



From the Minister

MINISTRY OF AGRICULTURE, FISHERIES AND FOOD
WHITEHALL PLACE, LONDON SW1A 2HH

CCBG
CCB/140

CONFIDENTIAL

PRIME MINISTER

ALTERNATIVE USES OF AGRICULTURAL LAND AND SOURCES OF RURAL EMPLOYMENT

We are meeting on 13 November to discuss my minute of 22^{at 11.45} September and the report of the interdepartmental group of officials.

In preparation for the meeting, my officials here have been working with the Treasury on the financial implications of my proposals and I attach at Annex A an agreed note. This explains the different proposals and analyses their impact on land, agricultural surpluses, farm income, employment, the environment and on Government expenditure. Table 2 at the end shows the balance between direct savings in agriculture, support costs under the CAP and the costs of the package in the first 5 years. There will be some lag in the savings, and we have therefore included figures for the tenth year which show how savings will build up over time. The savings would be in addition to the benefits that would derive from general reform of the CAP.

It is of course of the essence of my approach that, in vigorously pursuing our objective of reducing the cost of the CAP, we should not at the same time lose the confidence and support of the rural sector. We are committed to urgent reform in the CAP systems which support surpluses in key commodities like milk and beef. We are pursuing our land diversion initiative for cereals which could make a major contribution to solving the problems in that sector and bring about net gains in expenditure terms. All this will be hard work. Price proposals from the Commission will have emerged by the turn of the year and I am sure we shall want to endorse these if, as I expect, they are aimed at reducing CAP support significantly. Faced with these strong adjustment signals, we do not want our efforts undermined by criticism that we are failing to safeguard the interests of our own producers. This was the message I got from the Party Conference this year.

The measures I now propose are modest. They could not fully cushion the industry from the effects of a tougher CAP. But they will give farmers some alternatives so that they can direct their efforts and skills into something other than producing surpluses. To retain their confidence we need to provide these options now at the same time as we are pressing for significant CAP changes.

I should like to stress that our problems in agriculture, whether in Brussels or at home, are not going to be solved with a single master stroke. The policy I am suggesting draws on ideas for alternative non-surplus production opportunities, especially trees, for safeguarding the environment, for encouraging alternative enterprises among farmers and small rural businesses, for providing assistance to those in the less favoured areas, and for loosening our land use policy. It offers farmers choice. It is voluntary. But it represents a package which should be seen as a whole. If we provide farmers with these opportunities,

they would not be able to lay the claim that our stance on CAP reform completely ignores the farming sector.

The same goes for presentation. The impact of the new proposals will be lost unless we present them as a whole. And the domestic measures need to be seen in the context of our policy on the CAP and our support for international efforts to put world agriculture on to a more sensible basis. We need to explain that as a Government we have a coherent view as to how all these inter-connected problems should be tackled. Hence my proposal for a policy document. I am also attaching at Annex B to this minute a synopsis of a policy document on which my officials are working with the other agricultural Departments. It does of course crucially depend on being able to announce the new policy directions which I have proposed. The full text will need to be discussed at official level with all Departments concerned and cleared with colleagues in the usual way. I would hope to publish early in the New Year. I believe the full package, announced in this way, would bring long term financial benefits and an immediate political advantage.

I am copying this minute to the Lord President, the Secretary of State for Foreign and Commonwealth Affairs, the Chancellor of the Exchequer, the Secretaries of State for Wales, Northern Ireland, Scotland, Environment, Employment and Trade and Industry, the Chancellor of the Duchy of Lancaster, the Chief Secretary and Sir Robert Armstrong.



M J
10 November 1986

ALTERNATIVE USES OF AGRICULTURAL LAND AND SOURCES OF RURAL EMPLOYMENT
(ALURE)

(Note by officials in HM Treasury, the Agricultural Departments and the Forestry Commission)

1. This note considers the objectives and financial implications of the specific proposals made by the Minister of Agriculture in the context of his minute of 22 September to the Prime Minister.

