COPING WITH CRISIS IN CUMBRIA: CONSEQUENCES
OF FOOT AND MOUTH DISEASE

Katy Bennett
Terry Carroll
Philip Lowe
Jeremy Phillipson
Acknowledgements

The project has been funded by the North West Development Agency, the Countryside Agency, Business in the Community, and the Northern Fells Rural Project. Thanks are also due to those who took part in the research, especially those who helped to set it up, were interviewed, played a role in focus groups, organised open days, came to meetings or allowed researchers to attend meetings and events. Special thanks to the Guest Houses in the Northern Fells which provided a base for the research and in particular to the farmer and his son who towed the car of one of our researchers out of a ditch! In addition to the district councils, the researchers are grateful to the following organisations which have provided valuable help and information:

- Caldebeck Surgery
- Crafts Council
- Cumbria Community Foundation
- Cumbria Inward Investment Agency
- Cumbria Tourist Board
- Department of the Environment, Food and Rural Affairs
- Forestry Industries Development Council
- Forestry Contracting Association (FCA)
- Farm Retail Association
- Made in Cumbria
- National Association of Farmers' Markets
- National Trust
- Road Haulage Association
- Rural Women’s Network
- Village Retail Services Association (ViRSA)
- Voluntary Action Cumbria

Last, but not least, thanks to Eileen Curry, Anett Zellei and Hilary Talbot for all their help and support during the research.
CONTENTS

Executive summary

1. Introduction 1

2. Cumbria and Foot and Mouth Disease 7

3. The Conduct of the Foot and Mouth Crisis in Cumbria 24

4. The Impacts on Farming 45

5. The Impacts on the Wider Rural Economy of Cumbria 61

6. The Effects on Farming Life in the Northern Fells 82

7. The Effects on Village, Business and Household Life in the Northern Fells 100

8. Views from Beyond the Northern Fells: Consumer Attitudes 118

9. Conclusions 138

References

Appendices
EXECUTIVE SUMMARY

Introduction

The 2001 outbreak of Foot and Mouth Disease (FMD) in the UK was the most serious animal epidemic in this country in modern times and the worst Foot and Mouth outbreak to be tackled that the world has seen.

The county of Cumbria bore the brunt of the outbreak. Some 44% of all the confirmed cases happened in the County. More than a quarter of all its farm holdings had livestock culled leading to a loss of a third of the County’s grazing livestock.

The impacts extended well beyond farming and what commenced as an effort to control an animal disease quickly developed into a crisis for the rural economy as tourists and visitors were discouraged from coming.

To inform the process of recovery, this study was commissioned by the North West Development Agency and the Northern Fells Rural Project, with assistance from Voluntary Action Cumbria and additional funding from the Countryside Agency and Business in the Community. The study forms part of a larger investigation, funded by the Economic and Social Research Council, of the conduct and the consequences of the FMD crisis.

The study examined the economic and social impacts of FMD in Cumbria through a combination of primary data collection and analysis of existing reports and data sources, taking the Northern Fells as a special case study area. Systematic research was carried out of farmers and other rural businesses, households and consumers closely affected by the disease.

FMD in Cumbria

The rural economy of Cumbria was fragile before the outbreak of FMD. It is heavily dependent on farming and tourism. Agricultural incomes have experienced serious decline in the past five years. Tourism has remained fairly stable but does not appear to have shared in the rates of growth recorded across the UK generally. Much of the employment in this sector is seasonal and part-time.

The outbreak of FMD progressed from its source in Northumberland to Cumbria, through the transfer of infected animals between farms and auction marts, before the disease had been diagnosed and livestock movements banned. The farming structure in Cumbria, the nature of the livestock trade and the failure of early efforts to control the disease enabled FMD to take a firm grip. The first case in the County was
confirmed on 28\textsuperscript{th} February, and the County was not declared free of the disease until January 1\textsuperscript{st} 2002. Throughout the outbreak widespread restrictions were imposed on public access to farmland and the fells.

**Impacts on Farming**

With the farming pattern in Cumbria being almost exclusively livestock based, the overall financial effects have been considerable albeit with a basic divide between farms according to whether or not their livestock were culled.

Farms where the livestock has been culled have suffered a dramatic loss of income from stock sales and subsidy. However, costs have also reduced and many farmers have received payment for disinfection work. The overall impact has been to leave the surveyed farm households facing an average shortfall of income in 2001-2 of £51,516 compared with the previous year. Compensation money has been paid to these farmers and it is estimated to range between £108,000 and £163,000 per farm. Insofar as nearly all those surveyed intend to continue farming, this money will be needed for re-stocking and to support the farm in the interim.

On farms where the livestock has not been culled, there has been less of a loss of income, but costs have risen. Such farms in the survey face an average shortfall of income in 2001-2 of £15,235 compared with the previous year. While this figure is much less than for those farms culled out, these farms have not received any compensation.

It is perhaps remarkable and certainly contrary to opinion and predictions expressed generally in the farming press that 63 farmers said they would continue farming; only one would definitely cease and three were unsure.

Only 46\% of the farmers though said that they would definitely maintain their existing level of farming activity. The rest were divided almost equally between those contemplating scaling down their farmed area and those thinking of expanding. The outcome is likely to be a period of accelerated structural change and concentration in Cumbrian livestock farming.

Farmers expect that it will take 3-4 years to restock. From the tentative plans it seems that the number of dairy cows could increase modestly whilst the size of beef and sheep herds are expected to fall sharply. The overall effect should be significantly lower stocking densities.

Regarding alternative cropping and income options, some 13\% of farmers intend to increase their diversification activities and 27\% are possibly
interested. Some 10% of farmers intend to increase their participation in agri-environment schemes, and others want to explore the possibility. However, there is very little interest in growing new crops, afforestation or converting to organic farming; and only limited interest in considering new off-farm employment.

**Impacts on the Wider Rural Economy**

It has been estimated that the loss of revenue to conventional agriculture would be £200 million, equivalent to 40% of all agricultural output, for the County for the farming year. The loss in gross tourism revenues for the year is likely to be around £400 million.

In May 2001 estimates of the number of jobs “at risk” in the county due to the Foot and Mouth crisis were put at 15-20,000. However, it is mostly casual and part-time positions which have either not been filled or have disappeared. In consequence, the downturn in trading conditions has not resulted in a sharp increase in levels of unemployment. A degree of hidden unemployment and underemployment may also have masked the full extent of job losses. Temporary effects associated with the FMD control and clean-up programme have also played a part.

Serious reductions in business turnover have clearly been experienced, especially within the tourism sector in the early stages of the epidemic. By April, 85% of tourism firms in the County were experiencing some decreased turnover averaging 39%. There was some recovery in business turnover at the height of the summer as the FMD restrictions were eased. Whilst the overall effects were overwhelmingly negative there was deflection of demand to areas or activities which were open for business and also a temporary injection of employment and expenditure into the local economy, largely in the urban areas of the County.

With the ending of the expenditure on the disease eradication and clean-up campaign - from the winter of 2001 onwards - the effect of taking out 40% of the agricultural output of Cumbria will become more apparent. The direct loss of paid employment on farms will be equivalent to about 600 full-time jobs across the County. In addition, there will be about 900 jobs lost in sectors ancillary to Cumbrian agriculture. The effect of these losses in both upstream and downstream industries will be significant in themselves, but also in radically changing the support infrastructure essential to the recovery of livestock farming.
The other medium-term direct employment effects of FMD will depend upon the speed of recovery of tourism. A Cumbria Tourist Board survey conducted in late September/early October found that 41% of businesses had reduced forward bookings for October to December 2001; and that 28% likewise had reduced forward bookings for January to March 2002. It seems therefore that it will take at least a whole season for tourism to recover fully.

While the short-term effects of FMD are immediately apparent, the long-term implications for the rural economy are more difficult to discern. The more redundancies and business contractions or closures that occur, the less disposable income will be spent in the local economy and the greater the induced effects. One consequence is that the full impacts of the FMD epidemic on the rural economy of Cumbria will not emerge for another year.

**The Effects on Farming Life in the Northern Fells**

The Northern Fells lie in the north of Cumbria with Keswick to the south and Carlisle to the north, flanked by the M6 to the east and the A595 to the west. Caldbeck is the only village of any size. South of it is mainly fell, with lowlands to the north and west. This landscape shapes both the farm structure, of dairying and upland stock rearing, and the settlement pattern of hamlets skirting the edge of the fells.

Almost half the farm holdings in the Northern Fells were culled out in the FMD outbreak. During this period farming families lived through a period of turmoil and uncertainty that none of them had ever before experienced. At the outbreak of FMD in England the immediate response of most farming households was to curb their usual daily activities. Only the most essential movements off and on the farm were permitted.

The vast majority of farms are family businesses each one managed and run by one or more households. Such family-based businesses draw even more heavily on family resources at times of crisis. Predominant responses included cutting costs through reducing staff working hours, laying off staff and not employing seasonal/casual labour. At the same time, either to fill the gaps or to replace lost income, household members were called upon to do additional work both on the farm and off the farm. In addition, to help overcome cash flow problems, a quarter of the farms
had cut back on general household expenditure, while one in six had renegotiated loans or mortgages.

Concerns and worries induced by the threat of FMD heaped upon one another to create stressful situations for households. Movement restrictions cut off the farms' main income source. Financial worries were deepened when household members stopped going off the farm to work, were laid off or whose work activities depended on people being able to access the house or farm.

While family members rallied together, the pressures upon them affected relationships. The enforced isolation, the self-policing of behaviour and worries about how they would pull through put a strain on marital and domestic relations. People’s usual ways of coping with problems were curtailed. They stopped going to the pub or visiting friends or going to church or club meetings.

At the centre of household life and mopping up the tension like a sponge were women. They had to tend to husbands, who turned in upon themselves or talked of nothing else, and to deal with the angst that the children experienced.

The whole episode had a profound impact on farm children, most of whom were either confined to the farm or had to lodge away for an extended period. Through being isolated from their friends or their parents it made them feel apart. Some clearly felt torn between identifying with their beleaguered parents and the farming community, and reassessing their own feelings towards a way of life that now seemed tarnished.

For days, even weeks, after losing their animals, some people remained in mourning. With the cull of their stock households lost not only the animals, but also the legacy of accumulated breeding acumen of previous generations. In a way, the family biography, lived out through the stock, was brought to an end.

Most farmers and their families feel that Foot and Mouth turned their lives upside down. For some it has shaken their sense of direction and self-belief and made them question their future in farming. Most, though, hanker for a return to what they know as normality and intend to restock. Some are highly sceptical of talk about alternatives, a scepticism reinforced by the evident vulnerability of diversified activities during the crisis. Others feel deeply committed to continuing in farming, if not for
themselves, then for the sake of their families, even if family members are often more open to considering alternatives.

The Effects on Village, Business and Household Life in the Northern Fells

FMD had repercussions not just for farming families, but for the whole community in the Northern Fells. Nearly everyone became wary about unnecessary journeys and policed their own movements.

Those worst affected were households whose livelihoods were under threat. The research focused particularly on the owners of local businesses and their households. Eighty local businesses provide goods and services to the Northern Fells, almost half of which offer tourist accommodation.

