



AGRICULTURE AND FORESTRY: SUSTAINING THEIR FUTURE IN EUROPE

Preface

The purpose of this Report is to state ECOVAST's vision of a sustainable future for Agriculture and Forestry in the whole of Europe; to set out what this implies for policy and practical action; and to illustrate this with practical examples.

The ideas in this Report are set within the context of ECOVAST's *Strategy for Rural Europe*, published in 1991 and updated in 1994. Agriculture and forestry cannot be separated from the broader scene of integrated rural development throughout Europe. Policies in this field must reflect the principles of sustainability agreed at the 1992 Earth Summit in Rio. Thus, the Report brings the specific issues of agriculture and forestry into a broader perspective.

The structure of the Report is as follows:

- Background, a brief review of the current state of agriculture and forestry in Europe, and recent major changes which affect it (*Readers who are fully familiar with the subject may wish to skip this section*)
- Principles which should guide a new approach
- An outline of practical policies, under six broad headings
- A statement of who should take responsibility.

ECOVAST asks all who are concerned with the well-being of rural areas in Europe to read this report. We will ourselves be promoting these ideas through our widespread network. We will welcome reactions.

Ulf Brangenfeldt, President October 1997

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SUMMARY

Preface

The purpose of this Report is to state ECOVAST's vision for the future of agriculture and forestry in Europe; to set out what this implies for policy and action; and to illustrate this with practical examples.

The Report is set within the context of ECOVAST's '*Strategy for Rural Europe*'. Agriculture and forestry cannot be separated from the broader scene of rural areas and communities in Europe. Policies must also reflect the principles of sustainability.

Background

Farming and forestry occupy 75% of the European land area; produce most of Europe's food and much of its timber; and employ 8% of its work force. The pattern varies widely throughout Europe ([paras 1-2](#)).

Farming and forestry have undergone tremendous changes since World War II. The most crucial influence has been the drive by governments to secure increased supplies of food and timber. This has had massive effects upon the structure and nature of agriculture, particularly on the richer lands; and has prompted a single-purpose view of forestry ([paras 3-8](#)).

There has been heavy capital investment in farming and in forestry; a massive boost in production of food and timber; and a sharp and continuing fall in the number of farm and forest enterprises and of workers in these industries. Moreover, the changes in farming and forestry have had a major adverse impact on the environment, throughout Europe. The costs of supporting the farming system have put enormous pressure on the finances of governments ([paras 10-14](#)).

Recent political changes create a radically new context for agriculture and forestry. Western Europe moved into food surpluses, which forced the European Union to begin reforming its Common Agricultural Policy. The Community itself has changed in structure, and has become larger. The GATT agreement affects the markets for food. There is rising concern about the wellbeing of rural areas and communities; and about broader environmental issues, as expressed in concepts of sustainability. The situation in Central and Eastern Europe has been transformed by the collapse of the Iron Curtain and of the Soviet hegemony ().

Principles

These radical changes demand, and provide an opportunity for, a completely fresh look at agriculture and forestry for Europe ([para 24](#)). This fresh look should be based upon five key principles:

- **Sustainability:** the principles of sustainable development agreed at the 1992 Earth Summit in Rio should be fully expressed in agriculture and in forestry ([paras 25-26](#)).
- **Diversity:** policies for farming and forestry should take full account of the wide variety of geographical, structural and social circumstances in different parts of Europe ([paras 27-28](#)).
- **Rural economy:** farming, forestry and the processing of their products should continue to be seen as significant sources of rural employment ([para 29](#)).
- **Integration:** policies for farming and forestry should be closely linked to those for other aspects of regional and rural development and environmental protection ([para 30](#)).
- **Partnership and Investment:** Governments at all levels should cooperate with each other, and ensure the active involvement of farmers, foresters and rural communities, in developing and pursuing policies for farming and forestry ([paras 31-32](#)).

Practical policies

Farming and forestry are intimately linked with other parts of the social and economic structure of rural areas. For this reason, policies for farming and forestry should be set within a broader framework of integrated rural development ([paras 34-40](#)).

Farming policy should shift towards sustainable agriculture. This is a viable, modern alternative to conventional farming. Farmers should be encouraged to act as stewards of the environment and the heritage; and to adopt farming regimes which limit the call upon non-renewable resources, and which minimise pollution ([paras 41-50](#)).

Farming should be sustained throughout rural Europe - north and south, west and east, on rich land and on poorer land - in order to produce Europe's food, but also to sustain the way of life, the rural economy and the cultural landscape of all such areas. We are opposed to processes which would wholly withdraw farming from marginal areas, or would excessively concentrate food production upon the richest or most accessible farmlands ([paras 51-54](#)).

The emphasis in farming policies should increasingly be on quality, not quantity, of food. There should be greater support for smaller farms; for small enterprises involved in food processing, and marketing; and for diversity of crops, livestock, food and food products ([paras 55-64](#)).

A radical change is needed in forestry policy. Forestry should be seen as a sustainable, multi-purpose activity, concerned with the production of timber, stimulus to local economic activity, control of soil erosion and avalanches, amelioration of climate, protection of habitats for wildlife, and provision for recreation and tourism. The potential for farm forestry must be addressed ([paras 65-76](#)).

Farm and forest products should gain added value within the rural areas. Farmers, foresters and other country dwellers should be encouraged and assisted to gain extra income from local adding of value to these products and (where possible) retailing them within the region to local residents, city dwellers or tourists ([paras 77-84](#)).

Who should take responsibility?

The new approach provides a major challenge to all concerned - notably to farmers, foresters, rural communities, local authorities, private and voluntary bodies, regional and State governments, and the European Union ([para 85](#)).

Farmers and foresters should be assertive in seeking to influence policies for farming, forestry and rural development; creative in the use of their resources; and open to cooperation with others in developing sustainable approaches to farming and forestry ([para 86](#)).

Rural communities should support the efforts of farmers and foresters; and should strengthen the links between farming, forestry and other sectors of local life ([para 87](#)).

Local authorities should bring farming and forestry clearly within the framework of their policies and actions in relevant sectors ([para 88](#)).

Private and voluntary bodies should be ready to take the lead in efforts to promote sustainable farming and forestry ([para 89](#)).

Regional and State governments should adapt their policies to promote a sustainable approach to farming and forestry, and bring them firmly into the context of policies for integrated rural development ([para 90](#)).

The European Union should further adapt its Common Agricultural Policy, to become a European Rural Policy, with strong emphasis on sustainability, regional diversity, rural development, diversification of farm incomes, and care of the environment. Its assistance to Central and Eastern Europe should reflect similar principles ([para 91-92](#)).

ECOVAST commits itself to assisting the evolution of a truly sustainable approach to agriculture and forestry in Europe ([para 93](#)).

BACKGROUND

The Current State of Agriculture and Forestry in Europe

1. **Importance in Europe.** Agriculture and forestry are the two major users of land in Europe. They have been so for thousands of years, during which their practice has undergone massive change. They now occupy about 75% of the European land area (agriculture 45%, forestry 30%). They produce a very high proportion of the food, and much of the timber, consumed by the European population. Their gross output represents some 6% of the total of gross national products in Europe. They employ about 8% of the European workforce.
2. **Variation.** These broad figures conceal very wide variation in the patterns of agriculture and forestry throughout Europe. The table shown below gives some indication of the variation between countries. There is also often a great diversity between regions and localities, within

each country.