General Objectives

2. Agriculture Ministers consider that there is a need for an integrated package of policy measures which taken together would serve to reduce expenditure on CAP support, to provide opportunities for farmers to maintain farm income, to sustain rural employment and have a positive impact on the environment. In their view the proposals comprise a modest, but nevertheless essential, response to the structural change facing the agricultural sector over the next 10 years which the ALURE Working Party projected as the consequence of a reduction in the level of CAP support. **Table 1** summarises in schematic form the expected effect of the individual proposals on land use, farm income, rural employment and the environment and also the relationship with surpluses and any proposed action at EC level.

3. It is necessary to consider the direct costs of the measures proposed, consequent savings in agricultural support expenditure and the relative effectiveness of each measure as a means of achieving the overall objectives. Details of the Agriculture Departments' estimated costs and savings over the first 5 years together with an indication of the position in year 10 are set out in **Table 2**.

4. In the 1986 PES discussions Agriculture Ministers have agreed not to pursue a bid for additional funds, pending collective discussion. This is on the understanding that if agreement is reached on the merits of the proposals the Chief Secretary will be prepared to consider a claim on the 1987/88 Reserve, if necessary, and that savings in IBAP expenditure could be regarded as a legitimate offset to any bid where

There is a fair guarantee that land is being taken out of surplus production. The Chief Secretary nonetheless considers that any new expenditure arising out of the ALURE recommendations should be financed within the current planned total PES provisions for domestic agriculture, forestry, fisheries and food of some £950m, if necessary by the re-allocation of priorities within existing programmes.

5. The following paragraphs discuss the proposals and relevant assessments in more detail. If the proposals are accepted in principle, more work will have to be done on the detailed implementation of the schemes, including the scope for targetting them on specific objectives. The costs and savings will need to be reviewed in the light of progress on CAP reform in view of their sensitivity to market circumstances for key products viz beef, sheep and cereals.

Traditional Forestry

	£m					
	1987- 88	1988- 89	1989- 90	1990- 91	1991- 92	1996- 97
PES baseline (Forestry Commission total grant in aid)	53.8	54.2	55.1	-	-	-
additional bid	+4.9	+5.0	+5.2	+5.3	+5.4	+ 7.7
CAP savings	-	-7.0	-11.1	-18.2	-7.5	-36.2

Note: No baseline provision has been agreed beyond 1989-90. The bids assume a 2½% pa increase in future years.

6. The proposal is to encourage extra private sector planting of woodlands of some 20,000 ha a year, ie a doubling of the present planting rate. The objectives would be to divert a substantial area of land from agriculture to forestry, thereby achieving a consequent reduction in surplus agricultural production; to increase timber production and to provide a source of rural income and employment. The Forestry Commission estimate that there would be a gross gain of some 1,600 jobs, some in local towns. The net gain would depend on the extent of any reduction in agricultural employment. The environmental effects would depend on the areas planted, the species involved, previous land

se, landscaping etc. Close attention would be given to these aspects under the Forestry Commission's consultation procedures. Achievement of these objectives would be evaluated by monitoring the additional area planted by type of land use and surveying the net effect on employment and income.

7. The costs of the proposals are based on the assumption that the area envisaged would be taken up at existing grant rates. The Forestry Commission take the view that to secure this take-up on better land than at present, a further fall in land prices - perhaps of as much as 15-20% - and some relaxation of clearance criteria by the agricultural departments would be required. The level of grants is periodically reviewed and could in principle be raised or lowered if necessary. Grant expenditure on planting is demand-led, but has in practice been contained within the cash limited grant-in-aid to the Forestry Commission.

