

Senator E.P. Vibert,
Chairman,
Shadow Scrutiny Panel,
Scrutiny Office,
c/o Morier House,
St. Helier
JE1 1DD

27th May 2004

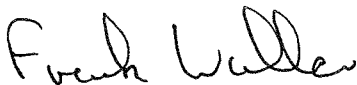
Dear Senator,

Review of Agri-Environment Scheme

Thank you for your letter of 4th May regarding the Shadow Scrutiny Panel's review of the agri-environment scheme.

As requested, please find attached copies of documentation relating to the Policy and Resources Committee's involvement in this matter, which relates to the period leading up to the States' decision on 25th and 26th July 2002 to approve the scheme. These documents include the relevant part 'A' and 'B' Committee Acts and supporting committee papers.

Yours sincerely,



**Senator F.H. Walker,
President,
Policy and Resources Committee**

ENCL.

DG/AN

11th August 2000

Dear

Study of the Agriculture and Fisheries Industry in Jersey

Further to my letter of 28 July I am writing to confirm our invitation for your organisation/consortium to send us your proposals for this study, in the form of a tender.

We received 24 expressions of interest and are inviting 6 organisations/consortia to submit tenders:

- Brown & Co. in association with MacAlister Elliott and Partners Limited.
- Entec UK Limited in association with DTZ Pieda Consulting Limited.
- Food Technology Centre, University of Plymouth.
- Oxford Policy Management in association with ADAS Consulting Limited and CEMARE.
- Ramboll (UK).
- SAC in association with Industry Strategy Consulting.

It is our request that these organisations do not form further associations/consortia in connection with this tender.

We will appreciate confirmation or otherwise, by 21st August that you intend to send us a tender. Please reply to Anne Nicholson at the above address. Telephone: 01534 866200; fax: 01534 866201. Email: agfishsj@super.net.uk.

General terms of reference were provided at an earlier stage. The Study is very important to the industry in Jersey because it will provide a basis for subsequent development of strategies and policies for the future development of the various sectors of the industry - arable, dairy, horticulture and fishing. When the Study has been completed new policies will, as necessary, be developed early in 2001 with a view to seeking agreement from the States of Jersey by the summer of 2001. Each of the sectors of the industry faces its own challenges and each will need to be considered individually.

In order to undertake the Study it will be necessary to gain an understanding of the current status and profitability of each sector, of the factors that have influenced its recent development, of the constraints under which it currently operates and of the issues it currently faces. It will be necessary to assess the markets available for Jersey produce. It will be necessary to assess issues and policies in Jersey concerning environmental protection. It will be necessary to review the various forms of support currently provided to the industry and to make comparisons with support provided elsewhere in the EU. It is assumed that an analysis of the strengths, weaknesses, opportunities and threats for each sector will be necessary. These matters are reasonably well understood in Jersey and so do not require documenting at length, but they will need to be summarised in reports.

The Study will need to propose broad strategies for the future development of each of the sectors of the industry with the aim of securing their viability. Alternative scenarios will need to be identified and evaluated. The evaluation will need to take into account production and marketing considerations, the costs of production in Jersey and of exporting produce, and the implications for the future nature and level of support. It will be necessary to indicate the potential environmental impact of the various alternative strategies identified. It will be necessary to indicate the nature and level of any support that may be needed in future to ensure viability.

In undertaking the Study it will be essential to engage representatives of the sectors and other stakeholders so that the opinions and aims of all stakeholders are fully taken into account. Time will need to be allocated to ensure that this is done adequately.

Reports will need to be prepared which summarise the consultant's findings and recommendations.

Guidance for the Study

During the Study guidance to the consultants will be available from a group which will be representative of the sponsoring Departments and of the industry. Guidance will be available on an ad hoc basis and by means of occasional meetings.

Practical arrangements for the Study

The Department of Agriculture and Fisheries will facilitate the Study by providing information and practical assistance, including arranging appointments. It will provide office space for the consultants, but very limited clerical or typing support. Access will be provided to the Department's computer facilities but the consultants may prefer to use their own computers. Some assistance will be provided concerning transport, but the consultants should consider car hire which is easily arranged in the island.