Changes since the war

3. Agriculture and forestry in Europe have undergone very great changes since World War II. The most crucial influence has been the concern of Governments, throughout Europe, to secure increased and dependable food supplies.
4. **Government measures.** In Western Europe, this concern was reflected in a wide range of Government measures - price supports and subsidies, regulated markets, research, extension services, financial aids for capital investment etc - to encourage intensified production of food. Within the European Community, the efforts by national governments were reinforced by the Common Agricultural Policy, of which the objectives were to increase productivity, to increase the earnings of farmers, to stabilise markets, to assure food supplies and to keep consumer prices reasonable.
5. **Effects upon farm structures.** This drive towards intensification has had major effects upon the structure and nature of agriculture, particularly on the richer lands. Many regions have seen radical reform of the patterns of land ownership; an increase in the average size of farms; widespread land improvement, including drainage, ploughing, irrigation etc; large capital investment in buildings and other infrastructure; the mechanisation of farm processes; intensive use of fertilisers, pesticides and other inputs; and improvements in plant and animal breeding. The result has been a massive increase in food outputs. Food production within the EC increased at an average of 2% in volume per year between 1973 and 1988, during which period food consumption increased by only 0.5% per year.
6. Much of this effort to increase food production has been focused upon the richer lands. On the poorer and more marginal lands, the patterns of change have been very variable. Some of these lands have seen changes parallel to, though less intensive than, those on the rich lands. Elsewhere, some farming land has been neglected or abandoned, through inability to compete with better land or because the farmers chose to move to better jobs elsewhere. This process has affected many parts of France and the Mediterranean countries.

Agriculture and Forestry: their importance in selected European Countries

	% of land area in:		% of national workforce in Agriculture, Forestry & Fisheries
	Agriculture	Forestry	
	(a)	(b)	(c)
EU (as at 1994)			
Belgium	45	20	2.1
Denmark	64	10	3.7
France	55	26	3.3
Germany	47	30	1.5
Greece	44	46	13.9
Ireland	63	6	9.5
Italy	57	28	3.6
Luxembourg	49	34	2.2
Netherlands	48	8	4.0
Portugal	49	34	5.3
Spain	52	31	4.6
United Kingdom	73	10	1.4
Total EU	55	31	2.9
EFTA (as at 1994)			
Austria	43	38	2.5
Finland	87	6	1.8
Iceland	23	1	n.a
Norway	32	7	1.5
Sweden	86	8	0.6
Switzerland	50	26	2.7
Central Europe			
Bulgaria	56	35	5
*Czechoslovakia	54	37	8
Hungary	69	18	15
Poland	62	29	8
Romania	64	28	18

*These figures pre-date the split between the Czech Republic and Slovakia.

Sources :

- Eurostat (most recent available data: usually 1992), for EU, columns (a), (b), (d).
- Eurostat and EC Commission, Directorate-General for Agriculture (data for 1990), for EU, column (c).
- Euromonitor: 'European Marketing Data and Statistics 1993' (data for 1992), for EFTA and Central Europe, columns (a), (b).
- OECD: 'Agricultural Statistics: Economic Accounts for Agriculture 1975-1992' (data for 1992), for EFTA, columns (c), (d).

7. In Central and Eastern Europe, the drive towards increased food production was reflected in the creation of State or collective farms, usually occupying a large part of the national territory. For example, such farms occupied 82% of the cultivated area in Hungary, and 90% of the cultivated area in Romania, in 1988. Only in Poland did individual private holdings continue to account for over 70% of the land. The State and collective farms were typically very large complexes, with huge arable fields and large centralised buildings, employing scores or hundreds of people. The farm activity on them was progressively intensified, though not to the same degree as the most intensive farming in Western Europe. Output per hectare was indeed often higher on that proportion of land which remained in private hands.
8. **Forestry.** As for forestry, the concern of most European Governments has been to produce timber within their country, to save the cost of

imports. They have sought to maintain or increase the forest area, with a strong focus on the single purpose of timber production. This has prompted the use of highproductivity species, such as conifers, poplar and eucalyptus, often in places where these are not the native trees. There has been great variation, however, in the pattern of silviculture, and also in the degree to which processing has been undertaken within the country of origin.

9. **Other factors.** Since the war, other factors have placed pressure on, or provided opportunities for, farming and forestry. These include:
- the growth of towns, and the spread of major roads and other built developments, which in some regions have made heavy incursion on to land previously used for farming and forestry;
 - the growth of tourism and recreation, which in many regions have become major users of the countryside, and hence a source of secondary use of some farmlands and forests, or of supplementary activity and income for farmers and other rural people;
 - growing pollution of land, air and water by a wide range of agents, including manufacturing industry, electricity power stations, road transport, and agriculture itself: this pollution has had a damaging effect upon human health, natural systems and structures in the countryside, including the health of many forests;
 - depopulation of many remote and marginal regions, prompted not only by the difficulties in farming but also by the loss of services and of economic vitality in the rural areas, and by the loss of services and of economic vitality in the rural areas: this depopulation has enfeebled the markets, and the supporting structures, for farming and forestry in these regions; and
 - in the countries of Central and Eastern Europe, and in some western countries, a focusing of most economic activity and public investment - other than that in farming and forestry themselves - into the cities. For this reason, these countries have not developed the diversified rural economies which are found in some other parts of Western Europe. The failure to broaden the economic base of rural areas has ensured that agricultural and forestry wages have remained low, through lack of competition for employment, despite the fact that income support is an objective of agricultural policy in most European economies, and despite high levels of agricultural subsidies.

The effect of these changes

10. **Farm Structures.** The result of all these processes was that, by the late 1980s, there had been heavy capital investment in farming and in forestry, particularly on the better land; a massive boost to production of food and timber; but a sharp and continuing reduction in the number of farm and forestry enterprises, and hence in the workforce in these industries. For example, in the EC between 1980 and 1990 the number of farm enterprises fell by more than 1 million. There had also been a very sharp reduction in the diversity of crops, of breeds of livestock, and of habitats and landscape features on farms.
11. **Impact on the environment.** In many regions, the changes in agriculture and forestry have had a major adverse impact upon the environment, resulting (for example) in widespread soil erosion or salination in the Mediterranean countries; severe pollution of ground waters by animal slurry or nitrate run-off in Denmark, the Netherlands and other countries; and damage to landscape features and wildlife habitats in many countries. Public concern has also risen about animal health, particularly in the context of indoor production of animals or poultry; and about the sustainability of those intensive systems of agricultural production which depend upon heavy inputs of inorganic fertilizers and fossil-fuel energy.
12. . At the other end of the spectrum, the neglect or abandonment of poorer or marginal farming lands was seen to be contributing to the depopulation of rural areas, the weakening of rural communities and damage to the environment, for example through the neglect of long-established cultural landscapes.
13. In Central and Eastern Europe, the "command economies" had enforced a measure of stability in production, prices and employment on the State and collective farms and forests. However, agriculture was neglected relative to industry, and undercapitalised and backward compared to much of Western Europe. Moreover widespread environmental degradation had occurred, in agriculture as in other sectors, in the form of soil erosion, soil damage and water pollution through chemicals and effluents. Over-intensive use of herbicides and pesticides left residues in foodstuffs, often above levels that would be tolerated in the West.
14. . **Financial impact.** Throughout Europe, the support of the farming system was putting increasingly heavy pressure upon the finances of Governments. Many products moved into surplus, leading to additional costs of storage or subsidised disposal. Thus the cost of the Common Agricultural Policy had risen from 4.5 billion ecus in 1975 to 11.3 billion in 1980 and 31.5 billion in 1991. Despite this, there was a fair measure of poverty in the farming industry, particularly among the smaller and marginal farmers. Incomes in the farming industry vary greatly, but in the EC Member States average between 5 and 50% lower than the average industrial wage.

