

SHROPSHIRE HILLS AONB FARMING WORKING GROUP

Note of meeting 27 September 2006

Present:

Phil Holden	Shropshire Hills AONB Team
Ian Dormor	Shropshire Hills AONB Team
Clare Fildes	Shropshire Hills AONB Team
Cath Landles	Shropshire Hills AONB Team
Rev Nick Read	Chaplain for Agriculture and Rural Life, Hereford Diocese
Robert Davies	Farmer & participant in Clun Down to Earth farming project
Michael Whithouse	Individual member, AONB Partnership
David Ragbourne	Defra Rural Development Service
Stewart Minton-Beddoes	Country Land & Business Association

Apologies:

Judith Leigh	English Heritage
Peter Carty	National Trust
Eric Steer	Natural England
Bob Evans	Forestry Commission

1. Terms of Reference

Phil explained that the Terms of Reference circulated had been updated to reflect the way the Working Group worked, the title had been changed and some new members invited to reflect the clearer focus on farming. He welcomed new members and said he was willing to continue to chair the group but would be very happy for someone else to take this role if they wished. The group were happy for Phil to continue chairing.

2. Proposed Shropshire Hills Local Products Project

Clare Fildes gave a presentation on the AONB Partnership's proposed local products project, which had been developed through extensive consultation with local stakeholders including the last meeting of this Working Group. Key issues forming the context for the project included the vulnerability of habitats and their dependence upon grazing management, the low level of farm incomes (currently c. £12,500 p.a.), the morale of farmers and their age profile, the shortage of traditional skills and the transformation in farm size, which had seen farms at one end of the spectrum become larger, while at the other end fragmentation had resulted in a profusion of smallholdings. The limitation of services in the rural environment, the reduced levels of self-sufficiency in food and wood, and the stranglehold of supermarkets were also highlighted as areas for concern.

The essence of the proposed project was to strengthen market mechanisms supporting sustainable land management, i.e. to 'Make Conservation Pay'. Under the theme of 'Local Products', the project would work principally with the sectors of food and drink, wood products and tourism. Clare went on to talk about issues regarding the existing local foods framework and how the proposed project might complement this, and about possible approaches to branding and accreditation.

David R commented that local produce is price-sensitive. Some research into what people would be prepared to pay would be very helpful. Clare said that she had looked at some national studies on this and had also done a programme of questionnaires locally.

Stewart said there was evidence of price inflation in niche marketing which was hindering the development of local food initiatives. Bringing local food into everyday shopping baskets represented a challenge. Michael said there was evidence of change in consumer habits and people were showing a greater interest in local produce. Clare hoped to use the Clun Forest model for farmer engagement. Ruralscapes, a Shropshire company who were developing a local products supply hub approach, were keen to expand this work in the south of the county. It was noted that there is relatively little acknowledgement of local food in restaurants. Clare said the project would aim to help small producers and new entrants to the market, and this should complement other sources of business advice. She commented that there was plenty of scope without involving large supermarket chains. Michael thought that local application of the Fair Trade scheme could be a means of accreditation.

Nick stressed the importance of engaging with Advantage West Midlands and Rural Hubs, which would be key in the delivery of the new Rural Development Programme. A decision would need to be taken on branding. There were examples from fully trade mark controlled brands such as South Downs Lamb to looser locality brands without any environmental aspect. Stewart was wary of branding and felt that AONB farmers were already environmentally-friendly through participation in agri-environment schemes and it might not be a good idea to develop a complicated marketing initiative. Nick thought it would be necessary to develop an audit trail to satisfy the rising environmental aspirations of consumers. It may be possible to use A quality assurance scheme, however, should not mean extra paperwork over and existing schemes for accreditation, such as agri-environment schemes, but as Phil pointed out, these had never been designed to be used as a market tool.

Nick suggested that the project consider cross-border links with Wales. David R stressed the need to keep any new project simple. A graded scheme might provide an incentive for producers to progress to a higher standard, and a way of using existing schemes (e.g. Organic, Stewardship, LEAF) as a means of setting grading. David said it was imperative that consumers were able to understand whatever system was employed. It would be sensible to start with the Entry Level Scheme and get farmers to take the initiative. Most farmers should have little trouble in getting into Entry Level, whereas after 2013 it might be difficult for Clun ESA farmers to get into the Higher Level Scheme.

