty much now they don’t allow…they tend to give shorter tenancies, which pretty much affects how much these people invest.

R: Yes.

I: So the new people coming is the landowners or the tenants [voices overlap]?

R: I think the model for the future, I don’t…land in this country, for all sorts of reasons, typically sells at values well above values that can be ordinarily justified by farming the land. There are all sorts of reasons for that and farmers cheerfully pay those values, well reasonably cheerfully. I’m interested…I don’t see, I mean, I’ll accept that having some owned land in your farm is a useful source of collateral and an assurance but if you’re looking at developing the business, I don’t see why you have to spend so much capital when actually you could have access to that land on a tenancy or by another contract and devote your energies to running your business, not trying to be a landowner. I don’t…it’s a misdirection of capital.

I: But I assume…

R: And that limits the amount of working capital available to the business for its actual genuine business growth.

I: Two questions.

R: Yeah.

I: When you’re a tenant, pretty much the way the bank sees you, it’s not a very attractive target for investment…

R: The bank will…yes.

I: Because you don’t own the land.

R: Yeah.

I: So that’s…I wonder if that’s the [inaudible] why people, they don’t [voices overlap] tenants.

R: Well, no, I suppose two or three things around that. Banks do lend to tenants. They’re obviously more cautious about it because there isn’t the collateral value but they will look at a business. Historically, tenants have often tended to be better farmers because they’ve had to be. The old…the ancient saying is that you farm to the level of the rent. Now obviously, people who have taken up large borrowings, farming to the level of interest payments they’ve got to make. But actually, if you followed the model that I was just playing with, it probably needs many people to be mixed tenure so you have a secure base and then your additional land…

I: But now with the land reform, this is less and less the case.

R: Land reform is fouling it up. Land reform, I mean, we’ve got incredibly complex patterns of legislation, I can’t let you a farm any period between five and 10 years, it has to be five or less, or 10 years or more. It’s hedged around all sorts of things in order not to yield that much in rent for the purposes. It’s just…it is making life unnecessarily complicated and leading landowners to fear that they are in…they’ve made themselves very inflexible for the next change in policy.

I did a paper for [organisation 2] on a different approach, that they published back in April.

I: Okay. I haven’t seen the paper but I am planning to see some of the papers.

R: Again, I can send you a link.

I: Yes definitely. My question was, so you mentioned the tenants used to be the most kind of creative and…

R: Often, you know…

I: Often. Because now with these type of land reform…landowners fear a bit more so they give shorter then tenancy.

R: Or not letting at all, they just use other forms of contracts.

I: Which obviously, makes the tenants much less in a position to invest.

R: You are watching…if we take the old secure tenancies, in about the last nine years they’ve fallen from being about 7,000 to being below 5,000 in Scotland. Scotland is watching its land tenure system haemorrhage and it’s very sad. I look at the extreme where this gets you in Ireland where, for all sorts of…for all the historic reasons of the middle and later 19th century, Ireland got rid of tenancies and created a world of small owner-occupiers. The great-great grandchildren of those owner-occupiers are now…who says they’re good farmers? They’re often aging.

The only way in which land is made available to somebody else is on a seasonal grass [inaudible] which means that nobody’s investing. Now I’m trying to rebuild the tenancy sector there in order to create economic opportunity for people. There’s nothing that says that just because you’re the grandson of a farmer means that you’re necessarily much good at farming. And it’s having competitive markets in these areas. And this is where I get to the point. In the end, I don’t care who owns the land, what I’m interested in is having practical use of it.

I: I fully agree with that. The only thing is that now in the current situation [inaudible], it seems that tenancy, it’s quite problematic in terms of how easy it is for them to invest.

R: Yeah, but we’re in a situation…if we go back. I was heavily involved in delivering tenancy reform in England in the early ‘90s which we dd in ’95. Around about that point, the share of Scottish farmland that was let and the share of English farmland that was let was virtually identical, it was around 35 per cent. In England now we have actually put it up slightly, we’re probably 36, 37 per cent. In Scotland it’s now about 21 per cent. It’s the smallest let sector in Europe with any credibility.

And there’s not a lot of sign of it stopping to shrink because it’s very difficult to see why any but the most dedicated landlord should volunteer to let when he has the chance. West of Scotland you’re watching land coming out of tenancies going into forestry. That may not be an appropriate choice but it’s a clear decision, trees are easier than dealing with land reform. And then where you are dealing, you’re dealing with people who have got…you’re dealing with people…other sorts of contract farming and these other arguably more insecure bases.

I: What other sorts of…?

R: Well, where some farmers come together, there will then be joint ventures. There’s a lot of talk but it’s frequently fairly unanalysed around shared farming and whatever that actually means. It tends to mean shared land management, it’s…

I: Right, it’s kind of like a common grazing? No.

R: No. Very broadly, it’s history as an attempt to create a way around having tenancy. And I don’t think it necessarily does it terribly well but that’s by the by.

