HOME PRODUCTION OF FOOD IN 1947

Memorandum by the Minister of Agriculture and Fisheries

At the meeting of the Cabinet on 1st April, 1947 (C.M. (47) 164th Conclusions, Minute 9) the Agricultural Ministers were invited to circulate a further memorandum outlining the measures they were taking to secure the maximum output of home produced food in 1947. The following memorandum has been prepared on a Great Britain basis but owing to the absence of the Secretary of State for Scotland today on official duties he has not had an opportunity of seeing it in its final form. I am therefore, in view of the urgency, circulating it as a memorandum by myself and I trust that the Secretary of State for Scotland will be able to inform the Cabinet on Tuesday of his concurrence.

In complying with the Cabinet's request I have deemed it advisable to deal with the subject from the following aspects:

(a) A fresh appreciation of the losses of crops and stock and of their effect upon production in the current year.

(b) An outline of the measures already taken to secure maximum production.

(c) The probable effect of such measures.

(d) Possible methods of securing additional production.

Losses of Crops and Stock

5. An approximate interim estimate of farming losses as ascertained during the period 21st/22nd March was included in C.P. (47) 116, circulated to the Cabinet on 28th March, 1947. A further appreciation of the position has since been prepared. It is still incomplete but it is clear that the losses of livestock in the hill areas are heavier than in the earlier estimate, while the loss or damage to crops will probably be less than was at first feared.

4. (a) Extent of Floods. The estimate of the area flooded is now increased from 600,000 acres to 690,000 acres, of which 325,000 acres are tillage. 183,000 acres out of this 325,000 acres should recover in time for ordinary cropping this year and half of the remainder should be fit for catch crops or special crops of one kind or another, leaving 71,000 acres not croppable this year. The previous estimate was 100,000 acres.
(b) **Crop Losses.** The estimate of winter corn lost by frost or flood is now reduced to 116,000 acres; and some of that winter corn will be replaced by spring corn or other crops. It seems likely that taking into account not only the above 116,000 acres but also reduced sowings lost autumn, the wheat acreage this year will come out at about 1,940,000 acres compared with the target of 2,500,000 acres. The sugar beet acreage is likely to be reduced by 25,000 acres compared with the target (120,000 acres), and potatoes are also likely to be reduced, though by an unknown amount. For the remaining crops, mainly barley and oats, it is difficult to say whether there will be a net gain or loss. Generally, we have to take into account not only flood damage but the lateness of the season and the waterlogged condition of much of the heavy land not affected by major floods. These factors also make it probable that crop yields per acre will be lower than average.

(c) **1946 Potatoes.** The latest estimate of 1946 potatoes lost through frost or flood (Great Britain) is 75,000 tons.

(d) **Reduction in Crop Values.** A loss of 71,000 flooded acres not croppable this year represents about £2.1 million of food production. A general reduction in yields of the main farm crops of 10 per cent. (if this is how the season turns out) would add a further £20 million. 75,000 tons of 1946 potatoes lost represents £600,000 and there has also been a substantial loss of vegetables.

(e) **Losses of Livestock.** Present estimates of sheep and lamb losses (including Scotland) are 1,137,000 hill sheep (25% of the flock), 351,000 lowland sheep (8%), and 2,700,000 lambs (50% of a normal crop). Total sheep and lamb losses are put at 4,188,000 (21% of the 1946 flocks).

Losses of cattle are now estimated at 50,000 head, an increase of 20,000 on the previous figure.

The effect of livestock losses on food production will be spread over several years. In 1947/48 they will amount to about £14 million.

(f) **Total Loss in Production.** Combined losses of crop and livestock production in 1947/48, assuming normal crop yields, would represent £21.2 million, or assuming a 10% decline in yields if the remainder of the season is not favourable, £30.2 million.

5. These losses represent a serious disaster, both from the standpoint of our national economy, but particularly to large numbers of the smaller farmers whose financial position, even after six years of improved war-time prices, is relatively weak and quite incapable of standing the strain unaided. It is by no means certain that the measures already adopted will prove sufficient to produce a recovery in production which will avoid a serious loss of our home food supplies.

**Measures already taken to stimulate production**

6. (i) Relief measures for those farmers who have suffered serious loss by flood, snow or frost are already making good progress and will provide a valuable encouragement to them to rebuild their farming enterprises. The Agricultural Disaster Fund has made a most promising start. Up to 18th April the total sum received was approximately £135,000 and this will be
doubled by the Exchequer contribution. There is still, however, an immense gap between the relief sums at present in sight and the estimate of direct losses of stock, crops and means of production which is about £8 million. This figure represents capital losses and takes no account of loss of income.