8. The savings allow for a year's lag after planting before savings in CAP support are realised. In anticipation of some success in reforming the CAP they assume a 2% per annum cut in CAP support costs from 1988/89 onwards. Although it is not at present the practice to direct planting to any particular grade of land, it is assumed that 50% of the additional planting would take place on poorer quality lowland and 50% in the disadvantaged areas (LFA Area B in the attached map), as opposed to the severely disadvantaged areas (LFA Area A) where afforestation is more likely to come into conflict with environmental interests. The majority of land would be diverted from beef production which is the most marginal enterprise in many of the areas in question. In addition some sheep and barley production would be affected. It is also assumed that farmers would divert their less good land. Details of the assumptions are provided in the notes attached to **Table 2**. It will be noted that the savings in the 5th year are shown to decline. This is intended to reflect a reduction in the support costs of the EC beef regime at that time. Over the longer term however savings would cumulate and by the 10th year exceed costs appreciably.

Farm woodlands

	£m					
	1987- 88	1988- 89	1989- 90	1990- 91	1991- 92	1996- 97
PES baseline	0	0	0	-	-	-
additional bid	+ 3.0	+ 7.0	+9.3	+11.6	+14.1	+30.0
CAP savings	-	- 3.4	-11.1	-18.2	-7.6	-36.5

9. The proposal is to introduce a new farm woodland scheme which would offer farmers an annual payment (as well as planting grants) to reflect the agricultural income they would forgo and recognise the lack of income from timber until thinning starts (years 15 to 20). The objectives would be diversion of land from agriculture (assessed to be about 7,500 hectares in year 1 and 15,000 hectares thereafter) and a consequent reduction in surplus agricultural production; provision of an opportunity for farmers to maintain income and employment; and the enhancement of wildlife and the landscape, which would be aided by the scattered nature of farm woodland planting. Monitoring and evaluation would be on the same lines as for traditional forestry. The aim would be to introduce effective expenditure control systems, but further consideration of this aspect is required.

10. The payments would be made to farmers, but not forestry companies. They would vary by quality of land to avoid making unduly generous provision on poorer land and would be subject to review. There would be a minimum plot size and a condition that land planted should have been in agricultural production. It would have to be decided whether the new scheme would be administered by the Forestry Commission or the Agricultural Departments, but it would be designed to encourage responsible management of the timber crop, effective marketing (including encouragement of on-farm processing) and environmentally sensitive planting. It might be introduced under powers in the Forestry Acts or the necessary legal vires might be contained in the forthcoming EC proposals on forestry.

11. The costs assume that a scheme would generate a positive response, particularly from marginal farmers. Annual payments of about £150 per hectare in the lowlands, £50 per hectare in the disadvantaged areas and £30 per hectare in severely disadvantaged areas, in addition to existing forestry grants, are judged to provide a sufficient incentive. The calculations assume nearly 30% of broadleaves and the grant costs would rise if the proportion were higher.

12. The savings are on the same basis as those for traditional forestry, but assume 80% planting on poorer quality lowland, 10% in the disadvantaged areas and 10% in the severely disadvantaged areas. Again the majority of land would be diverted from beef production. By the 5th year of the scheme cumulative savings would almost equal cumulative costs, but over the longer term, as shown above, would exceed costs.

3. Consideration might also be given to a premium to encourage the use of better cereals land if farmers were only showing interest in devoting grassland to forestry, but this would depend on EC decisions on a cereals diversion scheme. Such an approach would increase costs, but the savings would also be greater.

Environmentally Sensitive Areas (ESAs)

	£m					
	1987- 88	1988- 89	1989- 90	1990- 91	1991- 92	1996- 97
PES baseline	5.0	6.0	6.0	-	-	-
additional bid	+4.0	+6.3	+6.5	+6.7	+6.9	7.8
CAP savings	-	Around £1.5m year.				