Recent Events, and the need for a new approach

15. The last five years have seen major political changes, which together create a radically new context for agriculture and forestry in Europe.
16. **Food surpluses.** First, policies in Western Europe have changed radically to cope with food surpluses. The resounding success of the drive towards increased food production became apparent in the 1980s. The European Community had become more than self-sufficient in milk, beef, sheep meat, cereals, wine and some other commodities. The surpluses had a major impact upon the CAP budget, through its commitment to guaranteed prices and through the costs of storage and disposal of surplus produce.
17. **Change of policy.** It became clear that the messages which Governments had been giving to farmers must change rapidly and radically. This was reflected first in milk quotas, co-responsibility levies and other measures to reduce the level of support; and then in the reform of the Common Agricultural Policy in 1992. This reform, spurred by the negotiations in the Uruguay Round of the GATT, sought to end the isolation of the Community market, through cuts in export subsidies and reducing Community market prices towards world price levels; and to reduce the level of Community output by de-coupling support from production. It was realised that abrupt price cuts, without compensation, would make the position of many farmers untenable and could thus risk the security of the food supply. A system of compensatory payments was therefore adopted at the same time that the prices were cut and the set-aside programme was introduced. Certain accompanying measures were also adopted, including assistance to farmers on early retirement, and the agri-environment and forestry programmes.
18. **The European Union.** Second, the European Community has been undergoing radical changes in structure, which affect the context for farming and forestry. These changes include:
- the creation of the Single Market, which represents a new economic climate within which the producers and processors of farm and forest products must operate: it is a climate which tends to favour the larger and more efficient producers and the multi-national processing companies;
 - the change to the European Union, and the provisions of the Maastricht Treaty, including increased commitment to protection of the environment;
 - the growing focus, within the EU's major spending, on 'cohesion' or harmonisation of income levels throughout the Community, and hence on programmes which focus on relatively disadvantaged Regions : examples are the Integrated Mediterranean Programmes, the Community Support Frameworks, and the LEADER II programme; and
 - enlargement of the Union. Three of the EFTA countries have already joined the Union: these countries are richer than the Union average and are net importers of most food products. Several of the countries of Central Europe are now looking to join the Union, at about the turn of the century : the counterpoint between their agriculture and that of the Union will be the subject of intensive

discussion over the intervening years.

19. **The GATT Agreement.** Third, the GATT Agreement of 1993 set limits on Government support for agriculture within the EU; required cuts both in the volume of subsidised exports and in the rates of subsidies; and laid down requirements for limited import protection and improved market access. For the EU, these requirements should be met largely within the measures already agreed as part of the current CAP Reform, but may require further tightening in ways which could severely affect some farmers. The GATT rules themselves may make more difficult the struggle to build a new base of viable agriculture in Central Europe.
20. **Rural Communities.** Fourth, there has been rising public and political concern about the wellbeing of rural areas and communities. This concern was reflected in, and focused by, the Council of Europe's Countryside Campaign of 1987-88; the EC publication *The Future of Rural Society* of 1988; and the EC's subsequent development of the LEADER programme and other measures to address the development needs of rural regions.
21. **Environment.** Fifth, there has been rapid growth in public awareness of broader environmental issues. At the World Conference on Environment and Development at Rio in 1992, many European Governments committed themselves to prepare national programmes for sustainable development, bio-diversity and sustainable forestry. Awareness is rising that many threats to the environment, such as pollution of air or of major rivers, cut across national boundaries. This underlies the strong focus upon sustainability in the EU's Fifth Environment Programme; and the aid now offered by the EU and other international agencies for the cleaning up of pollution in Central Europe.
22. **Central and Eastern Europe.** Sixth, the collapse of the Iron Curtain and of the Soviet hegemony has led to the break-up of the command economies which provided a stable base for agriculture and forestry in Central and Eastern Europe. These countries no longer have the protected systems and assured markets which sustained their State and collective farms. The effect has been a sharp relative increase in the price of food, because of reduced subsidies; a sharp increase in the price of farm inputs; exposure to international competition; a rise in interest rates, and reduced access to credit for farmers; and a consequent drastic drop in the use of fertilisers, pesticides and herbicides. Farm output has fallen sharply, and farmers have been obliged to seek new markets, mainly in Western Europe.
23. **Land ownership.** Moreover, in some of the Central European countries, the process of privatisation has included a reversion (in part, and often on a confused basis) to earlier patterns of land ownership, which has dislocated farming and forestry regimes. The breakup of some State and collective farms, with a separation of farming from nonfarming operations and the fragmentation of cultivated areas, has affected productivity but also opened new potential. At present, there is still severe uncertainty in the farming scene within these countries, particularly in relation to property rights; and this uncertainty is inhibiting investment by both nationals and outsiders. The structural problems are likely to continue for some years. The longterm potential for production is very high, particularly on the richer lands such as the fertile Pannonian plain: but the access for these countries to export markets will depend greatly upon the counterpoint between their regimes, and those of the European Union, and the state of world markets.

PRINCIPLES FOR A NEW APPROACH

24. The radical changes described above demand, and provide an opportunity for, a completely fresh look at agriculture and forestry in Europe. ECOVAST believes that this fresh look should be based upon five clear principles - sustainability; diversity; rural economy, integration; partnership and involvement.
25. **Sustainability.** Policies for agriculture and forestry must reflect the principles of sustainability which were agreed at the 1992 Earth Summit in Rio. The application of these principles in agriculture and forestry is set out in the three main Rio documents - *Agenda 21*; the *Global Biodiversity Strategy*; and the *Statement of Forest Principles* - and in the EU's Fifth Action Programme on the Environment, *Towards Sustainability*. Extracts from these documents, related to agriculture and forestry, appear at Appendix I of this paper.
26. When judged by the Rio principles, much of European agriculture can be seen to be far from fully sustainable, in that heavy use is made of fossil fuels and of inputs that are prone to cause pollution through run-off; there is adverse impact on the cultural heritage and on biodiversity; soil, water and energy are in many areas ill-used; and the social and economic condition of many farming communities is fragile or worse. In significant regions, particularly in Southern Europe, a similar critique applies to regimes of forestry. Our purpose, in the policy statement which follows, is to show how Europe can move into a more fully sustainable approach to agriculture and forestry.
27. **Diversity.** Europe has an astonishing diversity of land form, climate and natural habitat - from sea level to high mountains, islands to wide continental plains, Mediterranean to Arctic climates, the richest alluvial plains to the most barren wilderness. Within and across this natural setting, mankind has moved and settled, tilled the land and built settlements, over thousands of years. From this interaction have arisen local societies and local cultures, including patterns of agriculture and forestry, whose diversity is as great as that found in nature itself.
28. This great diversity of nature and of human culture enriches the quality of life for all Europeans; and, in each locality, provides the basis for the continued well-being of the local communities. We believe that all policies affecting rural areas must accommodate, and indeed seek to sustain and enrich, this diversity. This principle must apply to policies for agriculture and forestry. This presents a major challenge to national and European policy-makers, at a time when these industries are heavily influenced by world markets and pan-European commerce. In the policy statement which follows, we show how policies may be flexed to reflect the diversity between countries, regions and localities throughout Europe.
29. **Rural economy.** Farming and forestry have traditionally formed the backbone of the economy in rural areas throughout Europe. Income and employment have been generated in rural areas both on farms and in forests, and in the industries which support them or which use their products. The industrialisation of agriculture in this century has heavily reduced the scale of this employment, through reduction in the number of farms and through the movement of supply and processing industries into the cities. But farming and forestry continue to have a vital role in the economy. We believe this role can, and should, be strengthened, through the policies set out in this paper.
30. **Integration.** In our '[Strategy for Rural Europe](#)' we call for governments, and all other bodies concerned with rural affairs to take a rounded view of the countryside - a view which embraces the people, the economy and the environment. A broad and integrated approach of this sort is vital when addressing agriculture and forestry, since these two sectors affect the lives of tens of millions of Europeans, the economies of wide regions, and the landscapes and ecosystems of all Europe. Our policies reflect this broad approach.
31. **Partnership and Involvement.** The well-being of rural communities and of the rural environment is affected, for good or ill, by the action of many agencies - governmental, commercial, private and voluntary - at European, national and local level. Severe damage to that well-being has been caused, in many regions, by a failure to reach (or even to seek) consensus among these many agencies about the objectives of policy and the measures to be pursued, whether in agriculture or forestry or on broader rural development.
32. Of particular gravity has been the failure by some governments to consult and involve the people who live in the rural areas, and their representative bodies. Local people often have a far better feel for what is appropriate and sustainable in their area than do governments. Moreover, it is their future which is decided when each change is made. In considering the means for action, we therefore place a strong focus on the views and wishes, the resources and energies, of local people in each place. The challenge is to link their views and resources to those of governments at all levels.