(ii) Four meetings of the Emergency Advisory Committee have been held, and action has been taken on a considerable number of practical suggestions put forward.

(iii) In particular, the details of the scheme for special acreage payments in respect of late-sown crops grown on flooded land (approved in principle by the Cabinet on 1st April) have been announced.

(iv) An emergency meeting of all Chairmen of County Agricultural Executive Committees in England and Wales was held on 15th April at which the situation was reviewed and plans to stimulate maximum production through the medium of the County Committees and their District Committees were discussed.

(v) Detailed advice on emergency cropping has been issued to County Agricultural Executive Committees in England and Wales and to officers of the National Agricultural Advisory Service for communication to farmers. This indicates the crops and cultivation methods likely to give the best results under the conditions of late sowing and inadequate preparation of the land that must prevail this season.

(vi) Additional supplies of fodder and rationed feedingstuffs have been despatched to the hill areas.

(vii) Energetic action has been taken to repair breaches of river embankments and to pump off water from the flooded areas, including the procurement on loan of special equipment and experts from the Netherlands. At the height of the floods some 690,000 acres were under water. This has now been reduced to 55,000 acres consisting of the land flooded owing to breaches in embankments. The lighter lands that have been cleared are already being cultivated.

(viii) To help farmers to re-stock depleted flocks and herds, the Agricultural Goods and Services Scheme is being extended to provide credit for the purchase of livestock.

(ix) All available resources of labour and machinery are being mobilised and utilised in those parts of the country where such help can be most effective.

Probable effect of measures already taken

7. No quantitative estimate can yet be prepared of the effect of the measures specified above, but they have undoubtedly helped to put new heart into the farming community and in conjunction with the propaganda already undertaken, have impressed upon them the urgent need to go all out with spring cultivations and sowings in order to make up for lost time.

8. The Chairman of County Agricultural Executive Committees, at the Conference on 15th April, expressed the view that while there is no lack of willingness, there is serious anxiety as regards the considerable additional expense which is being incurred by farmers owing to long hours of overtime for which they cannot be certain of recoupment in view of the probability that yields generally will be reduced through late sowing and
inadequate preparation of the land. The heavy clay lands in particular (which represent about 25% of the total tillage area in the country) are still waterlogged and even with the improved weather in the past week, will take some time to dry out, and cropping this season if undertaken must entail a serious risk of low yields. Such land does not, of course, come within the scheme for acreage payments on flooded land (paragraph 6 (iii) above). There are also some serious problems especially in hill districts where on some farms the losses of sheep and lambs have been as high as 75% or even 90%, so that there is a real risk of farmers giving up.

Possible methods of securing additional production

9. Since I submitted my previous paper (C.P. (47) 116) to the Cabinet on 28th March I have given further consideration to possible methods of applying a further stimulus to production both in the present season and in the next two or three years.

10. The short-term problem is to secure the maximum recovery in the production of crops this year, and the maintenance of milk production next winter, notwithstanding the setbacks of these recent disastrous months. This will only be possible if farmers and their workers put in long hours of overtime, involving a substantial increase in costs of production which, it is estimated, might amount to some £5-10 millions. Looked at as a practical food production proposition it is undoubtedly the case that a quite considerable increase in our food supplies this year would be secured by the injection of a special ex gratia allowance to all farmers (since all are affected by the lateness of the season and the prospect of reduced yields) to offset the extra costs which extra effort will involve. An appropriate amount would be £7 millions. Any such sum would have to be regarded as a wholly exceptional addition to farmers' remuneration related to the unparalleled agricultural difficulties and food production needs of the present season; and an undertaking would have to be secured from the farmers' organisations that they recognised that there would be no question of treating it as a new basis for price revisions at the next February review.

11. There are two alternative methods of injecting such a sum, viz:­

(a) By price increases

This method would give the maximum incentive to increased production since each additional unit of crops or livestock product thereby secured would increase the farmers' return; there would be no extra costs of administration nor new forms to be prepared and completed by farmers. On the other hand price increases give the major benefit to those with the most productive soil.