14. The proposal is to approximately double the present provision for ESAs in which grants may be paid to farmers who agree to maintain traditional farming practices. The objectives would be primarily environmental, but there would be some effect on CAP support since one of the objectives of the ESAs is to restrain and in some cases reduce agricultural production on participating farms. The original set of ESAs have not yet been implemented and information about their cost effectiveness is not yet available. However, the additional bid would enable Agricultural Departments to designate all the remaining short listed areas for which a strong and pressing case has been made out. Agriculture Ministers would have to decide on the additional areas that might be designated and on the territorial allocation of the additional funding. The new ESAs would be evaluated in the same way as the ESAs about to be designated, as required by legislation.

15. This proposal would involve a long term commitment to public expenditure. Expenditure would be borne on the Agricultural Departments non-cash limited Votes, but subject to the expenditure controls recently agreed for the capital grants programme. Partial EC reimbursement of ESA expenditure could become available if a current Commission proposal is adopted.

16. The savings can only be assessed in the broadest terms. The order of magnitude given above is based on the likely difference between the volume of production within the existing ESAs with and without designation.

19. The success of these two schemes would be evaluated by surveying the durability of the projects in question and the impact on income and employment, using case studies where appropriate.

20. The costs are derived from estimates of existing craft and tourism grants in the LFAs and existing marketing activities. Expenditure would be controlled in the same way as under existing programmes.

Research and Development

21. The proposal is to fund new R & D into novel crop and livestock possibilities and to conduct further woodland experiments. The cost would be met from the existing PES provision. The objective would be to develop new ways for farmers to diversify away from the production of surplus commodities. The private sector would be unlikely to undertake this research by itself in view of the long term nature of the potential benefits. The success of this work would be evaluated in the same way as the rest of the R & D programme.

Land use planning and recreation

22. The proposal is to review the policy on the protection of agricultural land with a view to facilitating the release of land for recreation, horses and certain other developments. The objectives would be the encouragement of enterprise and employment in rural areas and some savings in CAP support costs. There could be problems with countryside interests unless the changes were handled in a sensitive way. The success of this new approach would be evaluated by analysis of land use statistics.

23. It is not possible to estimate what effect changes to the policy on the protection of agricultural land would have. The extent to which the policy was relaxed, and the impact this would have, would depend on decisions following public consultations. At present, transfer of land to uses other than forestry is running at 14,600 hectares a year in England and Wales, 1,000 hectares in Scotland and 500 hectares in Northern Ireland. However, a total of about 5,500 extra hectares a year might be used for sport (notably golf courses), horses and other recreational uses. If this was wheat and barley land yielding on average 6 tonnes per hectare the savings would be as follows:

	£m					
	1987-	1988-	1989-	1990-	1991-	1996-
	88	89	90	91	92	97
CAP savings	-	-3.0	-6.0	-9.0	-12.0	-30.0

In view of the uncertain effect of the proposed changes in policy, such savings cannot be guaranteed and it would not be prudent to adjust the IBAP baseline on this count.

Administrative costs

	1987-	1988-	1989-	1990-	1991-	1996-
	88	89	90	91	92	97
PES baseline						
(i) MAFF	213.5	222.1	226.1	-	-	-
(ii) Forestry Commission (Forestry Authority)	8.5	8.8	9.0	9.3	9.5	-
Total additional bid	+5.1	+7.6	+7.7	+8.0	+8.2	+9.3
Savings on planning		-0.2	-0.2	-0.2	-0.2	-0.2

24. The additional (costs set out in detail in Table 3) primarily reflect the high administrative costs for forestry and farm woodlands because of the need for close supervision of forestry, mainly to ensure environmentally sensitive planting, the cost of the associated consultation procedures and farmers lack of experience in forestry.

7 November 1986

CONFIDENTIAL

POSSIBLE POLICY DOCUMENT: DRAFT SYNOPSIS

Note: the intention is to produce an illustrated booklet, using colour photographs and graphs (but no tables of figures) and an attractive layout.

FARMING TODAY: ACHIEVEMENT, CHALLENGE, PROSPECT

Introduction

- agriculture provides both food and core of rural economy;
- but challenge of changing consumer preferences and surpluses; Government commitment to CAP reform;
- need for balance (farming/rural economy/conservation/public enjoyment) in the countryside;
- hence emphasis shifting to enable farming to rise to new challenges.