I: And this is in Scotland?

R: Scotland and in England. In fact, England, we created a very much simpler framework for tenancy law. We keep dusting it down a bit and so on. And nothing’s perfect and you can always find ground for criticising things but on the whole, we kept the share of farmland that’s let. And I don’t see that an owner-occupied farming landscape is one that is good for farming’s commerciality. If you want pillars of the community, yeoman farmers who are there, then that may be an interesting model but I don’t think it gives you an economically effective industry.

I: What is the name of that model? Sorry, I didn’t catch the name.

R: Well, no, like yeoman farmers, you know, people…

I: Yeoman?

R: Yeoman.

I: Yeoman, what does it mean?

R: Well, in this case probably an English term but…

I: I don’t know what it means.

R: Well, a yeoman is somebody who is below the squirearchy [inaudible] independent, you know…

I: Okay, I didn’t know.

R: …makes his own…you know, entirely self-employed and self-sufficient in that sense. An independent [voices overlap]. No, take it as a loose reference but it’s an attempt to say that, you know, if you’re sitting on 400 acres of reasonable land, getting on, yes, you may be very independent but nothing in that says that you’re going to be a good farmer. Just because you’ve inherited that land. And the thing that I see in terms of advising farm businesses is thinking previous generations may have been very good but actually previous generations probably farmed in a simpler world. The world of regulation and all the rest of it is one where it’s much more challenging.

I: Okay. A question about…you mentioned about the prices of the land is quite [high].

R: Yeah.

I: So you mentioned there are a number of reasons, can you give me some [voices overlap]?

R: Yeah, people love owning land, it’s tangible. In a world of financial assets, land exists. Some of it may have a development potential, more of it is privacy, more of it is amenity, some of it is sporting. Everybody will want the land that’s next to them. We know that…if you like, we know that people actually quite like owning a bit of their own country. So when these small blocks of broadly woodland come up, you’ll find perfectly ordinary families in the suburbs will be quite keen to go and buy a small area of woodland as a hobby, just because it’s theirs and they’ve bought into their country. Farmers will bid wildly against neighbours for the 50 acres that comes up on the border. If I…and in a sense, land is location specific. So my chance to buy land in Northumberland is not very interesting to me. My chance to buy land next door is very interesting to me. And all those things, if you’re a really large investor, a bit of land is part of a much larger portfolio, along with…

I: The reason I ask, is because comments I was getting from previous interviews, there was a lot of accusation, because we have the subsidies and land-based subsidies, they have driven the prices. I didn’t believe [voices overlap] that’s why I was asking.

R: I don’t think…no, you’re probably better…I’m just conscious of the time…

I: What time is it?

R: About quarter past five.

I: Quarter past five.

R: So I think I probably ought to be thinking about 10 minutes or so, just to make sure I walk there and make sure I get myself sorted.

I: Okay.

R: Yeah, I’m having these arguments with [person 3] in the Natural Cabinet Committee at the moment. I don’t think land values have very much to do directly with capitalising subsidies. The subsidy values are too small in terms of…in relationship to the value. I think though that the way they would interrelate more subtly is by effecting supply, not demand of land. I can sit on land…I need to sit on land to continue to get my pension in the subsidy. And so that means land that would otherwise come on the market doesn’t, so it’s a thinner market. Now that could support a higher price.

I think the area where subsidies really come into the land market is in rent. Short term rents, particularly in England, I mean, Scotland’s always had its slight oddities or differences around it, but particularly in England and now Wales, I would think that 50, 60 per cent of subsidy would find its way into rent. Because land is the scarce factor of production. And there’s an interesting Bavarian study where they found a similar effect with a similar then single payment-based system.

I: Can you please send me a link?

R: Right, I’d better start making some notes [inaudible].

[section deleted as not relevant]

I: I have…I wonder, in the question about adding value, is adding any structural [inaudible] for the upland farmers to add value. So for example, the lack of slaughterhouses…

R: Yeah, I think…I was pulling out immediately that chart you first showed me, the issue of primary processing, yeah. And it’s a difficulty across the whole country. But you’ve got this absurd thing, talk about this small slaughterhouse in Shetland. Orkney beef is a PGI, it’s got a distinct brand but you have to put it on a boat to Aberdeen to get slaughtered and then bring it back again.

I: And now they cannot use it, the PGI cannot use it?

R: This is it, yeah. And it’s that kind of constraint. And because you’re inevitably working on small volumes, how you crack that.

I: Yeah. And my question was like, having the farmers independently from their size, either large or small farmers, and they have a commodity they produce, and if they want to add value for any grass-fed, in boxes through internet or whatever, they cannot really do it.

R: Well, some do.

I: Well, if they are a reasonable distance from the slaughterhouse, most of them have to travel back and forwards.