The cull of stock turned usually peaceful villages and countryside into places of turmoil and carnage. The metaphor that many people readily drew upon was that of a war zone. This expressed their sense of the widespread disruption of everyday life and the scale of the destruction involved. In the aftermath of the cull, people described the ‘eerie’ silence surrounding their villages and the unfamiliar sight of empty fields.

The area has a wealth of clubs, organisations and places where local residents socialise but with the first FMD case all meetings, activities and events were immediately cancelled. Much has been made in the national press about how the countryside was closed to urban visitors but in a much more pervasive way it was also closed to rural inhabitants. Commercial activities and social life ground to a halt as people limited their movements to those that were necessary and visitors stayed away.

While family, friends and neighbours rallied to support one another, such a severe crisis as this also tested local dependencies and solidarities. New fissures and points of tension emerged within rural communities as people struggled to cope with the crisis. At the same time, by banishing normal social interaction, FMD hit at the communities’ normal coping mechanisms.

The response of local businesses whose trading was affected by the FMD crisis was to rein in capital spend. The upkeep and maintenance of premises and any plans for future investments or expansion were put on
hold. The next step taken was to reduce running costs, which often meant a reduction in staffing levels.

When businesses sought help and advice, usually the first to be approached were familiar faces, such as bank managers and accountants who often pointed them in the direction of Business Link who would inform them of government aid schemes. Businesses often felt caught up in a confusing myriad of help lines. Some local businesses remained disinclined to seek external assistance, seeing business support as not for them.

Business and household life in the Northern Fells are intricately connected, with one sustaining the other. In fact, a key motivation for many business owners is working for oneself in a good environment and a situation that allows more time to be spent with family members, particularly children. However, with the business and household usually sharing the same premises and often the same phone line, the household members can never escape business concerns. Business pressures impinge directly upon the household with very real implications during a crisis such as that caused by FMD.

As businesses were drawn into the FMD crisis, so inevitably household life became deeply embroiled too as household members worked longer hours and were ever more preoccupied with worries about the business. In many ways the household acted as a buffer to some of the pressures placed upon the business, absorbing both financial and emotional strain caused by FMD. Most business owners spoke of no spare time for ordinary family life, of tiredness or exhaustion. Financial pressures were also absorbed by households through individuals simply cutting back on spending on themselves.

**The Effects on Consumers**

The consumer study explored local people’s perceptions and concerns relating to food, and examine the extent to which those perceptions and habits had changed in the light of the FMD crisis. Focus groups were conducted in Penrith and Carlisle.

On the issue of what is important to consumers when shopping for food, price and convenience were expressed most commonly as priorities, followed by other concerns such as freshness, additive-free and nutritional content. When discussing meat, however, consumers showed
willingness to search out perceived good quality for reasons of personal health and safety.

In terms of actual behaviour and shopping habits, supermarkets dominate as the main outlet for food shopping, for reasons of convenience and price. Beyond this, many participants expressed positive views about using local shops, particularly in relation to higher involvement food purchases like fresh meat. Other forms of outlet such as farmers' markets or direct sales from farms were not commonly used, and suffered from a general lack of awareness amongst participants.

In relation to FMD, participants expressed much concern over the impact of the crisis in the region, and had many negative views on Government’s handling of the issue. The majority of participants did not see FMD as an issue of food health and safety or as a consumption issue, rather more as a supply or production issue. Overall, the groups were equivocal about the impact of FMD on the image of Cumbria and Cumbrian produce, some feeling that it had been specifically tarnished, whilst others felt the impact had been more at the national level.

Finally, there was some receptiveness to marketing initiatives to encourage a greater uptake of local products. However, it was conditional on the end products meeting participants' needs and expectations on price, quality, convenience and accessibility. Participants seemed unlikely to change their current priorities and habits even in the light of the FMD crisis and their awareness of the wider issues facing the rural economy.

**Conclusions**

The farm survey reveals the high proportion of farm income that is derived from subsidy, particularly in the beef and sheep sectors. The farmers should therefore be highly responsive if payments for production were reoriented to secure wider public and environmental benefits. A significant proportion of farmers would also appear to be potentially receptive to the Government purchasing some of their quota for livestock premia. That would enable a systematic and permanent lowering of stocking densities that could be the basis of expanding agri-environment schemes or greening existing LFA supports.

The research also reveals a significant degree of resistance to change in the farming community which should be of concern to policy makers. Almost all of the farmers interviewed were expecting to continue farming
and many to return to previous levels of activity. Very few farmers had sought external advice about possible diversification opportunities post-FMD.

If farming prospects do not recover then pressures to find alternative income sources will grow. Interestingly, the research reveals a greater interest in diversification than off farm employment to provide this, but amongst those farmers with experience of either of these outlets there is growing interest in opportunities for off-farm employment for themselves or other household members. More farm households may be placed in the position of needing external advice. What is on offer should embrace other members of the farm household than the farmer and should include training and employment as well as business advice.

The research confirms that the marketing of livestock is exclusively tied to the traditional live auction marts. It is here therefore that farmers are likely to look for leadership in bringing about the sought after changes in marketing and supply change management. The FMD crisis has caused great upset and uncertainty for the marts which have incurred heavy losses. This will lead to considerable rationalisation in their numbers and how they operate. There are further difficulties ahead regarding greater regulation of livestock movements. The future therefore offers very serious challenges to the marts. But significant opportunities also exist for livestock industry led initiatives that anticipate and satisfy the requirements for change.

There is every justification for promoting awareness and higher consumption of regionally distinctive foods and more traditional and value added niche products. Given the conservatism of consumers, it is important that duplication of effort and disjointed activity in promoting regionally distinctive foods be avoided; that due account be taken of consumers’ practical concerns over price, convenience and access; and that the supermarkets be encouraged to adopt a more favourable attitude to regional sourcing.

The various arms of Government have had an important part to play in assisting rural businesses through the crisis. The research, however, records a fair degree of institutional confusion and disaffection with the authorities. The main messages for business support agencies are: better communication; more transparency in the process of determining eligibility for assistance; a recognition that recovery from the very poor trading conditions in 2001 may take some years; and more sensitivity to the complexities of small businesses including advice and support
strategies which do not necessarily imply growth and acknowledge the wider role of small businesses in rural development.

Local people say that the FMD crisis is a period of time in their lives that will never be forgotten. Divisions and tensions emerged within rural communities and the social scars run deep. These social consequences of FMD may take considerably longer to resolve than the economic, although the two should not be seen as separate. A feeling of fatigue, personal strain, alienation from authority and tensions between individuals are potential obstacles to recovery.

Healing the emotional wounds inflicted by FMD is no easy task but begins at home with people discussing problems with one another. There is evidence to suggest that people have attempted to contain emotions as they have dealt with the immediate effects of FMD. The repercussions of this could have diverse health, including mental health, consequences in the future.

The supportive role of community organisations is crucial. There is already evidence that people in a position to help, such as those who head schools, the surgery and churches, have played a pro-active role in alleviating stress caused to individuals as a result of FMD.

Community organisations have a vital part to play in recovery but some of them also need a hand. Their financial reserves and emotional energies have been sapped. However, any form of assistance must be conscious of the fact that many people in the Northern Fells are fed up of heavy-handed interference in their lives from outside. One potential means to support recovery at the level of the community is the Northern Fells Rural Project (NFRP) which is popular with local residents and is run by local people.

The Wider Lessons of FMD for Rural Policy

A crisis such as this challenges fundamental assumptions by revealing underlying realities. What this crisis has revealed above all is how much the countryside has changed in recent years and how out-of-date are official and public conceptions. Initially, both the mass media and the Government responded to the 2001 outbreak largely as if it were simply an agricultural matter. A disease control strategy that was ‘ultra-precautionary’ in order to protect the farming industry coincided with predominant news values (particularly the strong visual images of cows
and sheep being shot and pyres of bloated carcasses) in determining the media’s treatment of the crisis as an animal plague visited on the country.

Confronted with these grisly images and asked to stay away, the public obeyed, avoiding contact with farm animals, but also with market towns, village pubs and shops, country hotels, and visitor attractions too. The consequence has been severe losses in the wider rural economy, which at least in the short term have greatly outstripped those inflicted on the farming sector. The public and the Government have thus been rudely awakened to the diversity of the contemporary rural economy and agriculture’s diminished role within it.

Yet, while demoting agriculture, the FMD crisis has also revealed starkly the continuing dependency of the countryside on farming. The rural economy, however diverse, remains vulnerable to an agricultural crisis, and would have still been vulnerable even if the crisis had not been handled from such a single-minded perspective. This is because the predominant image of the countryside which the crisis has tarnished is a pastoral one, based on extensively grazed landscapes. This is what the tourists and visitors appreciate. What must be readily apparent now is that the public-good benefits of pastoral farming far overshadow the market value of its tradable products.

This dependency underlines the need to get the right relationship between agriculture and the wider rural economy. The peripheral areas where the disease hit hardest are heavily dependent on both primary industries and tourism, and consistently rank amongst the most deprived rural areas in England. An important question facing rural and regional development policy is the extent to which past strategies of encouraging diversification from agriculture into tourism simply shifted local employment from one vulnerable sector to another. Greater attention in the future needs to be given to improving the robustness of local rural economies.

Finally, though, the crisis and its consequences reveal how poorly we understand the nature of a local economy such as that of contemporary rural Cumbria. Massive losses of revenues occurred in two of its staple sectors. Yet, unemployment levels were barely affected. Much of the employment lost related to casual, seasonal or part-time positions. Most of the firms affected are microbusinesses, many of which drew on family and household resources and flexibilities to cope with the crisis and its aftermath.

In this way, the families of family-based businesses act as a buffer at times of crisis, absorbing financial and practical pressures. That makes
for a certain resilience. But it means that there may also be complex and long-term ramifications arising from economic or business shocks. These can place great strains on family and community life, leaving mental and social scars.

The implications for rural development policy are complex. What is clear is that the process of recovery from FMD will be a long one. It is also apparent that it has as much to do with renewing community confidence and vitality as with business recovery measures.
1 INTRODUCTION

Terry Carroll and Philip Lowe

The 2001 epidemic of Foot and Mouth Disease (FMD) has been immensely damaging to the nation’s economy and reputation. Estimates of the cost to the national economy continue to be revised, but have been placed in the order of £1.6 billion, equivalent to 0.2% of GDP. The extra (i.e. unbudgeted) costs to the Exchequer of managing the disease have been £2.7 billion.\(^1\) That is the financial cost. The social costs can never be adequately quantified, but are recorded in media reporting of the slaughter and in the anger and despair of those farmers, small businesses and rural communities most directly affected.

The County of Cumbria has suffered most of all and it is here, therefore, that effective programmes for recovery of the rural economy are most urgently needed. Confirmed cases of FMD were found on 893 farms in the County which was 44% of the national total. Taking into account culls through dangerous contacts (1,934 in all) this means that 27% of the total 10,576 farm holdings in Cumbria had stock culled. By late October, when the epidemic was assumed to be at an end, 889,811 sheep and 213,915 cattle had been culled - a third of the County’s grazing livestock. The infection was most severe in northern Cumbria where some 70% of the livestock farms had all their stock slaughtered.