The Achievements of Agriculture and Food Industries

- a) Brief account of UK farming industry and domestic and EC support arrangements; emergence of surpluses and its causes (CAP incentives and increases in technical efficiency of production) significance of related industries (notably food and drink); export performance.
- b) Recent achievements of the industries and major actions by Government.
- c) Farming is only part of wider rural economy; contributions made by Development Commission and employment programmes (and Scottish/Welsh/Northern Irish equivalents).

The Challenge of Surpluses and Changing Demand

- a) Surpluses are a world problem, not just an EC problem; food aid not a solution.
- b) Options for the CAP; price cuts must feature large in solution, disadvantages of quotas or other physical restrictions; "co-responsibility"; land diversion.
- c) Farmers face CAP changes. Government approach to negotiations based on three principles:
- surplus problem must be recognised and tackled effectively by measures bringing supply and demand into better balance;
 - the measures must give greater weight to market conditions and include firm price restraint;
 - policies must be evenhanded and fair;
- d) Prime function of farmer is to feed consumer: changing demand (lifestyle, health, convenience). Need for farmers to present and market their produce; and to respond to public concerns (eg pollution, animal welfare)

Responses by Industry and Government

- a) Government commitment to competitive economy.
- b) Farming is an enterprising small business industry. Continuing need for efficient and competitive farm and food industries within EC and World context. Industries need to exploit opportunities and technology more effectively, but not to produce unwanted food. Some Government back-up appropriate (support for hills, R&D, advice). Alternative crops (ALURE).
- c) Better marketing: examples of successive initiatives; industries need to support Food from Britain.

d) Farming remains key element in wider rural economy. Need for balance (s17, Agriculture Act 1986). New AIS includes grants for tourism and crafts on farms in less favoured areas; intention to introduce scheme for supporting further alternative enterprises on farms (activating s22, Agriculture Act 1986) (ALURE).

e) Opportunities for rural enterprise off farms - eg Development Commission (DoE, DEm, DTI to supply as appropriate)

f) Most farmers sensitive to environment. Environmental protection already built into grants. ESAs a major new initiative; proposal to increase funding (ALURE).

g) Forestry and woodlands. UK still major timber importer. Policy of expanding private sector traditional forestry will continue, with more on better land (ALURE). Proposal to introduce farm woodland scheme aimed at encouraging planting as part of the normal farm enterprise on land no longer needed for food production (ALURE). Brief mention of rehabilitation of existing woodland and short-rotation coppicing (ALURE).

h) Land use: proposal for relaxation of agricultural land protection policy without threatening green belts or rural heritage (ALURE).

Conclusions to cover:

(a) efforts in concert with Community partners to secure a satisfactory outcome to the GATT negotiations on agricultural trade;

b) Improvements within the Common Agricultural Policy to be based on three principles set out above.

c) achievement of these objectives will bring major adjustments in the industry. Government intends to assist process through existing and new schemes, better directed R&D, changes in land use constraints, etc all aimed at offering opportunities for enterprise to flourish;

d) encouragement to British food and farm industries to be competitive and to seize opportunities to take a larger share of the available market in Europe and beyond.