If prices were to be the chosen instrument I should propose to confine the increases to barley, oats, potatoes, sugar beet and probably milk, seeing that the production of fodder crops for dairy herds will involve considerable overtime.
(b) By acreage payments

An acreage payment of, say, £1 per acre in respect of those spring crops the production of which is most needed in the national interest (barley, oats, dredge corn, potatoes and sugar beet) would be much more of an ad hoc payment and most farmers, even milk producers, would benefit in some degree. There is, however, one serious objection, namely that the increased reward could be earned with very little increase in output. The return to the milk producer is also more indirect than with a price increase.

Of the two methods the first would provide the better incentive and more food.

12. If my colleagues agree that some additional stimulus of this nature to food production during the next few months is desirable, the detailed allocation of the proposed global sum of £7 millions would raise technical problems which would need discussion with the Farmers' Unions. I would accordingly suggest that if the principle is approved its detailed application should be left to the Agricultural Ministers to settle in consultation with the Chancellor of the Exchequer and the Minister of Food.

13. On the longer term problem all the evidence shows that our food situation is likely to remain extremely difficult for some years. The productive processes in agriculture are necessarily slow moving and must be set in motion now to secure results up to two years or even longer ahead. Within the next two months farmers must be settling their cropping programmes for the 1948 harvest and any measures to encourage the development of livestock production may take still longer to fructify.

14. On 9th April the Royal Agricultural Society of England summoned a conference of representatives of all the leading agricultural organisations in the country including farmers, workers and landowners, to consider the contribution which agriculture could make towards our food supply problems. The Conference put forward a series of recommendations which are reproduced in the Appendix to this memorandum. Although the conference was entirely non-political, it was very representative in character and our political opponents will not fail to make use of these recommendations if the Government's actions can be represented as in any way insufficient to deal with the serious situation which undoubtedly confronts the nation.

15. In the light of these circumstances I feel that I should indicate to my colleagues certain additional methods of encouraging the maximum development of production in this country that could be taken if the necessities of the situation are considered to justify them. These are as follows:

(i) Hill Sheep. Payment of hill sheep subsidy in the three years 1948, 1949 and 1950 on the basis of the numbers in December 1946 which has already been approved by the Cabinet, will only afford partial relief, particularly in those cases where the loss of income will be heavy. The real need is to give sufficient encouragement to farmers who have had heavy losses to strive to hang on during the next two or three years while they are slowly rebuilding their flocks. There have been strong representations in favour of the announcement of a minimum rate of subsidy for at least two years, so that, coupled with the payment on 1946 numbers, hill farmers would be assured of a minimum income. The Hill
Sheep Subsidy is normally based on the economic position of hill farmers in the preceding year. In the present year the rate of subsidy is 8/9d. per ewe and in the next two years it will certainly have to be substantially increased. Next year it is probable that the rate may well be as high as 15/- per ewe. It would be quite sufficient for present purposes to guarantee a minimum of 10/- per ewe in 1928 and 1929.

(ii) Feedingstuffs. The substitution of home production for part of our imports of livestock products is largely dependent upon increased imports of feedingstuffs. A limited increase in ration scales for pigs, poultry and certain other classes of stock will operate from 1st May. Further substantial purchases of feedingstuffs from overseas countries would bring good dividends. This is a factor stressed by the Royal Agricultural Society's Conference and in other representations made to me by farmers' organisations. The sooner we can tell the farming community that further supplies of feedingstuffs are definitely in sight the sooner will they respond by expanding their breeding operations. It would also help if an announcement could be made in the near future that a definite proportion, for example 20 per cent., of the millable wheat and barley grown in 1928 would be retained by the grower for livestock feeding. When this question was considered on 21st January by the Lord President's Committee, it was decided that the announcement then to be made should be in general terms and in the statement made in the House on 17th February farmers were merely told that they would be allowed to retain if they wish a significant proportion, to be announced later, of their millable wheat and barley from the 1928 harvest.

(iii) Rural Housing and Labour. Fear of a labour shortage has undoubtedly a retarding effect upon increased production. Labour supply is likely to be the main limiting factor, at all events after 1927; and more houses is the key to the labour problem. The R.A.S.E. Conference made a number of recommendations on this subject (see paragraph (h) of the Appendix). These recommendations deserve immediate consideration, and I suggest that even if their adoption may not in every case be practicable in present circumstances, the general objective underlying them should be approached with the utmost sympathy.

16. Each 5 per cent. increase in home production of crops represents additional food to the value of £22 millions. Each 5 per cent. increase in total home production represents additional food to the value of £31 millions. With the resources of men and materials at our command we cannot expect an increase of the order of £150 millions mentioned in the White Paper, Cmd. 7072, on the Post War Contribution of British Agriculture to the Saving of Foreign Exchange. But a material expansion could be secured if additional steps are taken on the lines indicated above.