"Our aim can only be to create an environment for our farmers and their families and for the population of rural areas as a whole in which they can live and work permanently and achieve a decent standard of living. We want to have a countryside that develops and participates in economic and social development wherever this is possible in Europe. Without an agriculture which assumes its functions in the interests of the

whole of society, there can be no countryside...

"Do we want agriculture in Europe to be increasingly concentrated in a few centres with all the disadvantages that this entails? Traffic problems, housing shortages, pollution and social tension in those centres, depopulation and desertification in peripheral areas, is this what we want?"

No, of course not. With the population density we have in Europe, we simply cannot afford it. This is why we need a spatial development policy for the countryside, which will help it to make use of all the advantages it has, will improve it and provide the preconditions for creating new jobs and new sources of income.

A development strategy of this type has to go beyond agriculture and embrace all sectors in the countryside; agriculture, forestry, craft industries, commerce, industry and public and private services. It must also be tailored to each region. There are no easy answers which will work for everyone. The regional diversity of Europe is much too great for this to be the case.

"If we in the Community want our agriculture to play a full part in the generally expected positive world market development then a gradual improvement in our competitiveness will become a decisive challenge for the future. Competitiveness has many aspects, such as product quality and product diversification, value added as a result of processing, specific product-based services and the price of products..."

"For all their variety most rural regions in Europe have a common trump card for the future. By this I mean their natural resources and the cultivated landscape which in many cases has developed over a period of centuries. The maintenance and care of this landscape, the protection of the natural environment and the ongoing management of resources are tasks the importance of which are increasingly apparent to the public at large. It is not without reason that the Maastricht Treaty places a priority on the inclusion of environmental protection in all Community policies, and agriculture with its strongly spatial components is a key area in this context, for good or for bad."

What is more obvious than to further upgrade the role which can and should be played by farmers in relation to environmental protection, the care and maintenance of our cultivated areas and our natural resources... The first important steps in this direction have already been taken. But we are still at the beginning of a difficult journey. The final goal must be a unified overall plan for agriculture and the rural area and this plan must be clear and comprehensible to everyone."

Extracts from speech by Commissioner Franz Fischler, October 1995

PRACTICAL POLICIES FOR THE FUTURE

We now express these principles in a set of practical policies for the future related to agriculture and forestry in Europe. We present this under six main headings:

- Integrated rural development as the essential context
- Sustainable agriculture
- Farming everywhere
- Quality of food
- Sustainable, multi-purpose forestry
- Added value to farm and forest products.

Integrated Rural development as the essential context

34. **Well-being.** In many parts of Europe, farming and forestry represent the cornerstone of the local economy; and farmers, foresters and their families form a high proportion of the local population. Thus the future well-being of all the people in such areas may depend heavily upon the prosperity of the farms and forests. But the reverse is also true: those involved in farming, and forestry may themselves rely heavily upon the well-being of the community around them. Farmers and foresters rely on common services - schools, post offices, banks, surgeries, water supplies, roads - as much as other people do. They may depend upon other enterprises, such as those who supply machinery, animal feedstuffs or veterinary services; and those who buy their products, such as creameries, wineries, or sawmills. They, or their families, may be forced to supplement their farming or forestry income by jobs in other parts of the economy.
35. **Integrated Rural Development.** For these reasons, policies for farming and forestry must be set within the wider context of integrated rural development, based on the harmonious growth of various economic activities of which none becomes dominant over the others. This is of particular importance in areas where either the farming economy, or the wider rural economy, are fragile - as in those large parts of the European Union which are designated under Objectives 1 or 5b, and in much of central Europe. In such areas, the well-being of those involved in farming and forestry may depend upon diversifying their income, in the context of the rural economy; while the well-being of those outside farming and forestry may be assisted by resources which lie in the hands of farmers and foresters.
36. **Diversifying the income of farmers or foresters.** On the richer lands of Europe, or on large farms or forestry units elsewhere, those involved may well continue to be able to make their living from farming and forestry, without even added-value activity. But many millions of small farmers, or of people on marginal lands, cannot achieve this, nor should they expect to be supported wholly by the State. Further numbers are likely to leave the land. But many are making, and should be encouraged to make, efforts to diversify their income. Some may do so on the farms or in the forests, for example by producing special high-value crops or livestock; by adding value to their farm or forest products; or by receiving holiday visitors on the farm.
37. **Work outside the farm.** Others may have to look outside the farm or forest for supplementary income. In some areas, many families already gain their income partly from farming or forestry and partly from fishing, quarry work, seasonal work in factories or part-time work in shops and other services. Such sources of income may depend on the health of the local economy; and on cooperation between farmers, foresters and others. For example, a farmer who seeks to add value by producing cheese or pâté de foie gras may depend upon a shop or restaurant nearby, as an outlet for these goods.

In Poland, more than 1 million farms are less than 4 hectares in extent; and many of them are in the form of fragmented strips of land. During the Communist period, the owners of these farms have gained their main income working in factories and other urban activity, with their family running the farm as a second income. Now, with rising unemployment in Poland, many of them are out of work: they cannot gain a full living from their farm. Therefore, they are seeking new sources of income in the countryside. Diversification of the rural economy has thus become an urgent priority.

38. **Support Systems.** In regions where farmers cannot make a living from farming and/or forestry alone, they should be encouraged to diversify their incomes in ways which are compatible with their continued farm or forest activity. The support systems should be such as to offer flexibility in the location of any new enterprises (ie on or off the farm); and to encourage cooperation with others, within or

outside the farming or forestry industries, where appropriate.

In the Alpine valleys of Austria, many farmers have taken advantage of capital grants from the government to add tourist accommodation to their farmhouses. They gain income from three sources: livestock farming, on a modest scale; cutting of timber and firewood, in both private and communal woodlands; and farmbased tourism.

39. Similarly, people outside farming and forestry, who wish to develop new enterprises, may depend upon the use of resources controlled by farmers and foresters, such as farm and forest products or the land itself. For example, many rural communities want to attract income from tourists: to do so, they may need to offer outdoor activities, such as fishing, hunting, horse-riding, bird-watching, which depend on the use of farm or forest land.
40. We therefore strongly advocate an approach which brings policies for farming and forestry into the wider context of integrated rural development, particularly in areas where the economy of farming and forestry, or of the wider rural area, is fragile. Policies for farming and forestry should not be developed in isolation from those for rural development. Conversely, policies and programmes for rural development should embrace farming and forestry. Farmers and foresters should be able to take part, on equal terms with others in the local communities, in the formulation and pursuit of rural development programmes.

