

ANGUS COUNCIL

POLICY & RESOURCES COMMITTEE – 27 OCTOBER 1998

Report by Chief Executive

RURAL ISSUES CONFERENCE: FARMING ON THE BRINK?

ABSTRACT

This report summarises the main points raised at the Rural Issues Conference hosted by the Council in the Royal Hotel, Forfar on 23 October 1998 and seeks Council approval for the suggested way forward.

RECOMMENDATIONS

It is recommended that the Policy and Resources Committee:

- (i) Notes the tenor of the discussion at the Angus Rural Conference, and
- (ii) Supports the proposals (a) to convene a multi-agency Angus Agricultural Task Group, and (b) to develop Angus Ahead as a brand synonymous with best quality for a whole range of Angus products.

THE CONFERENCE

The Rural Issues Conference was held in a context where there is real concern currently about the agricultural sector and was aimed at aiding an understanding of the problems and identifying potential solutions.

Significant Points

Significant points made at the Conference were as follows:

- 86% decline in profitability in Angus farms.
- £½bn of turnover has disappeared from the Scottish economy in 2½ years.
- Net farm income (apart from dairying) close to or below zero.
- Agriculture underpins a vast proportion of the rural economy – it is a pan-industry issue.
- There is a general ignorance of rural issues – urban-based politicians.
- A decline of 10% of gross output in Angus would lead to a loss of at least 300 jobs.
- Angus is characterised by an “enterprise deficit” – 25% fewer businesses per head of population when compared to the UK as a whole.

- The agricultural sector is moving into a new phase where the ability to react to market needs will be paramount, and generic business skills, as opposed to agricultural skills will become more important.
- The principal economic development agencies have a major role to play, and a multi-agency approach is crucial.
- Every one job in agriculture supports just over 2 jobs in other sectors: 1800/4000 FTE (25% of the workforce in rural Angus).
- Major effect of BSE and the beef export ban.
- Outlook for exchange rates/interest rates looks good till the end of 2000.
- Hedging terms for farmers should be provided by banks.
- Single European Currency starts in ten weeks - and some rural suppliers/customers will trade in the Euro - Issues arise.

Action Points

The following two specific Action Points were identified:

- Angus Council should take the lead in convening a multi-agency ANGUS AGRICULTURAL TASK GROUP with a remit quickly to bring forward:
 - (1) an Action Plan which is capable of delivery locally
 - (2) specific proposals for consideration by the Government/Scottish Parliament.
- Under the aegis of the Angus Ahead Initiative, to capitalise on the international reputation of Angus beef, not only to promote beef products but to undertake (together with e.g. farmers, retailers, food processors) a co-ordinated campaign to establish Angus Ahead as a brand synonymous with best quality for a whole range of products.

FINANCIAL IMPLICATIONS

There are no financial implications for the Council at this stage.

CONSULTATION

The Directors of Finance and Law & Administration have been consulted in the compilation of this report.

A B Watson
Chief Executive
October 1998

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 [other than any containing confidential or exempt information], were relied on to any material extent in preparing this report.