However, whilst farming remains of crucial importance in social, cultural and environmental terms, it no longer provides the mainstay of the rural economy. The contemporary rural economy is much more complex. But as the FMD experience demonstrates, and nowhere more starkly than in Cumbria, this new economy is not insulated from farming’s misfortunes and may be just as vulnerable to external shocks. The epidemic and the way it was handled had immense repercussions across the rural economy. Recovery programmes must, therefore, have a wide scope extending well beyond the agricultural sector and address the structural weaknesses that have been revealed.

The process of analysis, of learning lessons and building the foundations for recovery has begun. The Government quickly established a Rural Task Force as an emergency measure. In June it reorganised central departments to replace the Ministry of Agriculture, Fisheries and Food (MAFF) with the new Department for Environment, Food and Rural Affairs (DEFRA). Subsequently the Government commissioned three Inquiries: into the control of FMD and how the outbreak was handled; into the scientific understanding of livestock epidemics; and into the future of farming. The North West Development Agency (NWDA) which covers Cumbria established a Regional Task Force and it has drawn up both a short-term Business Recovery Plan and a longer term Regional Rural Recovery Plan. At the local level Cumbria County Council created its own Rural Task Force and has made the case for a Rural Action Zone requiring substantial additional funding.
This research report examines the social and economic impacts of FMD in Cumbria. It also explores how the rural economy might be expected to evolve in the immediate aftermath of the crisis and concludes with a commentary on the policy and institutional issues that appear to be central to recovery. It complements but goes beyond other reports prepared on behalf of Cumbria’s Rural Task Force and the NWDA on the impacts of FMD.

Its purpose is to deepen the understanding of the impacts of FMD and the prospects for recovery. To do so, systematic research has been carried out of farmers and other rural businesses, households and consumers closely affected by the disease. The study includes a detailed case study of the Northern Fells which lie on the northerly edge of the Lake District in the area most severely affected by the FMD outbreak (see Figure 1.1). The case study covers the geographical area of the Northern Fells Rural Project (NFRP). The fieldwork was undertaken at a time when the outbreak was coming to an end and so respondents could take a retrospective as well as a prospective view.

---

2 Economic Impacts of FMD on the Cumbria Economy: Progress Report and Initial Findings, Cumbria Economic Intelligence Partnership and the Centre for Regional Economic Development, University of Northumbria; Economic Impact of FMD in the North West of England, May 2001 and August 2001 update, Pion Economics.

3 The Northern Fells Rural Project was launched in 1999 and works with local people to find solutions to unmet health and social needs of residents of the parishes of Ireby and Uldale, Boltons, Westward, Sebergham, Caldbeck, Castle Sowerby and Mungrisdale.
The research for the study comprised five main strands:

- A review and analysis of secondary data on the impacts of FMD in Cumbria
- A survey of farm businesses in and beyond the Northern Fells
- Household, small business and community interviews in the Northern Fells
• Consumer focus groups
• A review of local newspaper coverage of FMD.

The research took place between August and October 2001. It was commissioned by the North West Development Agency (NWDA) and the Northern Fells Rural Project, with assistance from Voluntary Action Cumbria and additional funding from the Countryside Agency (CA) and Business in the Community. It will feed into a wider study funded by the Economic and Social Research Council of the institutional management and consequences of the FMD crisis.

The research was carried out by the following staff of the Centre for Rural Economy and the Farm Business Survey within the Department of Agricultural Economics and Food Marketing and the Department of Agriculture, at the University of Newcastle upon Tyne:

Johanne Allinson  Katy Bennett  Andrew Donaldson
Jeremy Franks  Derek Kelsall  Jeremy Phillipson
Marian Raley  Charles Scott  Elliott Taylor
David Telford  Angela Tregear  Neil Ward

The study was coordinated by Katy Bennett and Jeremy Phillipson and the research report was compiled and edited by Terry Carroll and Philip Lowe.

The report is structured as follows. It begins with a review of the rural economy of Cumbria and an overview of the progression of the outbreak
and institutional response in the County. Chapter 3 then charts the conduct of the crisis in Cumbria with a review of local press coverage. The impacts of Foot and Mouth on farming and the wider rural economy are considered in chapters 4 and 5. This is followed by two chapters dealing specifically with the Northern Fells, chapter 6 considers the impacts on farming life and section 7 the impacts on village, business and household life in the parishes. Chapter 8 turns to an analysis of the impacts of the outbreak on consumer attitudes. The final chapter of the report presents key conclusions and recommendations.
2 CUMBRIA AND FOOT AND MOUTH DISEASE
Terry Carroll, Neil Ward and Charles Scott

2.1 The Rural Economy of Cumbria

Whilst national GDP grew by some 15-16% in the period 1993 to 1998, Cumbria registered growth of less than 2%\(^4\). Only North Eastern Scotland and Northumberland/Tyne & Wear experienced lower growth. The economy of West Cumbria, in fact, registered a decline of more than 4% in GDP over the period. This is partly explained by its heavy dependence on manufacturing for employment, a sector which has been in decline generally, but accounts for 22% of all jobs in the County.

In contrast, GDP in East Cumbria, which is much more rural, grew by 7%. The economy of the rural areas is especially reliant on tourism, along with agriculture and their associated service sectors. There is a close relationship between these two industries not least because of the extent of farm diversification into tourism-related enterprises and the intimate connections between tourism and the rural landscapes of the County.

The rural-urban and east-west distinction is apparent in unemployment statistics and indices of social and economic deprivation for the County. On the one hand, the predominantly urban locations such as Barrow and Copeland in the west suffer high relative deprivation in both health and employment. On the other hand, half the wards in Cumbria, mostly in rural Eden and South Lakeland, have a registered unemployment rate of

\(^4\) Cumbria Economic Bulletin, Centre for Regional Economic Development, Carlisle and Cumbria Economic Intelligence Partnership, September 2001: Economic Impacts of FMD in the Cumbrian Economy: Progress Report and Initial Findings, Cumbria Economic Intelligence Partnership and the Centre for Regional Economic Development, University of Northumbria.
less than 2% and the local difficulties facing their populations are more typically those associated with access to services.

The wholesale, retail, hotel and restaurant sector is the largest in the County providing employment for 53,000 people and accounting for 28% of all jobs. Just over half of these are part time and are mainly for women and 41% are accounted for by micro-businesses (10 or fewer employees). Over 80% of these jobs are wholly or partly dependent on tourism which shows a marked seasonality, employing half the numbers in January as in August. The agricultural labour force, including the self-employed, is just under 14,000 or around 6% of the total workforce. There are a further 3,500 jobs in industries ancillary to agriculture.

Table 2.1: Rural Population of Cumbria

<table>
<thead>
<tr>
<th>District</th>
<th>Population per hectare</th>
<th>Per cent of population living in rural areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eden</td>
<td>0.2</td>
<td>70</td>
</tr>
<tr>
<td>South Lakeland</td>
<td>0.7</td>
<td>74</td>
</tr>
<tr>
<td>Allerdale</td>
<td>0.8</td>
<td>40</td>
</tr>
<tr>
<td>Copeland</td>
<td>1.0</td>
<td>28</td>
</tr>
<tr>
<td>Carlisle</td>
<td>1.0</td>
<td>27</td>
</tr>
<tr>
<td>Barrow</td>
<td>9.0</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Cumbria County Council website

Much of the agricultural land in the county is of poor quality: 45% of it is Grade 5 land. The bulk of the county is designated as Less Favoured Area (LFA) reflecting the physical difficulties that farming faces. The farming systems are mainly grassland based. Cattle and sheep and dairy farming account for 90% of the agricultural area.
Even before the devastating effects of FMD, farming was an industry experiencing serious economic difficulty. In 2001 the value of agricultural output nationally fell for the fifth successive year, by 4.5%.

Milk output value

**Figure 2.1 : Cumbrian Lowland Grazing Farms 1995-1999 (at constant 1995 prices)**

![Graph](image1)

**Figure 2.2 : Cumbrian Lowland Dairy Farms 1995-1999 (at constant 1995 prices)**

![Graph](image2)
was as much as 10% lower than the previous year. In real terms, the total income from farming in the dairy sector in 2000 was only one fifth of that received in 1990 and for the cattle and sheep sector in Less Favoured Areas was below one third. Incomes overall are as low in real terms as at any time since the depression in the late 1930s.

---

5 *Agriculture in the United Kingdom* 2000, MAFF, SERAD, DARD (NI) and NAWAD.

In keeping with these national trends, farm incomes in Cumbria have also plunged since 1995. Figures 2.1-2.4 give details of changes in output, fixed costs (FCs), variable costs (VCs) and profitability for the main farming systems. Profitability is given according to two separate measures:

- management and investment income (MII) which is the difference between total output and total costs, including an imputed value for the manual labour of farmer and spouse; and
- return on ‘tenant’s capital’ (ROTC) which is the profitability of a farm expressed as a percentage of the capital invested, including all stock and machinery but excluding land.

In 1995 the average MII for Cumbrian farms was £182/ha; four years later it had fallen to £1/ha. In upland dairy farms it fell as low as minus £56/ha (equivalent to a loss of £5,519 per farm).

The tourism industry has benefited in recent years from a buoyant national economy and growth in leisure activity. The volume of tourism activity and its value to the economy of Cumbria grew through the 1990s albeit with some annual fluctuations (1996 and 1998, for example, saw reversals in growth - see Table 2.2). About 1 in 11 tourists are from overseas, although their significance to the Cumbrian economy is greater because they spend much more than the UK visitors. The trends in tourists’ origins also complement each other to some extent. Thus UK visitor numbers and expenditure were sluggish through the recession of the early 1990s but tourism from overseas grew steadily. In contrast, the
years since the mid-90s have been ones largely of buoyant demand from UK residents but stagnant demand from overseas.

Tourism has long been important to the Cumbrian economy because the landscapes of the County are highly attractive to visitors. Extensive areas are designated as National Park (the Lake District, part of the Yorkshire Dales) or Area of Outstanding Natural Beauty (North Pennines, Solway Coast, Arnside and Silverdale). The striking topography, lakes, coastline and other natural features form the basis of the exceptional scenery. The pattern of land use and settlement, particularly that associated with traditional hill farming systems, and the historic and literary connections provide additional depth, colour and interest and give the landscape its special character. Landscapes such as the Lake District act as a magnet for visitors and need to be protected from excessive pressures.