Tenders

The last date for receipt of tenders is Friday September 8th. Tenders received after this date will be returned unopened. Please send us, by post or courier, 6 copies of your tender (i.e. original plus 5 copies). They should be addressed to Anne Nicholson at the above address. We recommend that you check by phone that we have received your tender.

Your tender must be in two sections, each in a separate sealed envelope. One envelope must be labelled 'Technical Proposal' and must also indicate the name of your organisation/consortium and of the Study. The second envelope must be labelled 'Financial Proposal' and it must also indicate the name of your organisation/consortium and of the Study.

It is also essential to provide with your tender a letter, signed by an authorised representative of the Tenderer, giving exact details of the Tenderer's contact person, address, phone and fax numbers, and email address, and confirming the Tenderer's intention to provide the services in accordance with the tender submitted.

Technical proposals

It is essential to include at least the following:

- 1 an interpretation of the terms of reference to demonstrate your understanding of the study's key issues.
- 2 the approach you propose to take in the Study, including a schedule of activities to achieve the result envisaged and of the inputs you propose to make including staff time. The total amount of time proposed for each individual in your team must be clearly stated.
- 3 the timetable you propose for the Study, including submission of reports.

Our preference is to have the Study completed by the end of December 2000, but we will consider a later completion date if a tender is preferred in other respects.

Cyril Le Marquand House,
P.O. Box 140,
The Parade, St. Helier,
Jersey, JE4 8QT
Tel: +44 (0)1534 603400
Fax: +44 (0)1534 870755

- 4 clear identification of the individual people who you intend to undertake the Study and their individual roles in the Study. It is essential to provide full CVs for these individuals and to provide a signed declaration from each of them that they accept the work and timetable proposed by the Tenderer if the Tenderer is awarded the contract.
- 5 information about the Tenderer's relevant experience, and other relevant information about the Tenderer's size, structure and capabilities. This information should be provided about each organisation in a proposed consortium.

Tenderers may include additional information at their discretion.

Financial Proposals

It is essential to state clearly the total cost proposed and to provide details that include the following:

- 1 a statement of fees, including details of the inputs to be made into the study by each individual and the unit price per man-day for each individual.
- 2 a statement of travelling costs to and from Jersey.
- 3 a statement of accommodation and other subsistence costs.
- 4 any other costs.

Please note that we will not be providing guidance as to the budget available for the Study and that we will not necessarily select the least expensive tender.

Evaluation of tenders

This will be undertaken by a panel drawn from the Committees and senior management of the two sponsoring Departments, Policy and Resources, and Agriculture and Fisheries. The panel's decision in the selection process will be final. The panel reserves the right not to accept any of the tenders submitted.

Interviews

Our intention is to hold interviews, in London, on Thursday 21st and Friday 22nd September but **these dates and the venue will be confirmed later**. If it proves necessary for us to change the dates we will let you know as soon as possible. We will also confirm whether or not we wish to interview the organisation that has sent us a tender. This will be done by Friday 15th September. We will not necessarily interview every organisation that sends a tender. It will be important for organisations invited to interview to present at the interview the team that they intend will undertake the Study.

Costs

The costs of preparing and submitting tenders, of any preliminary visits to Jersey, and of attending for interview will be borne by the Tenderers. Subsequent costs of travelling and accommodation arising from contract negotiation will in principle be reimbursed by the States of Jersey but will need to be agreed in advance.

Additional information

If you find that you need additional information in order to prepare your tender, please contact Anne Nicholson in the first instance. We do not guarantee to provide all the information you may ask for but we will try to be helpful. If you decide that you need to visit the Island in order to prepare your tender the Department will facilitate your visit as far as it can.