ALURE PROPOSALS

TABLE 1

<u>Main options considered</u>	(i) land used over 5 yrs	(ii) ag. surpluses	(iii) farm income	(iv) net rural employment	(v) environment	(vi) exchequer cost over** 5 yrs	(vii) savings in* CAP support costs over 5 yrs	(viii) any relevant EC initiatives	(ix) particular regional implications
	('000 ha)								
1a. Forestry	100	positive	nil	neutral	positive if sensitively handled	£34m	£44m		Mainly in marginal agricultural areas in England
1b. Farm woodlands	67	positive	neutral	marginal	positive	£68m	£40m)EC forestry)proposals)expected, but)may not be in)UK interest	
2. ESAs	nil	marginal	neutral	neutral	positive	£36m	£6m	EC part funding of ESAs proposed	
3. On-farm diversification	nil	marginal	positive	positive	probably nil	£25m	-	no	Impact slight in regions remote from populations
4. R&D on alternative crops and livestock & forestry	eventually 2-300	positive in long term	positive in long term	positive in long term	neutral	-	-	EC input envisaged in socio-structural package	
5. Land use planning & recreation	28 (mostly relates to horses)	positive	positive	positive	needs careful handling	-£1m	£30m	no	Impact slight in regions remote from population

*Assumes 2% pa cut in CAP support costs starting in 1988/89.

**No account has been taken of tax benefits, which would tend to occur after the 20th year.

TABLE 2

ILLUSTRATIVE ESTIMATES OF ADDITIONAL EXPENDITURE AND POSSIBLE SAVINGS ARISING FROM THE IMPLEMENTATION OF ALURE RECOMMENDATIONS FOR EACH PES YEAR

	Additional Expenditure (£m)					1996/97 ⁽⁹⁾
	1987/88	1988/89	1989/90	1990/91	1991/92	
<u>EXPENDITURE</u> (including Forestry Commission)						
1. <u>Forestry and farm woodlands</u>						
(i) Traditional forestry (20,000 ha/year expansion) (2)	4.9	5.0	5.2	5.3	5.4	7.7
(ii) Farm woodlands (15,000 ha/year from mid 1987/88) (3)	3.0	7.0	9.3	11.6	14.1	30.0
2. <u>Conservation and recreation</u>						
Environmentally Sensitive Areas	4.0	6.3	6.5	6.7	6.9	7.8
3. <u>Diversification</u>						
(i) Action under Section 22, Agriculture Act 1986	3.1	3.2	3.2	3.3	3.4	3.8
(ii) Marketing support	1.0	1.1	1.1	1.1	1.1	1.2
4. <u>R & D</u>						
Novel crops and livestock and forestry	-	-	-	-	-	-
5. <u>Administrative Costs</u>	5.1	7.6	7.7	8.0	8.2	9.3
Total additional expenditure	21.1	30.2	33.0	36.0	39.0	59.8
<u>SAVINGS</u>						
Land occupied by forestry (4)	-	-7.0	-11.1	-18.2	-7.5 ⁽⁸⁾	-36.2
farm woodlands (4)	-	-3.4	-11.1	-18.2	-7.6 ⁽⁸⁾	-36.5
environmentally sensitive areas	-	-1.5	-1.5	-1.5	-1.5	-1.5
planning and recreation (5)	-	-3.0	-6.0	-9.0	-12.0	-30.0
Total savings (6) (7)	-	-14.9	-29.7	-46.9	-28.6	-104.2

Explanatory Notes

1. PES cash factors of 2½% are used.

2. The figures assume that removing existing limitations on the use of better land for private forestry plantation coupled with a fall in the price of such land to about £1000 per hectare would double the rate of planting. Thus the estimates are based on current Forestry Commission grant levels. If, in fact, the response were less and either grant rates were increased or more planting were done by the Commission itself, the cost would rise. It is assumed that 50% of the land used would be on poorer quality lowland and 50% in the disadvantaged areas.