The narrow industrial base and consequent vulnerability of Cumbria’s rural economy is addressed in the key forward planning and economic development strategies for the County. The County Structure Plan - published in 1995 and currently under review - anticipated that employment in agriculture would continue to fall, and that farm incomes, so heavily reliant on subsidies, would be exposed to the progressive reform of the CAP. The ever increasing dependence on tourism was also registered. A creative response was believed to be needed to secure the necessary diversification of employment opportunities, but this might challenge traditional planning policies.
Table 2.2: Cumbria: Tourism Volume and Value

<table>
<thead>
<tr>
<th>Year</th>
<th>UK Residents</th>
<th></th>
<th></th>
<th>Overseas Residents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trips (m)</td>
<td>Spend (£m)</td>
<td>Trips (m)</td>
<td>Spend (£m)</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>2.5</td>
<td>280</td>
<td>0.25</td>
<td>42</td>
<td></td>
</tr>
<tr>
<td>1991</td>
<td>2.7</td>
<td>330</td>
<td>0.22</td>
<td>34</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>2.6</td>
<td>330</td>
<td>0.32</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>2.5</td>
<td>350</td>
<td>0.26</td>
<td>52</td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td>2.9</td>
<td>425</td>
<td>0.30</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>3.3</td>
<td>410</td>
<td>0.30</td>
<td>53</td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>3.0</td>
<td>375</td>
<td>0.29</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>3.1</td>
<td>405</td>
<td>0.31</td>
<td>63</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>2.9</td>
<td>380</td>
<td>0.29</td>
<td>49</td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>3.6</td>
<td>536</td>
<td>0.24</td>
<td>64</td>
<td></td>
</tr>
</tbody>
</table>

Source: Cumbria Tourist Board Facts of Tourism

The Regional Economic Strategy for the North West contains very similar messages. Severe impacts on jobs, businesses, communities and the countryside are forecast as a result of future changes to the CAP and new world trade agreements. The Strategy calls for a more creative marriage between enterprise and enhancement of the countryside. Tourism is expected to provide the greatest prospects for growth. Opportunities for locating ICT-based businesses in rural areas, providing high quality small business premises for new entrepreneurs or companies with growth potential and adding value to farm products are also highlighted as possible ways forward.
2.2 Foot and Mouth Disease in Cumbria

The outbreak of FMD in the UK was confirmed on 20\textsuperscript{th} February following diagnosis of cattle and pigs with the disease at an abattoir in Essex. The primary

Figure 2.5: Infected Premises in the North of England
source is believed to be a pig unit at Heddon on the Wall in Northumberland. MAFF (now DEFRA) banned the movement of farm animals on the 23rd February. However, it would appear that the virus had already spread by airborne plume to several farms in the Heddon area and that infected sheep from one of these farms had been sent to Hexham market some 10 days earlier, where they came into contact with other livestock. These sheep were subsequently transported on to Longtown market in Cumbria and then widely dispersed across the country. In consequence, Cumbria became the epicentre of the disease (Figure 2.5).

A number of significant changes to the structure and organisation of the livestock industry and its supply chains are believed to have resulted in the 2001 outbreak of FMD having a much wider geographic spread than the last major outbreak in 1967. Sheep and beef production is now more intensive. Farm sizes and stock numbers have grown considerably. There are fewer and more centralised livestock markets and slaughterhouses. Sheep in particular are traded by dealers, sometimes involving several movements between livestock markets in quick succession. Sheep movements played a major role in the spread of the disease. It has been estimated by DEFRA\(^7\) that the overall number of sheep moved after the disease entered the country and before the ban on livestock movements came into effect may well have exceeded 2 million. Many of these movements can be traced back to Longtown which unwittingly acted as a focal point in the spread of the disease.

The disease took a firm grip on Cumbria. Starting at the end of February there was a rapid acceleration in the number of confirmed cases (Figure

\(^7\) Comparing the 1967-8 and the 2001 Foot and Mouth Epidemics. MAFF web page
2.6). This reached a peak of 140 farm holdings in the week commencing March 26th before decreasing sharply to the end of April. However, between May and August the number of newly confirmed cases remained doggedly persistent at between 10 and 15 each week, before finally subsiding in September. In the initial three months of the outbreak there was a heavy concentration of cases in the farming areas around Carlisle, Wigton and Penrith where there is a significant proportion of dairying units. By June the Carlisle and Wigton areas had become virtually free of the disease, but throughout June, July and August cases continued to be confirmed around Penrith together with additional concentrations in the Appleby and Kirby Stephen areas. The Lake District National Park with its extensive hill sheep flocks avoided the worst effects of the disease, although for a large part of the summer the fells were placed out of bounds to walkers. The last confirmed case of FMD in the County was on September 30th.
There are a number of reasons why Foot and Mouth took such a hold in Cumbria and proved so difficult to bring under control. Of utmost significance is the fact that farming in Cumbria is very much livestock based, with over 92% of farms having livestock. The pre-FMD population of 0.5 million cattle and 2.8 million sheep produced the second highest stocking rate in the country. The practice of agistment of parts of hill flocks - the process by which livestock is temporarily grazed or reared on another farm in return for payment - is also prominent. Agisted sheep are typically managed quite extensively over host farms and therefore served as disease conduits between farms holding otherwise only isolated housed cattle populations at the time of the outbreak. Half of the farmers surveyed were involved in informal swapping or sharing of machinery, labour or stock which may inadvertently have facilitated the
spread of the disease. Market and trade patterns have also been significant. The County is home to very large sheep markets and the practice of some markets to hold livestock for a number of days pre and post sale for clients is likely to have exacerbated disease transfer. The fact that a large proportion of the trade in stock occurs outside the ring made it very difficult to trace the whereabouts of potentially infected animals. Finally, livestock movements are particularly frequent within the region. This includes repeated and short-term trading by dealers of both store and fat stock in between markets, in order to benefit from geographical price advantages and fluctuations. There is also the practice by lowland farms of utilising surplus winter grass by either hosting agistment stock or buying in store lambs for fattening.

2.3 Institutional Response to FMD

The Government pursued a policy of slaughter on infected farms and neighbouring farms and of stock judged to be at risk of spreading the disease. An alternative policy option of vaccination remained under active consideration but was not implemented. A ban on meat and live animal exports was imposed almost immediately on 21\textsuperscript{st} February. Two days later, on 23\textsuperscript{rd} February, restrictions on the movement of animals were introduced. A total ban on livestock movement was in place for ten days. From early March, the transport of some animals to slaughter was permitted, but only under licence. One week into the crisis, on 27\textsuperscript{th} February, local authorities were given additional powers to close public rights of way. Public access to the whole of the UK countryside was effectively terminated whilst the disease was brought under control. Access was progressively re-instated in different areas as and when the risk of outbreak was considered to be minimal but also partly as a
response to pressure from other rural businesses, particularly in the tourism sector, which were experiencing severe financial hardship. Notwithstanding these control and precautionary measures, FMD proved extremely difficult to eradicate, and in addition to the continuation of cases in Cumbria, sporadic late outbreaks also occurred elsewhere in the country such as Settle and Northallerton in North Yorkshire, the Brecon Beacons in South Wales and Hexham in Northumberland.

The management of the disease outbreak posed challenges for various institutions. MAFF was the lead Government Ministry responsible for controlling the disease. However, MAFF's State Veterinary Service was greatly overstretched. During March, as the number of cases soared, pressure grew for a strengthened institutional response, and for additional vets to be brought in. A team of epidemiological scientists from Imperial College London produced a model of the outbreak which pointed to the time taken from diagnosis to culling as the crucial determinant of the disease's spread. On 22nd March the Prime Minister became more centrally involved in managing the effort to control the disease, and established the Government's crisis-management committee "Cobra", based in the Cabinet Office, in a co-ordinating role. The Government's Chief Scientist, Professor David King, took on a more central role in advising Cobra. At the same time, army personnel were deployed to manage the slaughter and disposal programme.

Three weeks into the outbreak a Rural Task Force was set up by the Government to “consider the implications of the outbreak of FMD for the rural economy, both immediately and in the longer term and to report to the Prime Minister on appropriate measures.” The Task Force brought
together relevant government departments and agencies as well as representatives of the NFU, National Trust, British Hospitality Association and a range of other organisations with an interest in the rural economy. The Task Force first met on 14\textsuperscript{th} March and held its last meeting on 14\textsuperscript{th} November.

Towards the end of the outbreak, Lord Haskins was asked by the Prime Minister to examine and report back on the particular problems encountered by the Cumbrian economy as a result of FMD. His report\textsuperscript{8} and that of the Task Force were both published in mid October and are summarised and commented on in the conclusions.

The short-term measures introduced to assist rural businesses and communities affected by FMD included:

- deferral of VAT, tax and National Insurance contributions administered by Customs and Excise and Inland Revenue;

- hardship relief and deferral of domestic rates, administered by local authorities, with specific provision of rate relief of 50\% for village shops and pubs, post offices, garages and diversified enterprises on farms;

- free consultancy advice to farms from the Farm Business Advice Service administered by DEFRA/Business Link;

- a Rural Stress Action Plan for rural communities under which voluntary bodies offering support services received match Government funding administered by the Countryside Agency;

\textsuperscript{8} \textit{Rural Recovery after Foot and Mouth}, C.Haskins, October 2001.
• A fund to help get Rights of Way reopened operated by the Countryside Agency.

A Business Recovery Fund was allocated to the regional development agencies. In the North West it has been managed through a Business Recovery Plan using local partners to deliver emergency aid to those sectors and businesses in need of assistance. This focussed on the following forms of support:

• funding to Business Link to enable emergency survival advice to be provided to businesses;
• funding to Business Link and Tourist Boards to allow direct assistance for businesses that had undergone a survival assessment or had a viable marketing plan in place;
• funding to Tourist Boards to support additional marketing activity aimed at encouraging visitors back to the countryside;
• funding to County Councils to support a range of additional regeneration projects to assist the rural economy and rural communities.

The first phase of funding to support the Business Recovery Plan totalled £12m (Government grant £11m, NWDA £1m). A second tranche of funding was announced in October 2001 totalling £14.7m (Government grant £7m, NWDA £7.7m). Of this £22.8m was channelled to support Cumbrian businesses. £4m was also added from the European Regional Development Fund.
Private and voluntary sector initiatives have operated alongside the public sector schemes. The Federation of Small Businesses, for example, established an emergency hardship fund for its members offering short-term interest-free loans. The Cumbria Tourist Board set up a Fighting Fund for tourism businesses in difficulty. The Cumbria Community Foundation has operated a Community Recovery Fund offering grants to individuals experiencing significant financial hardship and to voluntary and community groups either to assist people whose mental or physical health has been affected by the crisis or to address the regeneration needs of communities in Cumbria.

At the local level and looking to the medium-term, a Task Force established and co-ordinated by Cumbria County Council made out a detailed case for a Cumbria Rural Action Zone involving a projected programme of expenditure of £80m over 5 years. The proposal is for a co-ordinated set of actions to assist not only the recovery but also a fundamental strengthening of the rural economy embracing farm and agri-business renewal, regeneration of tourism and re-building communities. A parallel proposal coordinated by the Lake District National Park Authority calls for Cumbria to be the subject of a pilot to take forward the recommendations of the Task Force for the Hills report which was a Government promoted review of the future for Less Favoured Areas.

---

9 *A Proposal for a Cumbria Rural Action Zone, Draft Strategy, Cumbria FMD Task Force.*
11 *Task Force for the Hills March 2001.*
The proposal for a Cumbria Rural Action Zone is set within the framework of the Regional Rural Recovery Plan drawn up under the auspices of the NWDA\textsuperscript{12}. The Plan aims to reinvigorate the rural economy of the north west in the medium to longer-term, including broadening the economic base of rural areas, strengthening tourism, assisting the restructuring of agriculture, the development of rural skills, the promotion of countryside products, environmental enhancement and community regeneration.