Sustainable agriculture

"A farmer should live as though he will die tomorrow: but he should farm as though he will live for ever" (proverb from East Anglia, England).

Care and pride. The rural landscapes that we know and love throughout Europe, with their wealth of wildlife and of manmade features, have largely been created by farmers. They cut the wildwood, drained the marshes, ploughed the land, introduced grazing animals, tended their crops, created buildings and other features, all in order to produce food and to make a living. The care and the pride of many generations of farmers are reflected in the quality of the environment, particularly in those regions where they could confidently expect that their sons or daughters would inherit the property. In such places, farmers acted instinctively as stewards of the land, looking to its long-term health for the sake of their children.

41. **Damaging the land.** Since World War II, however, the drive towards intensified food production - described earlier in this report - has prompted many farmers, particularly on the richer lands, to act in ways which damage the land. Thin or sandy soils have been ploughed, exposing them to erosion by wind or water. Water-meadows, previously enriched by seasonal flooding, have been converted to ploughland by deep draining. A myriad of rich and subtle features - ponds, trees, woods, hedgerows, orchards, field barns, drystone walls, hollows - have been removed, thus destroying the quality of the place and the richness of wildlife and of the cultural heritage.
42. **Dependence on external inputs.** Moreover, as farmers have become more specialised, they have been less able to keep the land fertile with their own crop residues or manure; and have become much more dependent on external inputs of fertilizers, pesticides and herbicides. These inputs are never used entirely efficiently by the receiving crops or livestock, and therefore are partly lost to the environment and tend to cause problems of pollution or contamination. Moreover, the replacement of labour by machinery has increased the call upon fossil fuels and other inputs, and caused a drastic drop in the farm labour force. This has happened in parts of Western Europe, even in areas where many farmers expect their children to inherit the land. It has happened to even more catastrophic effect on the State and collective farms of Central Europe and the Soviet Union, where neither the farm manager nor the workers have reason to be good stewards of the land.
43. **Concern about sustainability.** These trends explain the concern about the sustainability of present agricultural policies, which is implied by the statements in *Agenda 21*, the *Global Biodiversity Strategy*, and the EU document *Towards Sustainability*, quoted in Appendix I. These all call for changes in policy to address these concerns.
44. **ECOVAST believes the time has come to shift policies towards sustainable agriculture.** By this we mean any system of food or fibre production which systematically aims to:
 - use natural processes, such as nutrient cycles, and rotation in farm production;
 - reduce those off-farm or external inputs which have the greatest potential to cause contamination or pollution;
 - make good use of the biological and genetic potential of plant and animal species;
 - improve the match between cropping or livestock regimes and the inherent capacity of the land;
 - contribute fully to the sustaining or re-creation of a rich cultural heritage and of bio-diversity in both wild species and cultivars; and
 - use natural systems to conserve soil, water, energy and biological resources.

The application of these aims will vary greatly within the farming systems of different parts of Europe. But we believe the principles are applicable across the wide range between the most intensely arable lands and the marginal lands which are threatened with abandonment.

45. **A viable alternative.** Sustainable farming, thus defined, should not be seen as a return to some form of low-technology or archaic system. It embraces, but is not confined to, organic farming; and is an economically and environmentally viable alternative to conventional agriculture. It can make prudent use of modern equipment and technology, certified seed, complex rotation patterns, the latest innovations in reduced input regimes, and pesticides, antibiotics and fertilizers. It demands the integrated use of soil and water management practices, nutrients, pest control and the like. In place of external resources, it may demand also a greater use of information and of labour than is found in conventional farming.
46. **Financial results.** Both sustainable, and organic, farming tend to produce somewhat lower yields than conventional agriculture. But practical examples in several European countries show that the variable costs are also significantly lower, and the gross margins (ie income or profit) usually higher, than those for conventional farming.

A three-year study of 57 organic and 72 conventional farms in Switzerland showed the organic farms as producing 27% less food per land unit, but demanding only 22% of the inputs of fertilizers or pesticides, involving only 47% of the variable costs, and producing a gross margin of 83% (or 112% with organic premium on food prices) when compared with the conventional farms. (Muehlebach and Naef, in Lampkin N (ed) 1942, *Collected papers on Organic Farming*, University College of Wales, Aberystwyth).

48. **Positive stimulus.** We believe that a sustainable approach to agriculture demands positive stimulus by governments throughout Europe. Such a stimulus may involve a combination of:
 - Research and advice on sustainable farming regimes;
 - Financial incentives towards improved whole-farm management;
 - Restrictions on potentially polluting practices;
 - Other fiscal, financial, regulatory and administrative measures; and

- Encouragement to cooperative action among groups of farmers to pursue sustainable practice.
49. **Environment programmes.** Sustainable agriculture should include measures to protect and enhance the landscape, the cultural heritage and the biodiversity of rural areas. Governments should encourage positive stewardship of the land, in order to sustain, enrich and (where appropriate) re-create landscape features and wildlife habitats characteristic of the area. This is the object of many of the agri-environment programmes which are now attracting co-finance from the EU under the accompanying measures to the CAP Reform. We warmly welcome these accompanying measures, and believe that they should be seen as a proper reward to farmers for services rendered in the public interest, rather than as a form of compensation for low family incomes.

The State of Baden-Württemberg in Germany launched in 1992 the MEKA programme to 'provide compensation for market relief and the maintenance of traditional landscapes' by farmers. The scheme is aimed particularly at sensitive zones, eg water protection areas where it is desired to maintain traditional landscapes.

In the scheme, farmers are awarded points for maintaining or adopting specific farming practices: each point is worth DM 20 per hectare per annum. For example, abandonment of particular use other than sheep and communal grazing land is worth 8 points per hectare, and traditional orchard management is worth 4 points. Points for different items can be added to each other where they apply to the same land, subject to a maximum payable per hectare of DM 550.

50. **Skills.** High-quality stewardship of the environment depends upon development of essential skills. This may be achieved by formal training; by less formal promotion and publicity; and by the deliberate patronage, by public authorities and private interests, of traditional building and land management practices.

The Devon Rural Skills Trust, in South west England, was set up in 1980 to encourage public interest, and to nurture skills in traditional rural crafts. These crafts include hedge-laying, drystone wall building, coppicing, thatching and making of hurdles. The Trust organises demonstrations and training days for amateurs; plus specialist training, apprenticeships etc for professionals, including farmers. It maintains a register of professional craftsmen, and enables these craftsmen to work together in taking on significant contracts, for example for the repair or rebuilding of several miles of drystone wall on a Government estate within Dartmoor National Park.

Farming everywhere

51. A **'tilted' pattern of farming.** Earlier we described the process by which farming activity has become increasingly focused upon the better and more accessible lands, while withdrawing from some poorer and marginal lands, particularly in the Mediterranean countries.
52. We believe this "tilting" of agriculture is damaging at both ends of the spectrum. Intensification of farming at the "richer" end has caused damage to soil structures, pollution of water systems, and impoverishment of wildlife habitats and landscape features. At the "poorer" end, abandonment of farms is contributing to a collapse of the structure of rural communities and to a breakdown of the cultural landscapes and modified natural habitats which were created by farming.
53. A **new approach.** The change in policies related to world food markets, and the rising public and political concern with environment and rural development, impel a new look at this "tilted" pattern of farming. We believe the broad aim should be to sustain farming throughout the bulk of the rural regions of Europe, except where the land is more aptly moved into forestry or into limited areas of "wilderness".
54. This aim fits well with a policy of sustainable agriculture, since this would lead to reduced food production (but continued viability) on the richer lands; and would tend to favour the mixed farming regimes which are found on much of the poorer or marginal lands. But specific measures will be needed to sustain farming at the poorer end of the spectrum. These may include direct help to farmers, such as the livestock premia to farmers in the Less Favoured Areas of the EU; and also programmes of rural development, which can help farming families to add value to their products or to diversify their incomes.