Yours sincerely,

D.O.Griffis
Chief Executive

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NOTES OF A MEETING HELD AT THE DEPARTMENT OF AGRICULTURE AND FISHERIES AT 9.00 a.m. ON SATURDAY 16th FEBRUARY 2001

Present Jurat N. Herbert
 Senator J. Le Maistre
 Senator T. Le Sueur
 D. Griffis

Senator Le Maistre opened the meeting and advised of the absence on holiday of Deputy Voisin, who would represent F. & E. at future meetings. He saw the purpose of the meetings as trying to develop the proposals of Ag. & Fish in a clearer form. Senator Le Sueur felt that there was a lack of clarity about the key objectives being sought, and David Griffis accepted that there might be a problem of communication. Senator Le Maistre advised that it had been suggested to him by the Greffier of the States that someone like Hamish Marett-Crosby might be employed to refine and provide a more user-friendly version of whatever was ultimately proposed. It was also agreed that some independent secretarial help should be provided for future meetings.

Jurat Herbert wanted to know whether the root of the differences between Ag. & Fish and the other two committees could be clearly identified. Was it the size of the report, its content, or was it rather the potential extra costs?

By general consensus, it was agreed to try to follow three guiding principles:

1. Understand where we are now
2. Have a vision of where Jersey needs to go
3. Find a way to get there.

Jurat Herbert asked that for him to understand the present impasse better he wished to receive from Senator Le Maistre a view of where he sees the problems from Ag & Fish standpoint, and for Senator Le Sueur and Deputy Voisin to give him similar details from P. & R. and F. & E. respectively.

Senator Le Sueur raised the matter of the OPM report, commissioned jointly by P. & R. and F. & E. Senator Le Maistre felt that whilst it gave guidance, and much of the content was sound, OPM had not been sufficiently aware of, nor related their comments to, peculiarities of the local marketplace.

David Griffis felt that there were a lack of policy inferences, but to the extent that they were there, the inferences were sound. However the importance of the overall relevance of the report was questionable. It was felt to be more qualitative than quantitative in its approach. Jersey was competing on a playing field that was not level, as indicators of the Producer Subsidy Equivalent (PSE) demonstrated. Jurat Herbert questioned the impact of the uncertainty of external factors such as weather.

Draft terms of reference were then circulated by David Griffis. These were discussed at some length and some amendments agreed. The main industry sectors might need to be considered independently. It was agreed that D.G. would redraft and circulate copies of the amended terms of reference to the parties involved.

Dates of future meetings were provisionally agreed for 28th Feb (p.m.), 1st March (all day), (or 2nd March a.m.), 8th March (p.m.) and 15th March (all day). There might also be an opportunity to meet Janet Dwyer on the evening of 5th March to discuss the agri-environment.

A draft press release was agreed, and it was also agreed to try to limit any comments until the process has been completed.

INDUSTRY REVIEW: CONSULTATION PROCESS

The Committee is invited to consider the proposed consultation process and the outline timetable for completing the Policy Report, and to amend as necessary.

1 The purpose of the Industry Review was to provide a basis for reconsidering policies for agriculture and fisheries. The Review was part of a process which will lead to the development of a new Policy Report for the agriculture and fisheries industries that will be debated in the States in the summer of 2001. For this timing to be achieved a number of stages need to be worked through in a businesslike manner over the coming months. The outline timetable for the remaining stages of the process is as follows:

- a) Consultation process with all interested parties - until 12th April (see 3 below).
- b) Review of current Agriculture and Fisheries policies - to be undertaken by the Department and Committee and to be completed by the end of March.
- c) Consultation with the industry and other stakeholders about the future policy framework - to be completed by mid May.
- d) Development of new policies and drafting of the Policy Report - to be undertaken by the Department and Committee and to be completed by end May.
- e) Agreement by the Agriculture and Fisheries Committee to the Policy Report - at 7th June Committee meeting.
- f) Policy Report to be lodged by 19th June, for debate 17th July.

2 The purpose of the consultation process is to provide all stakeholders and other interested parties with opportunities to put forward their views, informed by the Industry Review report, on two subjects: the way forward, with particular reference to

- i. The objectives for future policies i.e. the outcomes to be achieved sought
- ii. The instruments/policies needed to achieve the objectives desired outcomes.

The purpose of the consultation process is **NOT** to debate the merits and demerits of the Industry Review report. As part of the consultation process ~~some debate of current policies will the current position of the industry and its situation in relation to the Island's economy will of course be necessary, but the main focus needs~~ Committee is keen that the main focus should aim to be on objectives for the future and the policies needed to achieve these objectives.