3 THE CONDUCT OF THE FOOT AND MOUTH CRISIS IN CUMBRIA

Andrew Donaldson

3.1 Introduction

In this chapter we present a record of the conduct of the Foot and Mouth crisis in Cumbria. Alongside a time line of key events, it records (in boxes) important actions and pronouncements by organisations that played a central part in the conduct of the crisis to show the steps they were taking and the messages they were sending out at the time. It also gives snippets from the press coverage of FMD in Cumbria - mainly The Cumberland News and the Cumberland and Westmorland Herald (hereafter the Herald) - to reflect local opinions, perceptions and reactions to the crisis as it unfolded.

3.2 The Start of the Outbreak in the UK (late February)

On the 19th February a suspected case of Foot and Mouth was reported in pigs at an abattoir in Essex and was confirmed the following day. Within three days FMD had been found in counties as far afield as Tyne and Wear and Devon.

- A national ban on meat and live animal exports (21/02/01)
- The public urged to ‘postpone unnecessary visits which might bring them into contact with livestock farms’ (MAFF 22/02/01 News Release)
- ‘Livestock movements in Great Britain suspended’ (MAFF 23/02/01 News Release)
- ‘anyone who has been planning to visit the countryside has been asked to stay away’ (Association of National Park Authorities 23/02/01 News Release)
- ‘Visitors Urged to Cancel Trips to the Countryside’ (Lake District National Park Authority - LDNPA - 23/02/01 News Release)
- The Lake District National Park introduces a voluntary ban on the use of footpaths (24/02/01)
The front page of the Herald (24/02/01) carried the following leader line:

Cumbrian farmers ‘facing financial ruin’ in wake of Foot and Mouth crisis

The story predicted hardship ahead through reduced livestock sales as a result of the export ban.

3.3 The Disease Hits Cumbria (end of February/early March)

Cumbria’s first case was confirmed on the 28th February at Longtown near Carlisle. Several more cases closely followed. By 5th March there were 9 confirmed cases. Land within a 10 km radius of a confirmed case was declared an infected area and farms included were subject to livestock movement bans.

- Orders come into force allowing local authorities to close footpaths (27/02/01)
- ‘County council closes footpaths and public rights of way’ (Cumbria County Council 28/02/01 News Release)
- ‘Unless your visit is essential, do not visit the Lake District. If you must come, please keep to tarmac and confine your visit to towns and villages’ (LDNPA, 28/02/01 Bulletin)
- The LDNPA, the National Trust, North West Water and the Forestry Commission close their car parks (26-28/02/01)

The Herald of March 3rd reported the first local case - confirmed March 1st - in Eden District:
Heartbreak for Tirril farming family

**TRAGEDY AS FOOT AND MOUTH IS CONFIRMED IN EDEN**

The worst fears of farmers in the Eden Valley were realised on Thursday afternoon when it was confirmed that livestock at John and Allan Errington's farm at Stockbridge Hall, Tirril, were suffering from foot and mouth disease and would have to be slaughtered.

A neighbouring farmer summed up the local sense of apprehension, saying he had a "black feeling" in the pit of his stomach. Also present in the March 3rd edition of the Herald was an article that hinted at the tensions which would arise between the needs of tourism and the needs of farming in Cumbria:

Tourist information centre staff are being subjected to abuse by disgruntled holidaymakers annoyed at advice to keep out of the countryside because of the foot and mouth crisis...[An Eden Council Officer] said: "We need to find a balance that minimises the impact. Alongside agriculture, which is the most severely affected, tourism is one of the key areas affected by this."...[An Eden Councillor] said: "I wish to express my regret that our staff have been subjected to abuse which, to us, is for something that is common sense. It is for the welfare and livelihood of the farming community and those that depend on the farming community. People should think again about how important their leisure is."... Concern about the impact the foot and mouth crisis will have on tourism has been expressed by many people.
3.4 Tourism Fears (first half of March)

By March 7th there were 14 confirmed cases in Cumbria and by March 9th 28 cases (including the first one within the Lake District National Park, arousing anxiety over the future of the Herdwick sheep). The consequences of visitors staying away for tourism businesses and the rural economy began to cause concern locally and nationally.

- ‘Visitors can still come to Cumbria on holiday’ (Cumbria Tourist Board - CTB - 06/03/01, information sent to members)
- ‘The Lake District is not closed. But if visitors come, they must keep away from the countryside and stay in the towns and villages’ (LDNPA, 08/03/01, Bulletin)
- ‘The National Park is open … there is a Cumbria-wide ban on the use of public footpaths and bridleways … stay on tarmac and … in villages and visitor attractions’ (LDNPA, 08/03/01, TIC information sheet)
- ‘Government funding needed to rescue Cumbrian economy’ (LDNPA/National Trust/CTB, 09/03/01, News Release)
- YHA temporarily closes hostels (YHA, 12/03/01, News Release)
- Rural Task Force set up by Government (14/03/01)
- ‘Cumbria’s tourism industry has set up a fighting fund to help rebuild the industry after the Foot and Mouth crisis’ (CTB, 16/03/01, News Release).

The BBC reported on the effects of F&M on the tourism industry, in particular in Cumbria. It included a quote from a local hotelier Howard Christie, “I don’t have confidence in the Government, the Ministry or the National Parks to run any kind of risk management” (BBC, 09/03/01, website)

The national press began to feature articles expressing a backlash against farming:

Now our tourist industry faces ruin. All because of farming. (Observer, March 11th);
Farmers flout rules as foot and mouth spreads (Sunday Times, March 11th);

Disaster for tourism as losses far outstrip those of meat industry (Independent on Sunday, March 11th).

The Independent article stated that, although nationally farmers were losing £10m a week, Cumbria alone was losing the equivalent amount in tourism revenue. The Guardian (March 14th) referred to Cumbrian tourism losing 350 jobs every week. The report also drew attention to the confusing messages coming from the LDNPA, on the one hand urging visitors to stay away but, on the other hand, declaring the Lake District to be open. It referred to criticism of the LDNPA’s stance by the Chief Executive of the Cumbria Tourist Board.

3.5 Intensification of the Cull (mid - late March)

With the spread of the disease seemingly out of control, steps were taken to speed up and extend the scope of the cull, and the army was brought in to manage the slaughter and disposal of the animals. On

- The County Council sets up a Cumbria FMD Taskforce, first meeting was 19/03/01.
- ‘County-wide Foot and Mouth Disease Hardship Fund Announced’ (Cumbria Community Foundation, 23/03/01, News Release)
- The Fell Flocks Group formed as an informal grouping bringing together a number of organisations with an interest in the preservation of fell farming including the LDNPA, the National Trust, English Nature, North West Water and the Farming and Rural Conservation Agency (29/03/01)

March 20th there were 120 confirmed cases in the county, but by March 26th the figure was 227 cases. Concern grew over the future of traditional
and rare fell flocks. By now, most of Cumbria, including practically all of the Lake District, had been declared an infected area.

The Herald of March 17th was critical of the decision to extend the cull:

The diktat of one man, shortly after lunchtime on Thursday, floored the community across a vast tract of Eden. Agriculture Minister Nick Brown announced the killing of all cows and calves, sheep and lambs within 3km of every foot and mouth outbreak – and in a stroke threw hundreds and hundreds of country people into abject despair.

Under the line “OUTRAGE AT SLAUGHTER RULING” the Herald reported that practice vets in Cumbria were refusing to participate in such a cull of healthy animals.

The 'outrage' expressed locally at the contiguous cull policy made the national press. According to the Observer (March 18th): “Militant farmers plot rural revolt as the slaughter begins”. MAFF was discussing the use of police to escort slaughtermen onto farms to complete the cull. The army was standing by, and MI5 and Special Branch had prepared a preliminary assessment of the situation's implications for national security. The Chief Vet was to visit Cumbria the following day to explain to angry farmers and vets why he advised Nick Brown to order the cull. The government now faced either using police escorts to gain access to farms, adding to the sense of national crisis and further damaging the country’s image overseas, or allowing the farmers the upper hand, meaning that the contain and destroy policy had failed. The Observer investigations had found that, two weeks after the movement ban, farmers were illegally moving livestock. Some farmers were being
investigated for deliberately spreading Foot and Mouth disease. On the same day, The Independent on Sunday reported that Police and officials in the Lake District National Park were investigating allegations that some farmers were planning to illegally move their sheep into the National Park to avoid the cull. It was feared that such action could place the National Park's Herdwick flocks at risk.

On March 23rd The Guardian reported on Tony Blair’s visit to Cumbria to meet with representatives of farming, tourism, vets, local councils and the army. The story was titled: “Blair forced to run gauntlet of rural wrath”. According to the paper, Blair refused to acknowledge a crowd of protesters who shouted: “You’re a coward, you don’t give a shite about the North”.

On March 27th The Guardian, reporting on the cull policy in action, ran with the headline: “The killing fields of Cumbria”. An auctioneer from Borderway Mart in Cumbria, speaking about the state of farming before FMD highlighted a particular aspect of the crisis:

It is unbelievably serious in the rural community and I don't think people properly appreciate it. It's no longer a north/south divide we have in this country, it's a rural/urban divide.

With the number of confirmed cases of FMD in Cumbria at over 100 a week, the local press gave an unqualified welcome to the arrival of the army on the scene. The front page of the Cumberland News for April 6th was dominated by a picture of Brigadier Alex Birtwhistle. An inside article portrayed the Army as the:
If Hollywood was casting an army hero, it could do worse than base him on Brigadier Alex Birtwhistle. A towering man with a craggy face, there is something about the brigadier which inspires utter and immediate confidence. Cumbria breathed a huge sigh of relief when the Brigadier first strode on to our turf; it was as if the cavalry had arrived at last.

3.6 Efforts to Reopen the Countryside (end of March - mid April)

With Easter approaching, pressure mounted for a partial reopening of the countryside. This led to tensions between organisations, with different views on the feasibility or desirability of such a course of action and the risks that it might pose. The result was considerable confusion. There was strong disagreement over the risks posed by public access to the countryside whether on rights of way or across the open fells. While government backed by tourism interests pressed for selective lifting of blanket access restrictions, farming interests resisted such a move. A particular point of contention in Cumbria related to the promotion of so-called ‘tarmac tourism’, i.e. the encouragement of people to visit towns and villages and to drive and cycle by road through the countryside. The difficulty was what position to take over the many minor roads that crossed the fells and were unfenced, and over which animals freely wandered.
But, even weeks into the crisis, there is still confusion over whether parts of the county are really 'open for business' – and the situation has not been helped by the appearance of signs on major routes advising motorists to stay off rural roads. … [T]he
signs policy in particular seems to send out a confusing message. … It is right to keep people away from areas which are already infected, but this has to be balanced against the needs of tourism businesses in infection-free locations.

A fuller article in the same issue had a leader line quoting an hotelier from Watermillock: “ROAD SIGNS ‘DAGGER IN BACK FOR TOURISM’”. Cumbria County Council was reported to have said that the signs:

were absolutely necessary in areas of the county which already had infection and three kilometer culling zones. However, in areas currently infection free, although such signs are desirable to prevent further spread, there is a case for balancing this with the pleas of the hard-hit tourism industry for an 'open for business' image. A group has therefore offered to review signage policy in infection-free areas as a matter of urgency. Some signs will be removed entirely, others relocated and the wording changed to be more tourist friendly.