Quality of food

55. Food shortages, during and after World War II, impelled the drive towards increased food production. The political emphasis was on high quantity, and reasonable price, of food. As food shortages diminished, and average incomes rose, so the concern also rose for quality of food. This concern has been reflected in government action to raise standards of hygiene, purity and nutritional quality; and in rising demand among consumers, mainly in western Europe, for food of premium quality.
56. **Changing the emphasis.** With the move into food surplus, however volatile that may be at a world level, the situation has changed. The farming industry (taken as a whole) can no longer increase its income by increasing its production : governments wish to de-couple farm support from food production. This situation permits a strong and deliberate shift of emphasis from quantity to quality of food.
57. **Structure of the industry.** Such a shift demands a fresh look at the structure of the farming and food-processing and retailing industries, and of the regulations related to food quality. In Western Europe, the last 40 years have seen the bulk of food production concentrated into relatively few large farms, on about a quarter of total farm land. (For example, 30% of all the ducks produced in Germany are said to come from a single farm in Brandenburg). On the other three-quarters of the farmland, food production is less intensive and income levels are lower.
58. This structural change in farming has been matched in the food-processing industry, increasingly dominated by multi-national companies. They, and the supermarket and retail chains, play a powerful hand in the market for food, setting standards of quality and price, and very often dictating what the larger farmers will grow. Their activity has brought the benefit of low prices for food of dependable quality : but it has seriously damaged many of the smaller or geographically marginal producers, and the market for many non-standardised food products.
59. **Systems of support.** Till now, this trend towards a centralised industry in farming and in food has been encouraged by the systems of government support, in the context of both Western and Eastern Europe. Moreover, the concern of governments with food quality and hygiene has been partly expressed through rigorous and inflexible standards, which (where enforced) have crippled many small food producers or processors. Only recently has the European Union formally recognised the importance of regional products, by endorsing (for example) the French system of *'Appellations d'origine protégée'* and *'Indications géographiques protégées'*.
60. **The other face of European farming.** ECOVAST does not decry the benefits, or challenge the validity, of the large-enterprise structure. But we feel strongly that equal benefits, and equal validity, attach to the other face of European farming. This contains the millions of smaller or geographically marginal farms; many small enterprises involved in food processing and marketing; and the rich diversity of crops, livestock, food and food products found across the broad face of Europe . The aim should be to enable this 'second track' of European farming and food to flourish alongside the large-enterprise structure, indeed to complement and interlock with it where appropriate.
61. **Shift in support systems.** This approach implies a shift, in European Union and government support systems for farmers, from quantity

to quality of food; and from a focus on large or fulltime farms to support which favours smaller enterprises. Public authorities should recognise the value of smallscale enterprises and of diversity in crops, livestock, food and food products; and should reflect this in the flexible application of all systems of support and control.

Italian agriculture consists of over 3 million farm units, having an average useful agricultural area of 4.9 hectares (agricultural census of 1991). 96% of this total are family farms. This situation derives from the nation's agricultural policy, which has favoured family farms since the period between the two World Wars through grants for the purchase of land, agrarian reform, protection of tenant farmers, social security for farm families etc.

From 1970, the agricultural policy has been managed by regional councils. They intervene mainly in favour of family farms, young entrepreneurs and cooperatives, offering grants for the purchase of tractors and other equipment, credits and tax reductions etc. These measures, however, do not suffice to maintain viable incomes for many of these farm families. If widespread hardship, and severe social problems, are to be avoided, means must be found to sustain incomes either on the farms or in the immediate local economies.

62. **Cooperation.** Individual small producers may not be able, alone, to achieve access to markets for their products. They may be helped in this by the formation of cooperatives and syndicates, which can achieve those levels of quality control, processing, marketing etc which are essential in order to compete effectively with larger producers.
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The fruit auction house at Veiling Borgloon in Limburg, Belgium, plays a crucial role in the lives of 2,500 farmers. They are members of the cooperative which owns and runs this centre for the sale of apples, pears, plums, cherries and soft fruit, with an annual turnover of 2.2 billion BF. Auctions are held six days a week, 10½ months of the year. Each evening, the farmers bring their seasonal fruit, which is immediately graded for quality, according to standards agreed across the whole of Belgium, for auction the following morning.

The auction room is linked to further such rooms elsewhere in Belgium, and each successful bidder may then choose to take up to half the quantity of the particular grade of fruit from any one, or more, of the auction houses. The effect of this system, together with cold or air conditioned storage to extend the selling season, is to open up to all the Borgloon fruit growers - large and small - a European market for any grade of fruit, with a price incentive to raise the quality.

63. **Quality.** The effective marketing of produce from a particular locality or tradition can be powerfully assisted by the establishment of standards of quality on which consumers can rely. This principle is already widely, and successfully, adopted in the wine industry: and is enabling, for example, wine producers in Central Europe to gain significant income through exports. It is being applied to many other food products.
64. **Promotion.** The marketing of food products can be pursued by many different means of promotion, including training and advice for producers, improvement and control of quality, marketing and publicity etc. Such promotion can well be linked to a particular area, in order to reinforce a sense of identity, and to link quality of place with quality of product. It can also be intimately linked with efforts of tourism promotion.
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The Normandie-Maine Regional Park, in France, embraces an area around Charenton which has a long tradition of growing apples and pears, and using these to produce cider, calvados, poirée and other drinks. The Regional Park authority has created at Charenton the House of the Apple and the Pear, where the techniques of fruit growing, cider production etc are displayed, visitors may sample and buy the products, and producers may gain technical advice. A signposted route then guides visitors through the countryside, rich in orchards, to farms where the products can be purchased.

Sustainable, multipurpose forestry

65. **A diverse heritage.** Ten thousand years ago, forest and scrub covered much of Europe. Since then, much of this forest has been cleared or adapted to meet human needs. However, forests still cover some 30% of the European land surface. They are very diverse, reflecting the broad climatic zones and the land form and soils in different parts in Europe - from the conifer forests of the Arctic and sub-Arctic zones, through the hardwoods of central Europe, the conifers of the Alps, and the scrub, pine, olive groves and cork-oak of the Mediterranean.
66. **Many purposes.** Historically, the forests have served many purposes for the people of Europe. They have provided shelter and refuge; firewood and energy; timber for ships, buildings, furniture, tools and other uses; food for people and domesticated animals, in the form of game, nuts, fruit, foliage, fungi etc; and beauty, recreation and pleasure for successive generations of people. They have often been intimately linked with farming. They have entered the folklore and the very psyche of European peoples.
67. **Recent trends.** The last two centuries have seen, in some parts of Europe, an accelerated process of clearance of forests, or of clear-felling and replanting; and a growing emphasis upon intensive production of timber. The trend has been towards forests with a single main purpose, namely timber production; and towards large units of production and processing, such as saw mills and pulp and chipboard mills. The result is that large areas of forest in some countries are now in monoculture of single species, often of species not native to the area, and all the same age within each forest. The forestry regime tends to be one of infrequent or no thinning; followed by clear-felling of large areas, using heavy machines; then deep ploughing, and simultaneous replanting of large blocks of woodland.
68. **Linked benefits.** This process produces forests which are totally unlike the wildwood which originally covered much of Europe and which yielded the diverse benefits that we have described. Many of today's forests are scenically dull, and poor as wildlife habitats. They produce increasingly impoverished soils, which are further damaged when the heavy machines arrive. They produce worthwhile timber only at intervals of 50 or more years; and the harvesting regime is such as to leave no added value in the locality, since the trees are taken as roundwood for processing at a distance.
69. **Major problems.** Three further major problems affect the forests of Europe - neglect; fires; and acid rain. Neglect is found mainly among the smaller woods on poor or steep land, in northern Europe; and in the maquis (scrub) in the south. Fires present a serious threat in the Mediterranean, particularly Spain and southern France : they often start, by accident or arson, in the maquis and then spread to woodlands, threatening towns and tourist zones. Acid rain originates with burning or combustion of fossil fuels in road vehicles, power stations, factories and homes throughout Europe. It has serious impact upon wildlife and built structures; and is a prime cause of damage and die-back among forests, particularly in those parts of northern Europe - Scandinavia, Germany and the Baltic countries - which lie in the lee of prevailing winds across the Continent.
70. **Sustainability.** In short, many of Europe's forests are being managed, or neglected, in a manner which is not sustainable. A major cause of this is the single-purpose view, which looks to forests solely as a source of timber or pulp, and which neglects those forests which are not seen as capable of producing these. A radical change is needed: the new emphasis should be on sustainable, multi-purpose forestry, as