Duration: the consultation process will continue until **Thursday April 12th**. This does not mean that comments and suggestions received after this date will be ignored, but time will not allow meetings and debate about late submissions.

3 **The consultation process will include the following:**

- i. Invitations, through the media, for written submissions from any interested party.

The press release coinciding with publication of the report invited written submissions by the end of March. It is proposed to place two adverts in the JEP, repeating the invitation, early in March.

- ii. A public Conference on Friday March 23rd, 7-10 p.m. at Highlands College.

The conference will be based on 3 themes highlighted in the report, namely environmental policies, improving marketing and policies for providing financial support.

- iii. Local public meetings, at 4 locations in the Island

The venues could be St. Ouen, St. Brelade, Trinity and St. Helier. The provisional dates are March 20, 22, 26, 27. The facilitator will be Philip Le Brocq.

- iv. Invitations to other States departments to submit their views, and meetings as necessary

All departments will be invited, but discussions are likely to feature P&R, F&E, Industries, Tourism, P&R and P&E in particular. [Departments will be asked to obtain Committee agreement to their submissions.] *Is the text in the brackets essential???*

- v. An invitation for ~~written submissions~~ comment from organisations that are representative of the sectors of the industries and meetings with these organisations

The organisations are likely to include the JFU, the RJA&HS, the JMMB and the Fisherman's Association.

- vi. A request for ~~written submissions~~ comment from the four panels that advise the Agriculture and Fisheries Committee, and from the bodies that assist the Committee. Meetings will also be needed with at least some of these bodies.

Fisheries and Marine Resources Panel
Animal Welfare Panel
Dairy and Other Livestock Panel
Arable and Protected Crops Panel
Agriculture and Fisheries Audit Committee
The Agricultural Loans Board

vii. An invitation for ~~written-submissions~~ comment from a number of major stakeholders in the industry (e.g. JPMO, Ferryspeed, Commodore etc.)

viii. An invitation for comment ~~written-submissions~~ from a number of 'specialist' organisations in Jersey

Jersey Economic Forum

Jersey Consumer Council

Societe Jersiaise

[others]

ix. An invitation for ~~written-submissions~~ comment from States members

D Griffis, 26th February 2001

Our Ref: RB/jmb/ 8-4

8 August 2001

Jean Le Maistre Esq.
President of the Agriculture and Fisheries Committee
La Maison de la Trappe
La Rue de la Trappe
St. Ouen
JE3 2AL

Dear Jean,

AGRICULTURE AND FISHERIES COMMITTEE: POLICY REPORT 2001

I chatted with representatives of the Jersey Farmers Union last week at a meeting on other matters. We discussed briefly the prospects for those JFU members with interests in the glasshouse sites.

I recall that we discussed their situation at Howard Davis Farm when we met on 25 July. It was clear from that discussion that their situation was very difficult.

The JFU representatives told me that a good deal of work had been done on options for the future for the glasshouse sites. The work had included an analysis of a managed exit policy.

I looked briefly again at your Policy Report, as it stood on 25 July, and I could find no reference to this work. I recall that David Griffis said at our meeting that there were still several issues which would need to be covered in that draft and I would imagine that this was one of them as the report would be incomplete without reference to it.

I should be grateful if you would confirm that this issue is going to be covered in your Report.

*Yours sincerely,
Pierre*

SENATOR P F HORSFALL, OBE
PRESIDENT, POLICY & RESOURCES COMMITTEE

Copy:

Senator Frank Walker - President, Finance and Economics Department
John Mills - Chief Executive Officer, Policy and Resources Department
Ian Black - Treasurer to the States
David Griffis - Chief Executive, Agriculture and Fisheries Department
Robert Bushell - Economic Adviser, Policy and Resources Department

9 19/11

POLICY & RESOURCES DEPARTMENT

MEMORANDUM

TO: Andrew Mallet

CC: Robert Bushell
Michael Romeril
Sue Horne

FROM: John Mills

DATE: 21 August 2001

OUR REF: JFM/AMH

AGRICULTURE POLICY: P&R CONSIDERATION

It was agreed at last Tuesday's P&R that the Committee should consider the Report and Proposition just issued by the A&F Committee, probably at its next meeting, and perhaps with a view to submitting a P&R report on it to the States. There are several angles to this, but the key ones are:

- (i) the economics: we need to ask OXERA to consider the report in the light of what they said to the Committee a month ago about the macro-economic impact of further investment in agriculture. This was touched on at the Committee last week, Robert has this in hand;
- (ii) the merits or otherwise of the proposed 'agri-environmental' scheme: whatever view one takes about these things, one is hardly smitten by the rigour and credibility of the proposals that A&F have put forward. As has been said at earlier meetings with A&F, any such scheme needs very clear and precise objectives and strong, rational criteria for handing over taxpayers' money. This is seriously lacking from the proposal and I don't see how the States could properly make a decision without all this having been worked out and tested eg by Internal Audit. Michael has done a note on this from his perspective which will be an important input for the Committee. He is rightly supportive of the concept but critical of what A&F have (or, rather, have not) proposed; I have circulated his note separately with a few comments. It would

comment specifically on this aspect too, especially with a view to comparing what A&F have proposed compared with what other countries are doing.

- (iii) the state aids issue: as you know from my recent note on the subject I am quite sure that the package must be notified under EU Article 88 before it could be implemented (assuming, that is, that it was agreed). Richard Whitehead has agreed with this, and David Griffis does not demur. This is not a formality, and requires careful handling not least because of the read across to the issue of milk imports. I am not sure yet how this should be handled with either London or Brussels, and at what stage in the proceedings it should be undertaken; I can see the States being not uninterested in being told that any decision they take is subject to Brussels' scrutiny.
- (iv) the finance issue: this is for F&E not us, but each Committee needs to inform the other. Robert is working on this too and Frank Walker will no doubt have plenty to say at P&R.

All this suggests that P&R may need more than one bite at this particular cherry. Please would you pursue with colleagues accordingly with a view to getting a steer from the Committee on 6 September in a form that will enable us to prepare a suitable report to the States.



PP **JOHN MILLS**

POLICY & RESOURCES DEPARTMENT

MEMORANDUM

TO: MEMBERS OF THE POLICY AND RESOURCES
COMMITTEE

FROM: ROBERT BUSHELL

SUBJECT: ASSESSMENT OF THE AGRICULTURE AND FISHERIES
COMMITTEE POLICY REPORT 2001

COPY: FOD BARNES, OXERA
JONATHAN SAMPLE, OXERA

DATE: 30 AUGUST 2001

I have put together a set of assessments of the Policy Report and Proposition which has been lodged au Greffe by the Agriculture and Fisheries Committee. The assessments focus mainly on the economic effects of the programme which has been proposed, rather than the issues of administration and programme delivery. I have avoided any reference therefore to the points which appear in paragraph 2.46 in the Report.

The analysis in Annex 1 has been framed in terms of the whole programme which is on the table, rather than the additional costs and impacts compared to the existing level and structure of support to the industry. I have adopted this approach because the Agriculture and Fisheries Committee has presented the initiatives in their policy document as a complete break with the past. This would suggest reverting to first principles from the point of view of the analysis.

I have attached three Annexes to this Memorandum.

- Annex 1 deals with the wider economic and financial effects of the Proposal
- Annex 2 contains an assessment of the agri-environmental initiative by Michael Romeril, the Island's Environmental Adviser
- Annex 3 contains an analysis (in draft form) of the agri-environmental proposals by the Environmental Division in OXERA.

Annex 3 focuses very much on the economic aspects of the proposal and is intended to be complementary to Annex 2.