The tensions between tourism and farming were referred to in a letter appearing in the same week's edition of the Cumberland News. The letter defended the tourist board's efforts to revive tourism in Cumbria, against criticism made in an earlier letter that had denounced such efforts as “mercenary”, with the comment

Spiteful, unwarranted attacks on tourism and “voices outwith farming” are not helpful. [We] are in this mess together.
3.7 **Opposition to the Disease Control Strategy (mid - late April)**

The rate of spread of the disease began to fall in April as the contiguous culling policy began to bite. However, the scale and consequences of the slaughter themselves generated misgivings. With the number of new cases still running at over 70 a week in mid-April, people began to question the wisdom of a strategy which seemed might succeed only by denuding much of Cumbria of most of its livestock.

- The Chairman of the Countryside Agency writes to Nick Brown, Minister of Agriculture, calling for measures to protect the Herdwick sheep in the Lake District, including a vaccination policy (CA, E Cameron, 02/04/01, letter)
- MAFF allocates a vet from the Royal Veterinary College to the Cumbria FMD Taskforce to look specifically at the protection of hefted flocks (LDNPA, 10/04/01, Bulletin)
- MAFF publishes the consultation paper ‘Proposals for protection of rare breeds and hefted sheep in England and Wales’ on their website on 19/04/01
- Nick Brown, Minister of Agriculture, announces the implementation of the proposals concerning rare breeds and hefted sheep (from 19/04/01) on 26/04/01
- ‘Exemptions for ‘rare’ breeds of sheep … and hefted sheep’ (from contiguous cull policy) (MAFF, 03/05/01,

The following is an extract from a letter that appeared in the **Herald** on April 7th:

How can we ever forgive the Government?

My Christian beliefs stop me from saying I will never forgive the Government, but I will find it difficult to ever forgive for the mental torture and heartbreak that the people of Cumbria have had to endure over the past few weeks.

Other letters appeared in the Herald over the following two weeks echoing such sentiments:
Over the past month we've seen the beautiful Vale of Eden transformed into the Valley of the Shadow of Death. As the funeral pyres die down and the smoke clears it is possible to see the foot and mouth crisis for what it is – economic suicide, moral bankruptcy and doubtful science. (April 14th)

It has become very clear to all those not involved in farming, and to many of those who are, that the foot and mouth mass slaughter policy now being pursued in Cumbria is quite simply insane. (April 21st)

Not only is it economic suicide, but it is morally evil, too. (April 21st)

The Cumberland News of April 20th carried a front-page headline that indicated a new turn in the general debate on FMD and the outcome Cumbria desired: “Desperate Cumbria pleads with Blair to vaccinate now”. Four photographs were featured of key protagonists in the vaccination debate: two from a national perspective, two from a Cumbrian perspective.

- Former Cumbria NFU chairman John Findlay commented: “Vaccination may be the only chance to save any of North Cumbria's livestock. We have been left to rot. We are the sacrificial lamb.”

- Ben Gill, NFU President maintained: “The battle against foot and mouth is being won - that's clear from the reduction in outbreaks...”
• Nick Utting, Cumbria NFU: “We are getting on top of it in Cumbria. The majority of farmers who ring me do not want vaccination”.

• Chief Scientist David King: “The epidemic is now fully under control and the number of Cumbrian cases is dropping faster than we predicted”.

Further stories in the same issue compounded the impression given by the front page story of Cumbrian farmers at odds with national strategy. The lines “Rebel farmers’ fury at Maff” and “What was voluntary about this cull?” headed an article responding to MAFF’s announcement that animals not given over for the ‘voluntary’ 3km slaughter would be classed as “dangerous contacts” and shot on the farms.

A double page spread proclaimed: “Vaccination: The life or death question” over an article consisting largely of an interview with Cumbrian hill farmer, Will Cockbain. He had this to say in summary of the measures employed to control FMD in Cumbria:

The epidemiological forecasts for north Cumbria under the cull are 70 to 99 percent wipe out. I think Cumbria has already paid too high a price. If you have a disease control measure to protect livestock that rids the county of livestock you have to ask how effective it is.

Further support, if needed, for vaccination came on the letters page under the heading “We're not all in the NFU - so go ahead and vaccinate now!”: 
While the NFU may claim that they speak, or, indeed act, for farmers, (including the majority of smaller ones, who have either resigned or have never joined) the truth is that they predominantly represent the interests of the agri-businesses and the large-scale producers, who, by reason of both greater financial reserves and borrowing power, are better able to survive the current crisis and would even ultimately benefit from the elimination of individual family farms.

3.8 Cases Declining: Pressures build to Reopen the Fells (May - early June)

Tony Blair declared the disease had been beaten and called the general election for June 7th. There were considerable pressures to return to something like normality in rural areas affected by FMD.

By mid May the number of new confirmed cases of FMD in Cumbria averaged 15 per week. On May 18th the Cumberland News entered into coverage of the general election with a full-page article titled “The rural rethink”:

> With the general election campaign already a week old, national party leaders have been almost as quiet on rural issues as the miles of Cumbrian farmland left empty by foot and mouth. While all parties accept that the crisis has shown the need to help and reform the farming industry, it has been pushed to the sidelines as a UK-wide election issue. …[I]n Cumbria, where the effects of the crisis will long outlive any debate about dirty tricks and spin, local candidates know they must give the powerful rural lobby some reason for optimism.

The Herald maintained its coverage of the frictions between tourism and farming, printing a story on May 19th that highlighted the latest turn this issue had taken “A plea to the Ministry of Agriculture for an immediate overturn of its policy governing the Lake District has been made by Steve Mitchell, principal of Howtown Outdoor Centre, Ullswater.”:
You decided that the hill farmers could either keep in place or return their sheep to the fells. That wrong decision in essence severed the life blood of the tourist and outdoor education industry. If you had said to the hill farmers of the Lake District that they had to move their sheep to the valley fields and keep them there under close supervision then the Lake District would now be open. … [T]hese sheep only survive on subsidies at the best of times. … Do not be influenced by people who prioritise sheep over the survival of the whole Lake District.

- Government announces a new package of support to help local authorities to accelerate the opening of public rights of way (DETR, 25/04/01, News Release)
- ‘Be careful, yes. But visit, yes. The countryside is open for business - and for pleasure’. (10 Downing Street, Prime Minister, 03/05/01, website)
- Cumbria Alliance plans a trespass on the fells called ‘going for a walk’ on the fells’ for 03/05/01. It is later cancelled. (Cumbria Alliance, undated flyer, May)
- A joint statement by LDNPA, NT and NFU was issued condemning the mass trespass planned by the Cumbria Alliance (LDNPA/NT/NFU, 01/05/01, News Release)
- ‘as regards the opening of the High Fells … I hope that soon we will be able to welcome back walkers and climbers’ (Cumbrian FMD Taskforce, S. Young, 22/05/01, News Release)
- Government issues advice on opening rights of way, Cumbria is encouraged to put in place extra precautions such as controlled access points with disinfecting facilities. (DEFRA, 23/05/01, website)
- Government publishes new guidance on access to the countryside including a ‘Code for use on open public rights of way/access land in infected areas’ (MAFF, 23/05/01, Information Bulletin)
- ‘Saturday the 9th June will see the re-opening of some footpaths on the majority of High Fells within the Lake District National Park’ (Cumbria County Council, 25/05/01, News Release)
- Sir Chris Bonnington fronts the fell opening on June 9th (LDNPA, 08/06/01, Bulletin)
On May 25th the Cumberland News carried a front-page story headlined “Where's the help you promised, Mr Blair?”:

Business leaders in Cumbria say thousands of jobs are at risk because Government aid to combat foot and mouth has failed to materialise.

On June 9th, in the Herald the Rev. Rosie Radcliffe, of Lowther Newtown, wrote about the suffering that she had witnessed, in an article entitled “A COMMUNITY IN MOURNING”:

The real cost of this tragedy does not lie in the facts and figures about how many millions agriculture and tourism have lost, but in the pain of human beings who have been, and still are, facing the unthinkable and living through the unbearable. … If you mention the word “bereavement” most people think of the loss of a family member, but its also to do with grief, shock and pain in response to any kind of loss. Such feelings have been characteristic of the way foot and mouth has affected the whole community. … We are a community in mourning thanks to the virus which has devastated our county. … Jobs have been lost, business income, a whole way of life; the fields are empty, the tourists aren't coming. It's right and normal that we should grieve for all these losses…

3.9 The Lingering Disease (mid June - end of September)

Sporadic cases of FMD appeared throughout the summer. The re-emergence of FMD in several hot-spots prompted tough talk of biosecurity from the re-elected Government.

In the same week that the Herald (July 14th) asked the question “End of the line for family run farms?” the Cumberland News (July 13th) had occasion to celebrate with a front-page story proclaiming itself as the
“best regional paper in UK”. This accolade was awarded by the Press Gazette for the paper’s “Authoritative coverage of foot and mouth”. One of the members of the selection panel spoke of his relatives in Cumbria, claiming that during the FMD crisis the Cumberland News had been “the only source of information they could trust”.

On July 20th the Cumberland News returned to printing articles critical of Government activity in Cumbria under headlines such as “Forgotten valley where Maff declined to stay”:

An Ainstable hotelier says the Eden Valley should now be called the “forgotten valley”. Sandra Molyneux, proprietor of the Heather Glen Country Hotel, claims that during the foot and mouth crisis, Maff - now the Department for the Environment, Food and Rural Affairs - ignored family-run rural hotels. …“We had no business whatever from Maff, even though there were people working all around us,” said Mrs Molyneux. “Instead they were sending people miles to hotels in Penrith and Carlisle.” … A Defra spokesman said: “We try to match people with places but we can't please everybody.”
The last week of July saw a slight increase in the number of confirmed cases in Cumbria and the Prime Minister making a visit to the Rheghed Discovery Centre in Cumbria. The front-page stories of both the Cumberland News and the Herald focused on the frosty local reception for the head of an administration that was seen to have failed Cumbria:

Blair sails into the storm (Cumberland News, July 27th)

JEERS AND INSULTS GREET TONY BLAIR IN EDEN
(Herald, July 28th)
Some of the national press, though - including The Guardian (July 30th) - reported that DEFRA blamed the continuation of the epidemic on farmers in certain areas, including parts of Cumbria, ignoring bio-security measures.


The months following the last case of FMD in Cumbria (and nationally) saw the progressive lifting of restrictions. The process of rural recovery began amidst debate over the lessons to be learned from the crisis.

