

# Rural Update - May 2009

## **“Swine flu hits pork trade...” “...and world wheat markets feel the effects as well”**

These headlines are from *Farmers Weekly* on 1<sup>st</sup> May 2009. Despite the official line, which is that swine flu cannot be caught by eating pork, prices outside the UK have fallen and several countries have erected trade barriers. The article reports that there has so far been no reaction amongst shoppers in this country. A spokesman for one of the leading supermarkets was quoted as saying there had been no change seen in consumer spending habits. There was expected to be some short-term reaction in the market across Europe, but the prospect of higher prices caused by falling production was likely to be balanced by the effects of the recession, and it was thought that 2009 prices would probably match 2008. The commodity markets were hit by lower demand and confidence as a consequence of the swine flu outbreak.

**UK supermarkets** have been asked to support plans which would see the introduction of an ombudsman to oversee the relationships which exist between suppliers and retailers. Opinion varies as to whether this is needed. Some say that this would strengthen the Grocery Suppliers' Code of Practice and give new confidence to suppliers allowing new investment and innovation. More security in food production might lead to lower prices for consumers. The British Retail Consortium disagrees and considers the current arrangements more than adequate.

**It is reported that** there will be an increase in government aid for rural businesses hit by the recession. Funding limits raised under the government's Rural Development Programme for England (RDPE) will be raised. The funding limit on a range of grants administered by Regional Development Agencies will be able to be increased from 50% to 100%.



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This is meant to help people who want to diversify into non-agricultural businesses and who want to start or expand small rural enterprises.

**There is said** to have been an increase in the number of rural people seeking debt advice as the recession deepens, according to the government's rural watchdog the Commission for Rural Communities. A change in the type of debt problems has been caused by rising unemployment and a falling housing market.

**Rural Proofing** has been described as 'patchy' this week and claims made that Government policies continue to discriminate against rural residents. Rural proofing seeks to ensure that policies take into account the needs of rural people, and is supposed to have government support, but the Commission for Rural Communities says proofing is implemented better at local and regional levels than nationally. Those who deliver services and policies locally may well understand local circumstances better.

**Advice on increasing rural social housing** will be made available to local authorities and other agencies through the Rural Affordable Housing Project launched by the Homes and Communities Agency and the Department of Environment, Food and Rural Affairs. The government wants to see 10,300 new homes built in small rural communities between 2008/2011.

**The issue of rural fuel poverty** was raised recently by an MP. Many households are benefiting from the government's Warm Front grant to make homes warmer, healthier and more energy-efficient, but take up is particularly low in rural areas.

*Sources: Farmers Weekly 1 May 2009  
Rural Services Network Weekly News Digest  
6 May 2009 – the electronic version of this  
can be forwarded on request.*

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