I have a few (more personal) thoughts which I would like to add to the attached material;

- The Report contains surprisingly little analysis of the outputs which should be expected to flow from the proposals. This is a particular weakness in the presentation of the agri-environmental and marketing initiatives. It has therefore been very difficult to compare the overall benefits which would be likely to emerge from the Programme against the costs.
- The overall costs of the Programme over the five years rely heavily on the success of the marketing programme but there is very little material in the Report on what type of programmes would be introduced and how they would be expected to affect profits.
- The details of how the marketing programme would be administered in practice are scarce, and there is no indication of how cash limits would operate in individual cases. What rules would be attached to payments? Would they be limited to a percentage of turnover? This should be an important issue on the financing side of the Programme.
- There is only a descriptive reference to the situation of the protected crop growers. However, one section of this sector has done work on an exit strategy in view of its very difficult prospects, even if the growers had substantial States support. It would be helpful if some of the detail were to appear in the Report.

It is also surprising that the costs to the consumer of the milk import ban have not been included as part of the costs of the overall programme. This issue is to some extent controversial. The costs were estimated by OPM in their Report earlier this year and were shown to be substantial. The industry disagrees with the OPM estimates. But the milk import ban is an important element of the policy for agriculture and is a part of the overall picture.

The stated objective of the new initiatives for agriculture is to move agriculture and fisheries to a more secure situation, with less dependency on financial support from the States. However, the transition would require a major improvement in industry performance with respect to costs and market penetration. It is very difficult to judge from the material in the Report whether the proposed initiatives would be able to achieve this objective or whether the industry would soon become dependent on the higher level of support which is being proposed.

ROBERT BUSHELL
ECONOMIC ADVISER

AGRICULTURE AND FISHERIES COMMITTEE
POLICY REPORT 2001

ECONOMIC ASSESSMENT OF THE PROPOSALS

Agriculture and Fisheries Committee is proposing a support programme worth around £11 million per annum in terms of States spending. This compares with current support from the States of about £8 million. Employment in agriculture is 2,500 at the maximum during any one year. Total employment in the Island is 50,000.

The Economic Effects of the Package of Proposals

The “first effect” is that taxation to pay for the programme to support agriculture leads to money being taken out of the Island economy. Private demand for goods and services would be reduced. Costs of production would be increased as those taxes are passed on to other producers and consumers.

The “second effect” arises when the revenue from taxation is directed to agriculture. It is difficult to say what effect this might have on output in agriculture since detail on this issue is very thin in the Report. The impact could be substantial if the proposed marketing programmes, for example, had a major impact on sales of Island produce in foreign markets.

OXERA and the University of Strathclyde have done simulations to try to measure the impact on the Island economy of the proposals for agriculture. They have made provisional estimates of the impact on a wide range of Island economic indicators. They estimate, for example, that the effect of raising taxation to finance the programme (the “first effect” above) would be to reduce Island Income by a cumulative total of about 1.5% over 10 years.

The size of the “second effect” (above) would depend on the success of the programme in raising output in agriculture. Assuming that output in agriculture increased by 30% as a result of the spending, the effect on activity in other sectors would lead to a further decline in Island Income of about 0.2% over 10 years. This is because resources in the Island would be diverted to lower productivity activities in agriculture as a result of the subsidies.

However, the decline in output resulting from the subsidies would not be evenly spread throughout other sectors in the Island. It would almost certainly be concentrated in activities related to tourism. This is because most of the displacement effects would be concentrated in sectors which are competing for similar types of labour at the margin. The finance sector would probably be much less affected by the transfer of resources.

There would also be effects on inflation. The displacement of resources to agriculture as a result of the programme of support for that industry (“the second effect”) would lead to an additional increase in the price level over 10 years of about 0.5% compared to what it would otherwise have been without the programme.

Some Analysis of the Specific Elements in the Package

Much of what follows is based on judgements formed after looking at the descriptive material which is available in the Policy Report.

1. The Agri-Environment Scheme

The Island should be expected to receive benefits in terms of environmental improvements. But in order to receive payments under the Scheme, it appears that farmers would also have to incur additional costs which would be likely to exceed the cash value of those payments. This might raise doubts about whether farmers would wish to participate in the Programme (see also Annexes 2 and 3).

2. Marketing Support

This appears to be a key element in the overall Programme, since success in marketing would (according to the strategy) lead to a reduction in States support spending on this and (for example) Headage payments within the first five years.

Successful marketing schemes should be expected to raise output in the industry. But it is very difficult to form a judgement about whether this would happen since there is very little detail on the marketing schemes which might be put in place. The impact on profit and farm viability is therefore unknown.