- Lord Haskins’ report ‘Rural Recovery after Foot-and-Mouth Disease’ published (18/10/01)
- ‘County Council Leader Rex Toft has written to the Prime Minister requesting a meeting to push Cumbria’s case for improved funding support in the light of the Foot and Mouth Crisis’ (Cumbria County Council, 30/10/01, News Release)
- ‘75% of public rights of way in the Lake District are now open (LDNPA, 02/10/01, Bulletin)
- internal restrictions on livestock movements lifted from most of the County (9/11/01), and finally removed from an area around Penrith (29/11/01)
- Cumbria declared Foot and Mouth free (01/01/02)

Lord Haskins’ report was hailed by the Cumbrian paper, the News and Star (October 18th) as the “FIRST STEP ON ROAD TO RECOVERY”:

Cumbria should be pleased to hear Lord Haskins today call for immediate financial aid for the county. And his support for a rural action zone is also a welcome step on our recovery from the horrors of foot and mouth. Yes, we wanted more money, but the important thing is to use the Haskins report as a springboard for action.
The County Council had sought £130 million of aid from the Government. Lord Haskins had called for £40 million of Government help nationwide, but the Government responded with a commitment of £24 million. The Cumberland News reported “CUMBRIA KICKED IN THE TEETH”:

FURY erupted yesterday as the Government slashed a £20 million Cumbria foot and mouth aid package proposed by its own rural recovery tsar. Rural Affairs Secretary Margaret Beckett waited just two hours after Lord Haskins unveiled his eagerly-awaited report before slapping down one of its key recommendations. … Lord Haskins told The Cumberland News yesterday he had always known the Government was not duty-bound to accept his findings. He added: “It is very difficult to identify those rural businesses that are really suffering when others are doing rather well. What you have to do is support those businesses who through no fault of their own are in trouble.” County council leader and Cumbria foot and mouth task force chairman Rex Toft said Mrs Beckett’s announcement would cast a shadow over the launch today in Penrith of an ambitious county action plan.

Cumbria started 2002 officially free from Foot and Mouth, but the Cumberland News (January 4th) cautioned:

FIRMS STILL HIT HARD BY F&M LEGACY
Cumbria has been declared officially foot and mouth free - but the county's small businesses could take years to recover…

However for others the outlook was positive.

CUMBRIAN farmers finally breathed a sigh of relief this week when the county was declared foot and mouth free. (Cumberland News, January 4th)
WALKERS HAPPY TO BE BACK ON THE FELLS … tourist businesses in the Lake District are forecasting that 2002 could turn out to be a very good year, helping the recovery process. (North West Evening Mail, January 5th, 2002)
4 THE IMPACTS ON FARMING
Jeremy Franks, Charles Scott, Derek Kelsall, Elliot Taylor and David Telford

4.1 Introduction
To gauge the impacts of FMD on the farming economy a survey of farm businesses was conducted. The survey sample was chosen to be representative of the types of farming found in both the Northern Fells Rural Project area and in the wider county of Cumbria. Appendix 1 gives details of the survey design and methodology. A commentary on the main findings of the research is provided here, with reference to the full Cumbria sample. A full set of data is presented in a series of tables in Appendix 1 showing also separate datasets for the Northern Fells.

The fieldwork was conducted in August 2001 at a time when the FMD epidemic was well past its peak but had not yet been stamped out. This placed a number of constraints on the survey team in respect of access to the farms. Face-to-face interviews were conducted with the farmers mainly off the farm to minimise the risk of disease spread. The survey also raised obvious sensitivities with some of the respondents in relation to their immediate memories and experiences of the epidemic and its impacts. These latter aspects are examined more fully in Chapter 6.

4.2 Sample Characteristics
A total of 67 farms were surveyed, 46 of which are located in the Northern Fells parishes. The average farm size (excluding common
grazing rights) was 148 ha with a relatively high proportion of the land (73%) in owner occupation. Some 61% of the land is within the Less Favoured Area\(^{13}\). Most of the farmland is grass used for livestock farming. The main livestock activities are dairy enterprises producing mainly milk with some calves and culled animals; beef herds producing suckler calves, fat cattle and culls; and sheep enterprises producing breeding stock, culls and finished lambs and store lambs for fattening on lowland farms (see Tables A1.1 - A1.3).

### 4.3 The Incidence of FMD and Value of Compensation

Just 14 of the farms were free of foot-and-mouth and had had no livestock culled. The rest had all lost stock. Some 26 had been culled-out as a result of confirmed cases of FMD. The majority of the remaining culls had taken place under the “within 3 km” culling programme. None of the surveyed farmers had entered animals into the welfare disposal scheme. Across the whole sample, some 45,022 animals had been culled - an average of 849 per culled-out farm (Tables A1.4 and A1.5).

Estimates of the compensation due for culled stock were derived from farmer-supplied data on the number of livestock lost and standard valuations from the DEFRA Guide to Valuations\(^{14}\) which provides a range of values for each livestock category. Farmers were also eligible for compensation for compulsory purchase and destruction of feed stocks

---

\(^{13}\) Broken down into 47% severely disadvantaged area and 14% disadvantaged area.

\(^{14}\) DEFRA Guide to Valuations of cattle and sheep on infected premises where animals require immediate slaughter to minimise spread of FMD. The estimates may differ somewhat from the actual compensation farmers received. The valuations given are for livestock categories that do not exactly correspond with the categories used to record culled livestock in the survey and in any event are for guidance only. Moreover, not all farmers received the standard valuations; some would have received more, others less.
and fittings. Estimates of the total compensation lie in the range of £5.7-£8.6 million and average £108,000 - £163,000 for culled out farms (Table A1.6).

### 4.4 Impact of Foot and Mouth on the Finances of Farm Businesses and Households

Table 4.1 summarises the financial status of the surveyed farms for the years 2000-2001 and 2001-2002. On the revenue and income side, the most notable changes are as follows:

- revenue from traditional farming activity is projected to fall by an average of £79,553 or 60% for the Cumbrian sample\(^\text{15}\);

- income from diversified activities is projected to fall by an average of £953 or 17% ;

- income from off-farm employment is projected to fall by an average of £688 or 15% ;

- these reductions have been offset by income for FMD related work in 2001-2002, mainly cleansing and disinfecting farms under contract from DEFRA, estimated to average £11,681.

\(^{15}\) A key element in the reduction in revenues is the projected loss of livestock support payments. It is assumed that a farm on which stock was culled will not be eligible in 2001-2002 to apply for sheep annual premium (SAP), suckler cow premium (SCP), beef special premium (BSP) or extensification payments. It is further assumed that SAP quota has no lease value but that suckler cow quota can be leased out for £45 each. It is also assumed that all farmers will remain entitled to hill farm allowance (HFA) at the same rate as in the year before foot and mouth (i.e. that the need to stock above the lower stocking limit to be eligible for HFA is waived). On this basis it is estimated that livestock support payments to the Cumbrian sample will fall by 64%. However, the assumptions made are conservative and may underestimate revenue on farms where livestock have been culled. A proportion of farms may have started restocking before the deadline for submitting claims for SCP and SAP payments has elapsed (the deadline for these is early December and early February respectively). There may also be a leasing value for SAP quota.
Table 4.1: Changes in Farm Business and Household Income between 2000-1 and 2001-2 (per surveyed farm)

<table>
<thead>
<tr>
<th></th>
<th>Change between 2000-1 and 2001-2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
</tr>
<tr>
<td>Revenue from traditional farming enterprises</td>
<td>-79,553</td>
</tr>
<tr>
<td>Income from diversification</td>
<td>-953</td>
</tr>
<tr>
<td>Foot and mouth related income</td>
<td>+11,681</td>
</tr>
<tr>
<td>Off-farm income of household members</td>
<td>-688</td>
</tr>
<tr>
<td><strong>Total household income and revenues</strong></td>
<td><strong>-69513</strong></td>
</tr>
<tr>
<td>Farm labour costs</td>
<td>-5316</td>
</tr>
<tr>
<td>Recorded non-labour costs</td>
<td>-22357</td>
</tr>
<tr>
<td><strong>Total recorded costs</strong></td>
<td><strong>-27673</strong></td>
</tr>
</tbody>
</table>

Derived from Table A1.7. N=67

On the costs side, the most notable changes are:

- farm labour costs projected to fall by an average of £5,316 or 17%;
- expenditure on recorded non-labour inputs, including feed, fertiliser and medicines, projected to fall by an average of £22,357 or 40%.

All farm types were affected, but upland dairy and LFA cattle and sheep lost the largest proportions of their incomes. However, they also experienced the most marked reduction in input expenditure, particularly on concentrates, veterinary and medicine bills, fertilizer and rental payments (Table A1.8).

Table 4.2 shows the changes in revenues and costs comparing the farms in the sample which had had stock culled with those that had not. On culled farms, total household income is expected to fall on average by £85,330, and costs to fall by £33,814. The overall impact of the disease
and the culling has been to leave the farm households facing an average shortfall of £51,516.

On farms not culled, household income is expected to fall by less, at £9,443, and these farms expect to face an increase in costs of £5,792. Most of the higher costs will be incurred on livestock feed and additional labour. These farms therefore face a shortfall of £15,235.

Table 4.2 : Changes in Revenues and Expenditure between 2000-1 and 2001-2 by FMD Status

<table>
<thead>
<tr>
<th></th>
<th>On surveyed farms with stock culled</th>
<th>On surveyed farms with no stock culled</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>%</td>
</tr>
<tr>
<td>Number of farms in the sample</td>
<td>(53)</td>
<td></td>
</tr>
<tr>
<td>Revenue from traditional farming enterprises</td>
<td>-98,212</td>
<td>-70</td>
</tr>
<tr>
<td>Income from diversification</td>
<td>-1,021</td>
<td>-19</td>
</tr>
<tr>
<td>Foot and mouth related income</td>
<td>+14,748</td>
<td></td>
</tr>
<tr>
<td>Off farm income of household members</td>
<td>-845</td>
<td>-17</td>
</tr>
<tr>
<td>Total household income and revenues</td>
<td>-85,330</td>
<td>-57</td>
</tr>
<tr>
<td>Farm labour costs</td>
<td>-7,007</td>
<td>-21</td>
</tr>
<tr>
<td>Survey recorded non-labour costs</td>
<td>-26,807</td>
<td>-47</td>
</tr>
<tr>
<td><strong>Survey recorded costs</strong></td>
<td><strong>-33,814</strong></td>
<td><strong>-37</strong></td>
</tr>
</tbody>
</table>

Derived from Table A1.9.

Clearly, FMD has had a much more severe impact on the trading revenue of farmers that have been culled out. But these farms have received compensation, while farms on which livestock have not been culled have not received any compensation.
4.5 Impacts on the Rural Economy

Impacts of lower farm production

On the 67 farms it is estimated that the value of production from traditional farming enterprises will fall by 67% from over £7 million to £2.4 million between 2000-1 and 2001-2. The largest losses in output are projected to be 94% for the sheep sector, 67% for the beef sector and 47% for the dairy sector (Table A1.10).

The great bulk of all livestock sales was made through live auctions. Sales of breeding tups are the one exception (being done mainly privately) although this is a relatively small market. In contrast, milk sales are mainly directed through marketing groups with some through private sale (Tables A1.11 and A1.12).

Farmers tend to choose particular markets for particular categories of livestock. Given the major concentration of the surveyed farms in the Northern Fells, there is a bias towards market outlets in the north of the County, where, in fact, the largest livestock markets are located. Most fat lambs were sold at Carlisle and Longtown, with Penrith an important but smaller market. Most ewe lambs were sold at Wigton or Penrith, with a smaller volume sold through Cockermouth. In terms of the total value of production sold, Carlisle was the most important market reflecting its dominance in trading both milk and beef cattle.