3. The figures are based on a 80:10:10 per cent split of new farm woodland planted annually in lowland, disadvantaged area and severely disadvantaged area respectively. They assume, that as well as existing forestry grants, annual payments are made to farmers of £150 per hectare in the lowland, £50 per hectare in the disadvantage areas, £30 per hectare in the severely disadvantaged areas. It is assumed that 15,000 hectares will be planted annually except in the first year when 7,500 hectares will be planted. The annual payments are consistent with those used in developing the UK cereals land diversion proposals.
4. The figures assume that every hectare planted with trees would, directly or indirectly, substitute for a hectare of beef, sheep or cereals in appropriate proportions. The figures assume that in the lowlands 75% of the new area planted to trees would be switched from beef production; 15% from sheep and 10% from barley. In the disadvantaged areas the corresponding figures would be 75% beef and 25% sheep; and in the severely disadvantaged areas 80% sheep and 20% beef. It is assumed that the lowland and disadvantaged area planted to trees would be only 80% as productive as the average and that in the severely disadvantaged area would be 60% as productive as the average. These adjustments allow for the fact that farmers would tend to plant their less good land.
5. The figures for planning and recreation assume the release of cereals land yielding 6 tonnes per hectare.
6. To allow for the effect of CAP reform a 2% per annum cut in CAP support levels from 1988/89 to 1991-92 is assumed.
7. A lag of one year has been built into the savings in CAP support levels and it has been assumed that the annual payments under the farm woodlands scheme would operate with a similar lag.
8. The reduction in savings in your 5 reflects an assume no beef intervention after 1990-91. Savings thereafter relate to export refunds only rather than intervention, storage costs and refunds in earlier years.
9. The assessment for 1996/97 serve to demonstrate the cumulative nature of some of the CAP support cost savings if land diversion to trees etc were to continue in the medium term.

Table 3

BREAKDOWN OF ADMINISTRATIVE COSTS

	1987/88	1988/89	1989/90	1990/91	1991/92
Traditional Forestry	1.5	1.6	1.6	1.7	1.7
Farm Woodlands	2.5	5.0	5.1	5.2	5.4
ESAs	0.6	0.6	0.6	0.7	0.7
Diversification	0.5	0.4	0.4	0.4	0.4
Total	5.1	7.6	7.7	8.0	8.2

Notes

1. The costs associated with traditional forestry are based on current average rates of Forestry Commission expenditure of £30 per £100 of planting grant paid.




2. On the basis of existing expenditure in England, the farm woodland administrative costs are estimated by the Forestry Commission at £80 per £100 of planting grant paid.

3. The figures for the ESAs are based on the the expected cost of administering the current scheme (9% of grant expenditure) when it becomes fully operational in 1987/88.

4. The cost of administering the diversification grants is based on the estimated cost for running the Agricultural Improvement Scheme grants for 1987/88 (11.7% reducing to 9.1% for subsequent years as the new scheme settles in). The costs associated with running the marketing support element are estimated at 6% of grant expenditure which is the current level for the Agricultural and Horticultural Co-operative Scheme.



United Kingdom Less Favoured and Environmentally Sensitive Areas

-  LFA Area A
1975 designation
-  LFA Area B
1984 additional designation
-  ESAs


Map compiled from information supplied by
Ministry of Agriculture, Fisheries and Food
British Office Agriculture Department
Department of Agriculture & Fisheries for Scotland
Department of Agriculture for Northern Ireland


1. Breadalbane
2. Loch Lomond
3. Mourne
4. Pennine Dales
5. Cambrian Mountains
6. West Penwith
7. Somerset Levels & Moors
8. South Downs
9. The Broads


Scale 1 : 2 000 000
0 20 40 60 80 100 120 Miles
0 20 40 60 80 100 120 Kms



United Kingdom Less Favoured and Environmentally Sensitive Areas

 **LFA Area A**
1975 designation

 **LFA Area B**
1984 additional designation

 **ESAs**

Map compiled from information supplied by:
Ministry of Agriculture, Fisheries and Food
Welsh Office Agriculture Department
Department of Agriculture & Fisheries for Scotland
Department of Agriculture for Northern Ireland

1. Breadalbane
2. Loch Lomond
3. Mourne
4. Pennine Dales
5. Cambrian Mountains
6. West Penwith
7. Somerset Levels & Moors
8. South Downs
9. The Broads

Scale 1 : 2 000 000
0 20 40 60 80 100 120 Kms
0 20 40 60 80 100 120 Miles