advocated in the *Statement of Forest Principles* agreed at Rio (see Appendix I).

71. **Pioneers.** Foresters were, indeed, among the earliest exponents of sustainability. In the early 1900s, Gifford Pinchot in the United States, Dr Alfred Moeller in Germany, Wilfred Hiley in England and others developed ideas and practices of sustainable forestry. They turned away from the concept of large, single-age plantations and wider coup felling towards forestry of varied age, continuous canopy, and phased fellings. Such thinking did not gain wide adherence : but it offers now a key to solving the problems facing forests not only in Europe but also across the world, for example the appalling damage being caused to the world's ecosystems and climate by clear felling of the tropical rain forests.

72. **Farm forestry.** A fresh approach to forestry policy in Europe must also address the potential for forestry to make new use of lands no longer needed for farming, and to provide new sources of income for farmers. The OECD Workshop on 'Forestry, Agriculture and the Environment', held in Madrid in October 1994, focused on this major theme; and gave intensive examination to the potential for farm forestry, which was defined as :

"the orientation or use of farm resources (especially land and labour) towards forestry activities. This would include the involvement of farmers in tree planting activities on the management of existing farm woods to diversify their business, to improve the appearance environment and the enhancement of the farm's sporting value. It might also include forestry activities realised on the farmland but not involving farm labour directly (for example, on-farm tree planting realised by public or private enterprises contracted by farmers)". (G Bonnis, 'Overview and Main Policy Issues' paper to the EOCED Workshop).

73. **Mediterranean forests.** The new approach to sustainable, multi-purpose forestry in Europe should embrace an ambitious programme of forest planting on appropriate lands in the Mediterranean countries, in order to recreate the great pine and oak forests of classical times and to halt erosion on the badlands. The scale of the potential challenge is indicated by the national forestry programme in Spain.

The National Strategy for the Overall Preservation of Nature in Spain has the three basic objectives of slowing environmental degradation through natural processes, maintaining biodiversity through conservation and the sustainable use of individual species, and reversing the effects of environmental degradation caused by human activity. The formal activity includes a fiveyear investment plan to combat desertification. Under this plan, 450,000 hectares of eroded land are to be reforested, the plant cover restored on another 400,000 hectares, and forest fire prevention measures taken on 250,000 hectares. This complements a programme begun in 1993, as one of the so-called accompanying measures of the Common Agricultural Policy, to provide income support for farmers who choose to plant marginal farmland to trees. Fifteen thousand farmers have so far applied, the area covered being some 330,000 hectares. Over the five-year life of the programme, 800,000 hectares are expected to be afforested.

74. **New forests elsewhere.** The new approach should include extensive new woodlands in some other countries, particularly those, such as Ireland and the United Kingdom, which have low tree cover. The new forests in such countries may best be located on lands which have been despoiled by industry or mineral extraction, or which are better suited (for topographical or other reasons) to forestry than to farming, or where enhancement of landscape and of recreational opportunities is needed near to the cities.

A governmentsponsored programme is creating 12 Community Forests in England. These forests, of average size 250 square kilometres, are intended to transform the landscape of areas near the cities which are despoiled by mineral working or the neglect of farmland. About 30% of each Forest area will be planted with trees, with a surrounding mosaic of farms and open lands; and the new landscapes will be rich in opportunities for recreation.

75. **Woodland management.** Needed also in some countries is a new era of management and enhancement of damaged forests or neglected woods, in order to secure benefits not now realised, including new sources of income for the farmers and others who own these woods.

Coed Cymru in Wales is a non-profit organisation - founded in 1975 and funded by government agencies, local authorities and others - which offers free advice to farmers and landowners throughout Wales on the management of their woods and the use of the timber and woodland products. This is achieved through a network of woodland officers based in every county or national park. The aim is to re-establish the traditions of woodland management and local use of timber in Wales.

76. **Silviculture.** In both new plantations and the management of existing woodlands, we advocate a sustainable approach to silviculture. By this we mean a silviculture based on mixture of tree species, within forests of mixed-age; extraction of timber on a frequent cycle with thinning or cutting of individual mature trees, not clear felling of large areas; a high use of natural regeneration rather than new planting; and methods of working and timber extraction which cause minimum damage to the soil and the living forest. There should be high concern for bio-diversity, with forests adapted to the local topography, soils, climate and indigenous tree species, and managed to encourage rich wildlife.

Added value to farm and forest products

77. **Origins.** Historically, the local products of farms and forests have been crucial factors in the very existence, and way of life, of human settlements. People settled in an area because it offered sources of food, timber and firewood. They grew and processed their own food, or depended upon others nearby to do so. They used timber to make their houses, furniture, tools, carts and carriages, and as firewood. Thus most of the farm and forest products of an area were used within a short distance of their origins, and the local economy benefitted from the added value.

78. **Weakening.** Over recent centuries, many factors have weakened this process of local use and added value. These factors include the policy of governments, who called in food and timber from their provinces to be processed at the centre; improvements in transport, permitting such movements: the centralising of commerce and the growth of large processing units; the widening of markets; and the arrival of new competitive products, including man-made replacements for timber.

79. **Loss of diversity.** We do not decry the benefits which these factors have brought, particularly to the urban consumer. But we feel strongly that too high a price has been paid, in loss of the diversity and quality of products which can come from local processing of food and timber, and through loss of the added value on which a strong local economy may depend. For example, from the forests of Eastern Slovakia, great forest trees are taken by lorry, in the round log, hundreds of miles to a sawmill in West Germany. This causes heavy cost in fossil fuels and in pollution by road transport, and brings no added value to the communities where they grow. Yet these are communities where all the buildings used to be made of wood : nowadays, the new houses are built of concrete blocks imported from many miles away, and have lost much of their local character.

80. **Benefits of added value.** Added value may bring benefit directly to the producer. This may be achieved through direct sales to the consumer, for example through farm shops or 'pick-your-own' systems, which bring retail rather than wholesale prices; through on-site processing of crops or timber, for example into cheese, wine, meat, firewood or woodland products; through home-based catering for visitors; through membership of a cooperative or group which does such things; or through ownership of or share in a processing enterprise. Added value may also accrue to others within the community, thus helping to strengthen the local economy and bringing indirect benefit to the farmer or forest enterprise.
81. **Taking the initiative.** Public and private bodies should take, or encourage, action to give added value to farm and forest products, within their area of origin. In many cases, the initiative may best be taken by the farming and forestry enterprises themselves.
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The Chonkove cooperative farm, in eastern Slovakia, lost income heavily in recent years because of political changes in their country. This impelled the cooperative members to look for new sources of income. They decided to build a winery in order to add value to their own grapes, which had previously been sold to a winemaking plant some distance away.