Summary

17. (a) Losses of national production this year owing to blizzards, floods and decreased yields from late sowing may amount to over £36 millions. Farmers' losses will be of the same order of magnitude.

(b) The emergency measures already taken or announced can only cover a limited proportion of such losses.
(c) Increased food supplies from home production would be secured

This year

If an additional emergency allowance were provided for 1947 crops and milk at an approximate cost of £7 millions.

In future years

(i) If a minimum rate of hill sheep subsidy in 1948 and 1949 of 10/- per head were declared.

(ii) If more feedingstuffs were imported and an early announcement made that farmers could retain up to 20 per cent. of their millable wheat and barley of the 1948 crop.

(iii) If further efforts were made to provide houses for farm workers and thus to facilitate the labour supply.

T.W.

Ministry of Agriculture and Fisheries, S.W.1.

18th April, 1947.
APPENDIX

Recommendations of the Royal Agricultural Society of England's Conference

(a) An immediate statement must be made of minimum requirements of production for all the main crops to cover at least the next five years, accompanied by a continuing firm guarantee of prices and markets.

(b) Special emphasis must be laid on the increased growing of feedingstuffs and fodder crops, particularly protein-rich crops.

(c) (i) It is highly desirable that farmers should be immediately informed that they may keep for their stock a definite proportion of all the grain that they can grow. Farmers would then be able to increase substantially their deliveries of meat and eggs for general consumption.

(ii) Price schedules should be designed to emphasise the importance and encourage the rearing and production of livestock, and especially the rehabilitation of the hill farmer.

(iii) Without prejudice to the system of periodic price revision, now generally accepted by the industry, we consider that the exceptional nature of the present emergency necessitates special measures to cover production risks during the next eighteen months.

(d) The area of grassland lost by the larger tillage acreage could be far more than replaced if there were a vigorous campaign for grassland improvement by direct re-seeding or other methods, especially in those areas best suited by soil and climate to grass production. Such improvement must constitute a major source of the requisite increased feedingstuffs production and could be brought about at least as quickly as could the increased numbers of cattle and sheep needed to consume it.

(e) Concurrent with this must be an extensive campaign to encourage the increased conversion of grass into concentrated feedingstuffs, e.g., silage and dried grass. Everything possible should be done by His Majesty's Government to give priority to labour and material for the manufacture of dried grass plants and to fuel for operating them.

(f) We welcome the promised restoration of feedingstuffs rations. The full development of our livestock production can only be achieved if more feedingstuffs are purchased from overseas, even if this means the sacrifice of existing alternative uses of our dollar resources. As the Economic White Paper points out, £4,000 expended on imported feedingstuffs will produce twice that value of human food.
Any additional feedingstuffs must be used first to enable farmers to rebuild their pig and poultry stocks, if necessary through some modification in the rationing system. Such a course will bring about a considerable increase in home food production with very little extra demand for labour or houses, as so many small farmers who depend on their pigs and poultry are to-day compelled to under-produce.

A decision should be made that His Majesty's Government intend as a matter of policy to apply to those engaged in agriculture a measure of special deferment from National Service. All possible steps must be taken to recruit more farm workers to meet the demands of increased production.

(i) Special allocation of materials is urgently needed for the rebuilding of traditional and prefabricated houses in rural areas, on the basis of a transfer of 100,000 adult male workers from the towns to the countryside.

(ii) The 4 to 1 ratio against private buildings of agricultural houses not for sale should be relaxed.

(iii) Instructions must be given to local authorities (a) to give priority for new houses in rural areas to farm workers, and (b) that farmers intending to employ additional agricultural workers should apply for such houses.

(iv) Increased allocation of materials for the repair of existing farm buildings and new buildings for agricultural purposes.

(v) The Hobhouse report, which recommends the reconditioning of 100,000 rural houses, must be put into immediate effect.

(vi) Every facility should be given for accelerating the provision of rural amenities (water, electricity and sanitation) by local authorities, by local supply companies, and by private individuals.

(vii) Increased food rations must be made available throughout the year to those who work overtime on the land.

(i) No machinery required for food production in this country must be exported until the requirements of our own farmers are satisfied. Special efforts must be continued to supply spare parts and to import particular types of machines that are not available in this country.

(j) No efforts should be spared to ensure adequate supplies of fertilisers - including potash - of which we are now short.