R: On smaller volumes, you can do some things in poultry and so on. I mean, I will buy my Christmas goose from a local farm. I can think of an organic meat box scheme in mid-Wales which is working on that basis. There’s a real problem for the Welsh economy that it doesn’t have slaughter capacity or processing capacity.

I: So it doesn’t have at all?

R: It has some but not enough, so they lose added value outside Wales into England at that point. So you’ve got…but you’ve also got the issue that these things then tend to require a bit more labour and you’re operating in areas with few people and very low unemployment. So that’s housing and the like.

I: Yeah, so there is a trade-off with labour availability.

R: Yes.

I: But I was thinking about the supermarkets, the type of product they ask for, which is kind of European breeds and [voices overlap].

R: Yeah, supermarkets, they’re getting better. Many of the supermarkets will support local brands. You know, Morrisons and others will have…and the Co-Op and Waitrose and so on, but they will have somewhere where they will try and add…carry some of those things, you know. Because there is a market, not so much for organic food but for local food and those are markets that have some strength. And then outside that, there’s the whole area of farmers markets and other things. And I will deal with people who have built a trade specifically supplying London restaurants. So they’ll supply beef directly in to high value restaurants.

And that gives…one thing that touches on, which is true for other areas of food supply, is concern about traceability and provenance. There are schemes now where major food processors, for whom food cost is a trivial fraction of their business, know that 15 years down the line there’s a risk of something like the horsemeat scandal. And they can’t afford that. And so they are willing to pay more for food that’s produced the way they want it to be produced, with traceability, with mutual interchange. And as a farmer, you can build a good margin around that, just as, you know, the extraordinary difference between the milk price if you’re on one of the supermarket schemes and if you were selling on the spot market. That can be a 50 per cent difference, which is, you know, 20 per cent of dairy farmers have got a good price and 80 per cent haven’t.

I: And the fact that a lot of the markets in the UK, a lot of the trading is [inaudible] market, it’s not long-established relationships between, especially if you go down to the farm, sometimes between processor and slaughterhouse and the retailer, there is a relationship.

R: Yeah.

I: But when you go the other way, it’s usually spot market through option [inaudible].

R: Yes, option [inaudible]…I probably should make a certain defence of as they give…they are open bidding, they’re publicly setting a price and you can put reserves on and so on. And many of the dead weight markets or dead weight supply chains link their price to option prices. And so there are issues that sit around that. But I think, you know, with supermarkets we do have the issue of…the public means reasonably well but it doesn’t necessarily mean reasonably well on a big enough scale enough of the time, in these things. So there are a fraction of the public that will specifically look to buy local or look to buy something distinctive or look to buy…and the same people on a different day of the week will simply want to buy the cheapest thing they can.

I remember somebody talking to me, he’d been to London to stay with his brother-in-law. And it was ultra-organic health. And this is now 20 years ago. So ultra-organic health, so everything was…on Friday evenings, they went down to [inaudible]. And the answer was both the psychological comfort, just in different ways.

I: Yeah. My question was like how much an upland farmer has really had choices, because it becomes a bit of price taker all these…the way that we watch the supply chain is more like commodities.

R: Yes, it is and that’s the danger. We have…

I: Use commodities.

R: We have achieved very substantial growth and productivity with the new types of apple tree and the price has fallen to reflect that. And so it’s thinking how do you work your way round that. We’ve gone through the great boom…in my part of the world, we’ve gone through the great boom in cider apple production. The last few months we’ve been on the downside of that as we’ve overproduced, which is a bit awkward for some people.

I: How much time do you have?

R: I think I probably ought to be gathering myself together.

I: Okay.

R: How much more do you want to do or do you want to pursue it a different way? Am I being useful to you at all?

I: Definitely, a lot of it. It’s quite interesting because as I said, I haven’t done a lot of interviews in [area A] but it’s a slightly different approach from what I’m getting from Scottish [voices overlap]. That’s why…

R: Scots are typically…[section deleted]. But there is a distinctive caution in Scotland that would not be recognised to anything like the same extent south of the border. There is…the more I deal with differences within the UK, never mind abroad, and I deal a fair bit on the continent, the English are a commercial people and it shows. We will think of more ingenuous ways around problems. A Scotsman may tend to look at it very cautiously for some time before he feels he wants to trust it.

I: Yeah, I got a bit of flavour of that. And I wanted to understand how that has emerged, is it because they’re different institutions [voices overlap].

R: On one level, it will actually be harder farming conditions. Scottish farming may historically, if I’m looking at things [inaudible], therefore going back a hundred years or so, may actually have been less willing to take risk. Some of it may be, for all I know, the influence of a presbyterian outlook. You know, all these things come together in the cultural make-up but there is that difference…slight difference…Scotland was an enormously enterprising country in the 19th century. And so but there are these differences in tone. I think farming generally has become a bit more risk averse in recent years, wherever you are. And yeah, it’s easier to be risk tolerant if you’re making easy profits.

**End of transcript**