Clare explained that the new project would be based on producers within the AONB, and considering supply chains and markets in a reasonably wide area around it as necessary. There were producers just outside the AONB however who it would be good to work with, and flexibility to do this should be retained, as far as the boundaries of the Joint Character Areas (Shropshire Hills and Clun). Potential funders included Heritage Lottery Fund and Natural England. Both had expressed interest in the project but proposals would ideally need to be lodged before December this year, to allow the project to start when the current Blue Remembered Hills project finishes. Nick commented that sustainability and climate change would need to be a large component of any new project. The innovative element to the project could be the attempt to move local products beyond a niche towards more mainstream markets.

3. Update on Strategic Matters

The **Position Statement on Farming and Conservation**, discussed as a draft at the last meeting, was approved by the AONB Partnership in June.

The **AONB Management Plan Action Plan** was currently being updated. The Group was not being asked this time to look specifically at the Plan, but discussion would feed into the update. He mentioned progress with the Agricultural Buildings Design Guidance, for which the text has to be edited down prior to design and publication. In particular Phil welcomed suggestions from members for new actions. He felt that the development work with the Farmers Markets should be mentioned more specifically. He also said an idea had emerged for the AONB Partnership to develop guidance on farm diversification, to help ensure that sympathetic activities were encouraged and avoid planning conflicts. David R said this would need to be kept very general rather than being too prescriptive. Phil drew the Group's attention to the AONB website which now carries consultation responses.

4. Updates on action on the ground

a. Environmental Stewardship. David updated that as of 12 September 2006, there had been around 3,200 applications for Entry Level or Organic Entry Level in the West Midlands region. Some 2,800 of these are live agreements, resulting in the region being second highest nationally (after the South West). In Shropshire there have been 326 applications for Environmental Stewardship (ELS) of which 185 are live agreements. This is the highest level of take-up nationally, reflecting the environmental bias of Shropshire farming. The HLS application windows are quarterly. Currently 96 applications are being processed. 28 have been deferred or rejected, and 68 would go forward to the next step. David explained that budgetary constraints were leading to the imposition of a more rigorous scrutiny of applications. As a result competition was fierce, with schemes needing more than 20 points to be accepted. There had been 94 rejections or withdrawals of ELS applications and 18 rejections or withdrawals of HLS applications. The level of payments (nationally) up to 12 September 2006 stood at £32.9m (ELS) and £2m for the first 6-monthly claims under HLS. Some Clun Forest farms with completing ESA agreements had gone into the Higher Level Scheme. While these figures were encouraging, there was a great deal of uncertainty over what could be spent in the future as the budget was uncertain. Defra had overspent by some £200m and Natural England had been told to save £10m. The new ERDP budget had not yet been set for 2007-14 and European money has to be match-funded by the Treasury.

4b. Clun Forest Group

Cath talked about the Clun Forest 'Land, Life and Livelihoods' project in which a novel approach to gaining support for an environmental project had resulted in engagement with the farming community. Cath spoke about the way in which farmers had been trained to interview other farmers. The results of the interviews had flagged up the issues that concern farmers, such as: what local farmers value, their current situation, what things are affecting their businesses, the ideas, hopes and aspirations and possible opportunities and avenues that could enhance the viability of farming as a business. A number of events had taken place and more were planned for later this year. A joint event with Bettws-y-Crwyn Women's Institute, planned for this November, would bring together a wide range of organisations in an attempt to forge new links, relationships and partnerships.

4c. Upper Onny/LongStones

In the absence of Alison Jones, Phil told the meeting that the LongStones Steering Group was being reformed as a Working Group of the AONB Partnership. The new group aspired to have stronger farmer and community representation. Countryside Agency project funding was being used to support FWAG visits to farms in the Upper Onny area, as a development of work done last year.

4d. Farmers Markets

Clare explained that the Shropshire Hills Farmers Markets were supported by the Blue Remembered Hills project and the Sustainable Development Fund. Twenty producers attend at least one market. More new producers were needed for the Church Stretton and Bishop's Castle markets. An advertising campaign was currently taking place for which posters, boards and banners had been produced. At Craven Arms the October market would coincide with the Shropshire Hills Wood Fair.

5. AOB

Nick asked how project design might be developed in the light of discussion. Clare said that work would continue on developing the project proposal taking into account all comments received. Discussions with key funders including AWM, HLF and Natural England were planned for the coming few weeks, and it was hoped that progress would quickly be made to developing full bids.

6. Date of next meeting

Wednesday 17 January 2007, 10am, Shropshire Hills Discovery Centre, Craven Arms