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# Lancashire

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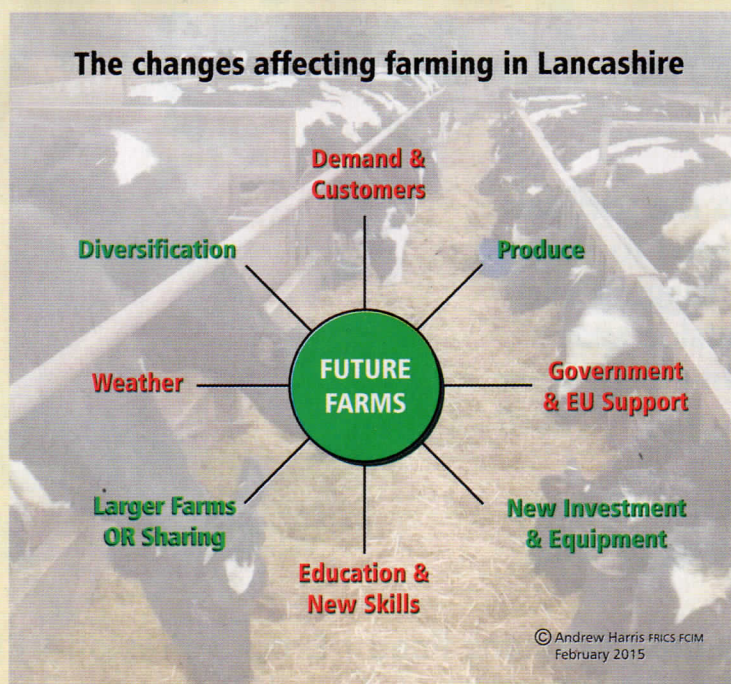
# The future of farming in **the North West**

If our farmers adapt to the revolution in agriculture they can take on the world and win, writes Andrew Harris  
 Photographs: Myerscough College



TOP RIGHT: Myerscough College's new Rural Skills Centre  
 ABOVE: Sheep grazing in open fields

## The changes affecting farming in Lancashire



© Andrew Harris FRICS FCIM  
 February 2015

The North West's rural economy and attractive landscape depend upon a viable farming sector although the next few years will see revolutionary changes which farmers will have to cope with if they are to stay competitive. As the diagram shows, all farms will be affected in eight ways – in four of them (shown green) farmers can decide their response but in the four shown red they cannot.

All industries depend upon demand - or the market they serve – being large enough to justify supply. In this respect farming is well-placed; population growth means that the world will have to grow more food in the next 40 years than it has in the last 10,000! Then come the distortions such as foreign subsidies, increased competition, loss of agricultural land to housing, changing



diets (fewer meals, more snacking), demand for biofuels and new trends in farm ownership by investors.

Dairy farms are the first to be affected by these changes. If a dairy farm is paying rent or servicing a mortgage it can cost 30p to produce a litre of milk which can often be sold for not much more than 20p. As a result the number of UK dairy farmers has halved to fewer than 10,000 in the last 10 years - and a further 60 gave up last month.

Many farmers will have to review what they produce. The market will be much more open with new threats and new opportunities. Only the most efficient and competitive will survive. Cheap milk may flood in from abroad unless new quotas are introduced - which is unlikely. Meat

will be less popular with added threats from laboratory-grown alternatives likely to be in supermarkets in five years. The trend to more protein will lead to us eating insects if they can be made acceptable to the squeamish.

### Myerscough College near Preston is one of the most progressive 'land-based' colleges in the UK

The debate about genetically modified organisms will soon be over. Brussels has opted out so national governments can decide if GM is acceptable. It is undeniable that GM has been accepted in the US and will increase yields and reduce the need for

pesticides in England. It is the future.

Much will depend upon help from government and Europe. When the chips are down we are likely to stay in the EU; why leave a market of 610 million consumers? It is unlikely that the money saved by leaving would find its way to farmers. The Common Agricultural Policy will continue but change at a glacial pace. Some things don't change, however, as farmers have to avoid 10 notorious pitfalls when claiming payments!

New machinery is becoming more clever and productive. The best yields will increasingly depend upon the best use of information technology. If Lancashire farmers don't use both to best advantage they will become less competitive. The costs are formidable but so are benefits. ►



Clever machinery and IT systems require clever operators. Education for farming will need to be one jump ahead of these trends. Lancashire has a huge advantage as Myerscough College is one of the most enlightened and progressive 'land-based' colleges in the UK. The new need will be for farming to accept people with skills beyond those traditional in the industry. Farmers will win or lose because of how – or if – they make the most of this new trend. A simple change to animal feedstuffs can increase milk yields by 10-15%. Cows will be milked by robots and driverless tractors will plough the fields. It is happening now and is likely to be our future.

More machinery and better IT means more investment. This will be increasingly hard for medium-sized family farms to afford as they can't utilize these investments to the full. The resulting trend is to larger farms owned by major investors. Farm ownership will more and more resemble industrial and commercial property markets which are dominated by institutions. They are attracted by the growth in capital values and tax benefits. Unable to run farms themselves they will rely

on a new breed of farm managers to look after their investments – creating new opportunities for well-trained professionals able to make the most of new technology.

The alternative route for family-owned mid-sized farms is to share new equipment and IT skills by new and innovative partnership arrangements. These are emerging fast and offer hope and a way forward for those who don't want to become part of a corporate future.

Weather trends will change farming in Lancashire. Whether climate change is man-made or not makes no difference. We may not flood or lack water but Lancashire is affected by what happens elsewhere. Intense storms and reduced forage will still affect us badly. On the other hand climate change will provide a boost to upland grass, grazing and crop-growing seasons and what we can grow. There will be pressure to move 'our' water to the south – probably using the canal network. We will grow more of what now grows in France – like grain, maize and lucerne - and vineyards will move further north than Shropshire.

All these trends will encourage Lancashire farmers to diversify. The

first option is to 'integrate vertically' as economists describe it. Instead of just producing milk more farmers will extend into dairy produce like exotic cheeses and yoghurts. The next step is to sell directly through farm shops or farmers' markets. More and more food is sold on-line which provides major opportunities. Although currently only 5% of all food is sold on-line business is increasing by 20% each year. More farmers will become retailers.

Other forms of diversification include wind and solar farms together with tourist attractions like 'pods' and holiday packages. Farm visits can be very educational so they create opportunities for enterprising farmers. We will see more of them.

The future of farming in Lancashire is a balance of threats and opportunities. The UK is an open economy so Lancashire cannot avoid global trends. If our farmers adapt to the revolution in farming they can take on the world and win. That is our future.

♦ **Andrew Harris FRICS FCIM is a chartered surveyor and former chairman of rural charities in Africa and the UK.** ■