3. Headage and Area Payments

These measures are intended to boost farm incomes. Labour would be encouraged to remain in the farming sector and labour supply to other industries would be reduced. Activity in those sectors would be lower than if the programme had not been in place. At least part of the value of these payments should be expected to lead to an increase in the price of land devoted to agriculture.

4. Loan-rate Subsidies

The subsidy reduces costs of production in agriculture. Output should be expected to increase in the farming industry. There may be longer-term productivity gains through the impact of the subsidised loans on capital investment by farmers. However, Agriculture and Fisheries appear to be proposing to make loans at negative interest rates and there may be doubts over whether the loans would find their way into farming activities.

AGRICULTURE AND FISHERIES COMMITTEE
POLICY REPORT 2001

COMMENTS OF THE ENVIRONMENTAL ADVISER

1. General comment.

The stance adopted by Agriculture and Fisheries regarding the environment is welcomed. There is no doubt that agriculture has played, and still plays, an important role in shaping the countryside, a significant element of Jersey's unique and valued landscape and of our quality of life.

This contribution must be recognised in evaluating the future of the industry so that detrimental changes to the landscape do not ensue in any future downturn of the industry. In fact, as the report states (p 63) future policy needs to encourage positive actions in this direction. In this respect, Jersey is not alone. In Europe there is increasing pressure to change the Common Agricultural Policy (CAP) and move away from production related subsidies towards schemes that enhance the environment and also have regard to the social implications for rural communities.

It is an inescapable fact that the landscape qualities and conservation value of our countryside will not be maintained without cost. It is not unreasonable to expect some public funding of schemes to ensure that the Island's environment is safeguarded. Thus the decoupling of direct, production related subsidies is welcomed.

In the broader sustainability context, the more comprehensive targeting of the home market is inadequately addressed (see 7.4,f).

2. The Agri-environment proposals.

The concept of an agri-environment scheme is welcomed and has much to commend it as a means of achieving a changed philosophy to agriculture in the Island. I believe that there would be considerable merit in such a scheme in Jersey. There are many examples elsewhere of schemes, some more successful than others. Jersey should therefore learn from those successes and seek to adopt a type of approach which mixes the best of successful schemes elsewhere, but especially having regard to the Island's own particular characteristics.

However, whilst fully supporting the concept, I am concerned that the A&F proposals have not been fully worked up and leave too many questions unanswered. For example, what are the specific levels of support and for which activities. There is concern too that some of the schemes proposed (e.g. slurry tanks) are about measures that one could argue should be part and parcel of the normal operations of a farm holding.

A particular concern of mine is the advisory and monitoring system that might operate. Many of the schemes will require particular ecological/pollution advice that is specialised knowledge not contained in the A&F department. It will be vitally important to get that advice right as the future success of any scheme, and the assurance that the invested public money will provide value, will depend on it. The Policy Report alludes to this issue in 10.17 when referring to “adequacy”.

The Report proposes an “independent” body to undertake the environmental monitoring but this is a critical aspect that is no nearer resolution than when the proposal was first identified. It will require extra appropriately qualified resources **wherever they are located** and that cost will inevitably be borne by the tax payer.

There remains a view that local Non-Governmental Organisations (NGOs) could have a significant, maybe the, role of monitoring as has happened elsewhere in Europe. However this fails to recognise major differences between local NGOs and similar bodies, for example in the UK. There, NGOs employ appropriately qualified professional staff. With Jersey NGOs there is invariably a heavy dependence on an input from a Civil Servant which could not be sustained at the likely level of activity without detriment to that officer’s core responsibilities within the Service.

These latter considerations also highlight a failure of the scheme to take on board the consideration of any potential changes likely to ensue with the machinery of government proposals that will inevitably bring some change to departmental structures. The review of environmental functions within the public sector is ^{of} particular significance. These issues are inextricably linked to the method (s) of operation of the scheme but are left mostly unanswered in the report (e.g see last sentence of 10.15).

Dr. Michael Romeril
Environmental Adviser.
17th August, 2001