82. **Building on tradition.** In many areas, there are long-established traditions for added value to farm and forest products. The modern economy of these areas can build on these traditions. This brings the further benefit of sustaining the cultural diversity which is one of the glories of rural Europe.
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Sweden, a land of forests, has a centuriesold tradition of building in timber, and of protecting its timber buildings by use of preservatives, notably the famous Falun Red paint. In Sweden today, it is common to see small sawmills producing roundpoles, edgesawn, from which are then made modern dwellings in the old logcabin tradition. The Falun Red paint, byproduct of the 1000yearold coppermine at Stora Kopparberg, is still being produced and used to protect buildings, adding characteristic colour to the Swedish landscape.

83. **Innovation.** By contrast, new processes and markets can be developed to add value to farm and forest products. Farm and forest lands, open to the sun and to the process of photo synthesis, are a great source of renewable and versatile raw materials. As science develops, so it can be harnessed to find new uses for these raw materials, and thus bring added value.
84. **Investment.** Gaining added value from farm and forest products may necessitate investment, by private or public bodies, in new capital equipment.
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43% of the land area of Latvia is afforested. Two-thirds of the forest is State-owned, one third by collective farms. Since the war, very little use has been made of forest products, because many trees were of poor quality and there were few processing plants in Latvia: the large plants were elsewhere in the Soviet Union. With help from experts and financial aid from Sweden, the Latvians are building a network of small saw-mills and woodchip plants, in order to gain added value from their forests.

WHO SHOULD TAKE RESPONSIBILITY?

85. The principles and policies outlined above provide a major challenge to all concerned - notably to farmers, foresters, rural communities, local authorities, private and voluntary bodies, regional and State governments and the European Union.
86. **Farmers and foresters** own or manage the land and they know its capability: their lives are at the centre of this story: theirs should be the strongest voice in charting the future. They should be assertive, individually and collectively, in seeking to influence policies for farming, forestry and rural development. They should use their resources creatively to strengthen and diversify both their own incomes and the local economy. They should farm and manage woodlands in a sustainable way, acting as stewards of the environment. They should be open to co-operation with other farmers and foresters, and with others in their local communities, where this will benefit the people or the land.
87. **Rural communities** should take pride in the traditions and modern resources of the farms and forests in their area. They should recognise the central contribution which farming and forestry, and particularly family-based enterprises in these fields, make to rural culture. They should support the efforts of farmers and foresters to manage in a sustainable way, to diversify their incomes and to add value to their products. They should strengthen the links between farming, forestry and other sectors of local life.
88. **Local authorities** should bring farming and forestry clearly within the framework of their policies and actions in all relevant sectors. They should view the resources and skills of farmers and foresters as key assets in programmes of sustainable rural development and environmental management.
89. **Private and voluntary bodies** may be best placed to take the lead in efforts to add value to farm and forest products, to promote those products, to diversify local economies, to enhance skills and to promote sustainable approaches to farming and forestry.
90. **Regional and State governments** have a crucial role in progressively adapting their policies in ways which encourage a sustainable approach to farming and forestry. They should bring these sectors firmly into the context of policies for integrated rural development. They should ensure that this integrated approach is fully open to influence by, and participation of, those involved in farming and forestry.
91. The **European Union** should further adapt its Common Agricultural Policy, to become a European Rural Policy. This should have strong emphasis on sustainability, regional diversity, rural development, diversification of farm incomes, and care of the environment. Finance for agriculture should switch progressively from commodity supports to environmental and social benefits, while sustaining assurance of continuity in food supplies: such finance should reflect the highly diversified character of agriculture throughout Europe. Increasingly close links should be secured between farming and forestry policies and the EU's policies and programmes for regional and rural development.
92. The EU's assistance to **Central and Eastern Europe**, through PHARE and other programmes, should reflect similar principles. But it should be adjusted to assist the very difficult transition which the agriculture of those countries must undergo, and the high diversity in structures inherited from before 1989. The farming systems in these countries need time to make structural adjustments, and should certainly not be rushed into radical change. The opening of markets for food and forest products will have very high importance to them. Well-judged support to the farming regimes must be matched by efforts to strengthen other parts of their rural economies.
93. **ECOVAST** commits itself to disseminating practical ideas through its widespread network, in order to assist the evolution of a truly sustainable approach to agriculture and forestry in Europe.
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Appendix I Principles of Sustainability

The following principles of sustainability, related to agriculture and forestry, are extracted from three documents agreed at the 1992 Earth Summit in Rio - *Agenda 21*; the *Global Biodiversity Strategy*; and the *Statement of Forest Principles*, and the European Union's Fifth Action

Programme on the Environment, *Towards Sustainability*:

Agenda 21 states that:

"Major adjustments are needed in agricultural, environmental and macro-economic policy, at both national and international levels, in developed as well as developing countries, to create the conditions for sustainable agriculture and rural development (SARD). The major objective of SARD is to increase food production in a sustainable way and enhance food security..."

"The absence of a coherent national policy framework for SARD is widespread and is not limited to the developing countries. In particular the economies in transition from planned to market-oriented systems need such a framework..."

"There are major weaknesses in the policies, methods and mechanisms adopted to support and develop the multiple ecological, economic, social and cultural roles of trees, forests and forest lands. Many developed countries are confronted with the effects of air pollution and fire damage on their forests. More effective measures and approaches are often required at the national level...to ensure a rational and holistic approach to the sustainable and environmentally sound development of forests."

The *Global Biodiversity Strategy* calls for action at the national level to

- "abandon forestry policies that encourage resource degradation and the conversion of forest ecosystems to other less valuable uses
- eliminate agricultural policies that promote excessive uniformity of crops and crop varieties or that encourage the overuse of chemical fertilizers and pesticides
- incorporate biodiversity conservation practice into the management of all forests
- promote agricultural practices that conserve biodiversity."

The *Statement of Forest Principles* has, as its guiding objective...

"to contribute to the management, conservation and sustainable development of forests and to provide for their multiple and complementary functions and uses."

It advocates that

"Forest resources and forest lands should be sustainably managed to meet the social, economic, ecological, cultural and spiritual human needs of present and future generations. These needs are for forest products and services, such as wood and wood products, water, food, fodder, medicine, fuel, shelter, employment, recreation, habitats for wildlife, landscape diversity, carbon sinks and reservoirs, and for other forest products. Appropriate measures should be taken to protect forests against harmful effects of pollution, including air-borne pollution, fires, pests and diseases in order to maintain their full multiple value."

The EU's Fifth Action Programme on the Environment, *Towards Sustainability*, focuses on five key sectors, of which agriculture, forestry and fisheries is one (the others being energy, industry, transport and tourism). The report stresses the adverse impacts of some practices in agriculture, forestry and fisheries, including residues in water, food and soil; loss of flora, fauna and biotopes; pollution of air and water; depletion of aquifers; loss, degradation or salination of soil; and landscape change. The Programme states objectives to tackle these problems, and sets targets for:

- standstill or reduction of nitrate levels in groundwater;
- significant reduction of pesticide use per unit of land under production;
- bringing 15% of the agricultural area under agriculture-environment management contracts;
- increase in forest plantation, including on agricultural land; and
- improved protection of forests against pollution and forest fires.