During the Foot and Mouth outbreak, the livestock markets were closed. Prior to the outbreak, there were 11 markets selling finished and store
stock in Cumbria. As movement restrictions are lifted and farms restock, livestock trading will resume. Calculations can be made of the drop in volume of trade through the various outlets due to the cull. In 2001-2 the value of output sold off the surveyed farms through, say, Carlisle is likely to fall by 64% (half of what remains being due to continuing milk sales). Market outlets more specifically dependent on cattle sales, such as Penrith and Wigton, are set to lose three-quarters of their traded value, while Longtown with its concentration on sheep sales is set to lose over 90% of its traded value from these farms. Certain outlets may not survive the loss of trade that the crisis and its aftermath have brought. The viability of live auction markets may also be in jeopardy if livestock trading and movements are more tightly regulated following the FMD crisis.

Changes in input use

There is an expected reduction in expenditure on almost all surveyed inputs. The largest percentage decreases are on veterinary and medicine bills (down 55%), purchased forage/feed (47%), fertiliser (45%) and concentrates (44%). Only building and fencing repairs registered an increase. The vast bulk of these inputs (96%) are acquired by farmers from supply firms located within 30 miles of their farms and it is these firms which will suffer most from an overall reduction of about a third on expenditure on agricultural inputs (Table A1.13).

Impacts on farm labour

Labour costs per farm are expected to fall, as a result of FMD, by £5,316 or 17%. Most of this is credited to unpaid family labour. But the figure
also includes a reduction in the use of paid labour by 17%, mainly due to less use of full-time and casual labour. Overall, the fall in paid employment is equivalent to 14 man years which, if mirrored elsewhere, would be equivalent to about 600 full-time jobs across the county (Tables A1.7 and A1.14).

### 4.6 Impacts of FMD on Farm Based Diversification Activity

Before the Foot and Mouth outbreak, some 39 of the farms (58%) had diversified activity, 18 of them with more than one such activity. The average earned per farm was £9,494. The most prominent diversified activities were renting out grassland or buildings, providing self-catering accommodation and contracting (Tables A1.16 and A1.17).

Income from existing diversified sources will fall in 2001-2 by an estimated average of £1600 or 17% per diversified farm. This is partly because the number of diversification activities is expected to fall by a fifth, and partly because the income from some of the remaining activities will be less. In particular, fewer farms have been able to rent out grassland, and income from letting self-catering accommodation is expected to fall by more than a third. On the other hand, revenues from renting out buildings have remained relatively unchanged and average earnings from contracting are expected to increase by £2,200 or 15% (Tables A1.17 and A1.18).

In 2001-2 many farmers gained income through working on disease control activities, often on their own holding. Only farmers whose
livestock had been culled were in a position to earn such payments. These activities were, of course, one-off and this source of revenue will not be available in subsequent years (Table A1.18).

4.7 Impact of FMD on Off-Farm Employment

A total of 34 people had off-farm employment from 26 households.\(^{16}\) The average income for the individuals was £8,897 and for the households was £11,635. The most common forms of employment were farming-related work, retailing and catering, banking and accountancy, nursing and nursery and supply teaching (Tables A1.19 and A1.20).

Ten people expected their off-farm income would fall in 2001-2 and identified FMD as the cause. In addition, and as a direct result of FMD, one person changed jobs and another gave up off-farm employment.

4.8 Future Plans

Farming

It is perhaps remarkable and certainly contrary to opinion and predictions expressed generally in the farming press that 63 farmers said they would continue farming; only one would definitely cease and three were unsure. Of these three, two believed it most likely they would continue and one that they would probably quit farming. Of the two farmers who would or may cease farming, one would retire letting the land to a larger farm and the other would set up a diversified business using the farm land.

\(^{16}\) In considering off-farm employment, the basic social unit was taken as the household rather than the farm. On some farms more than one household was involved in long-term decision making about the farm business. Overall, on the full sample of 67 farms, 85 households were involved.
Only 46% of the farmers though said that they would definitely maintain their existing level of farming activity. As Table 4.3 shows, the rest were divided almost equally between those contemplating scaling down their farmed area and those thinking of expanding. Significantly, the intentions of those looking to scale down were firmer than those looking to expand. The consequences of Foot and Mouth are thus likely to accelerate the process of structural change and concentration in Cumbrian livestock farming.

The effects are likely to be most pronounced in upland farming systems. Most lowland grazing and dairying farmers were intending to return to their previous levels of activity. In contrast, half of those in upland dairying were contemplating scaling down their farmed area. Amongst LFA cattle and sheep farmers there were sizeable minorities interested in either expanding or scaling down their farming (Table A1.24).

Table 4.3 : Farm Business Intentions Post-FMD

<table>
<thead>
<tr>
<th>Maintain existing level of activity</th>
<th>Scale down</th>
<th>Expand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>46%</td>
<td>19%</td>
</tr>
<tr>
<td>Possibly</td>
<td>10%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Details on the likely scale and pace of restocking were obtained from 44 of the farms; others were unsure of how they might proceed. Even for those that were making plans it was evident that these were tentative. From the information supplied it seems that the number of dairy cows could increase modestly whilst the size of beef and sheep herds are expected to fall sharply. The overall effect should be significantly lower
stocking densities. Farmers expect that it will take 3-4 years to build their herds up to these new (albeit lower) stocking levels (Table A1.22). Those respondents who had had hefted flocks anticipated a period of intensive shepherding to re-establish the flocks, with suitable replacements likely to be acquired in small numbers each year, so extending the time taken to reach their target stocking levels.

*Alternatives*

Farmers were asked their intentions regarding alternative cropping and income options and the results are presented in Table 4.4. There is, as might be expected, a considerable degree of uncertainty and caution. Nevertheless, a number of tendencies are evident:

- there is very little interest in growing new crops or converting to organic farming (none of the farms currently have organic accreditation). A handful of farmers, though, are interested in afforestation;

- some 10% of farmers intend to increase their participation in agri-environment schemes, and a further 22% want to explore the possibility (currently 45% of the farms participate in agri-environment schemes, mainly Environmentally Sensitive Area agreements but also Countryside Stewardship and SSSI management agreements - Table A1.15);

- only 1 farmer expressed any definite intention to seek more off-farm income but 18% are possibly interested;

- some 13% of farmers intend to increase their diversification activities and 27% are possibly interested;
interest in these alternative options is highest amongst upland farmers and lowest amongst lowland dairying farmers (Table A1.24).

Fewer than half the farmers had sought external advice as a result of FMD. A third had sought advice about the future of the farming enterprise. Just five farmers had sought advice on diversification whilst none, at the time of the survey, had enquired about off-farm employment. The most common source of advice was an accountant, followed by Business Link and friends or family with specialist knowledge of farming (Table A1.21).

Table 4.4 : Farmers’ Intentions Regarding Alternative Cropping and Income Options Post-FMD

<table>
<thead>
<tr>
<th></th>
<th>Yes</th>
<th>Possibly</th>
</tr>
</thead>
<tbody>
<tr>
<td>More diversification</td>
<td>13%</td>
<td>27%</td>
</tr>
<tr>
<td>Increase participation in agri-environment schemes</td>
<td>10%</td>
<td>22%</td>
</tr>
<tr>
<td>More off-farm income</td>
<td>1%</td>
<td>18%</td>
</tr>
<tr>
<td>Increase forestry area</td>
<td>4%</td>
<td>12%</td>
</tr>
<tr>
<td>Grow new crops</td>
<td>1%</td>
<td>10%</td>
</tr>
<tr>
<td>Go organic</td>
<td>0%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Derived from Table A1.23  N=67

Attitudes towards Diversification and Off-Farm Employment

In addition to questions establishing future farming intentions and plans, farmers were asked about the importance of diversification and off-farm employment and whether their attitudes to these activities had changed following FMD. Some 22% thought diversification would become more appropriate to them and 24% off-farm employment, as a result of FMD.
In many cases, though, this was simply re-emphasising previous outlooks. Most of the farmers who saw diversification now as more appropriate had previously registered that it was already important to their viability pre-FMD. Conversely, of the 42 farmers that had said that diversification had not been of importance to them previously, only 4 had altered their outlook favourably: the rest remained uninterested or unconvinced. By comparison, there was a somewhat greater shift of attitudes towards off-farm employment: 10 out of the 49 farmers, who had said that it had not been of importance to their viability previously, now viewed it as more appropriate (Tables A1.25 and A1.26).

Having considered the appropriateness of diversification and off-farm employment, farmers were asked to indicate their likely future action with respect to both activities. Table 4.5 presents the results categorised as to whether the farm or household already had a diversified enterprise or off-farm employment. This suggests that there will be little change in the overall pattern (compare the row and column totals), with diversification remaining the favoured strategy. By and large, farmers are most likely to seek additional income from the type of source with which they are already familiar (see the diagonal in the Table). Likewise, the great majority of farmers are not considering either a diversified enterprise or off-farm employment if they are not already into it.

Within this overall pattern there are some interesting changes of trajectory amongst sub-groups of farmers. It would seem that for those farmers currently with neither diversified enterprises nor off-farm employment, diversification seems to be the only option some of them are
considering. This may be related to the sorts of advice open to farmers which emphasise on-farm diversification rather than off-farm employment (see p.46). However, amongst those farmers already with diversified enterprises there is some movement in strategic thinking away from diversification and towards off-farm employment. This may in part reflect reassessments of these alternatives in the light of the experience with Foot and Mouth. On the one hand, farmers consider their diversified activity to have been much more vulnerable to disruption due to Foot and Mouth than off-farm employment (Table A1.27). On the other hand, through the clean-up work in which they have been involved, some farmers have come to appreciate some of the advantages of a regular wage packet.

### Table 4.5: On-farm Diversification and Off-farm Employment: Likely Future Strategies Categorised by Current Activities

<table>
<thead>
<tr>
<th>Current activities of the farm household</th>
<th>Likely future strategy after FMD</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Neither</td>
<td>Off-farm employment</td>
</tr>
<tr>
<td>Neither</td>
<td>8</td>
<td>0</td>
</tr>
<tr>
<td>Off-farm employment</td>
<td>0</td>
<td>6</td>
</tr>
<tr>
<td>On-farm diversification</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Both</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13</strong></td>
<td><strong>8</strong></td>
</tr>
</tbody>
</table>

Based on Table A1.28  N=55

### 4.9 Conclusions

The farm survey has quantified in some detail the direct effects of FMD on a sizeable and representative sample of farm businesses in Cumbria. The farming pattern is almost exclusively livestock based and given the extent and intensity of the epidemic in the County the overall financial effects have been considerable. Certain differentials are, nevertheless,
apparent in relation to type of livestock enterprise and whether farms have had their livestock culled or not. The survey also allows some measurement of the consequences for downstream businesses in the rural economy. Finally, and perhaps most importantly, the data provides certain insights into farmers’ attitudes that should be of interest to policy makers as they confront the agricultural issues of post FMD recovery.

The data shows the dramatic loss of income from stock sales and subsidy, experienced on farms where the livestock has been culled. However, costs have also reduced and many farmers have received significant, albeit temporary, financial relief from the disinfection process. Compensation money has been paid which, insofar as nearly all those surveyed intend to continue farming, will be needed for re-stocking. There has been less of a loss of income on the non-culled farms, but their costs have risen.

Because the farms have dramatically reduced their purchases of inputs as well as household expenditure generally then serious knock-on effects will have been experienced by all those businesses providing goods and services to the farming community. The scale of the trade lost by the auction marts is also clear.

The future of livestock farming is now under serious scrutiny and proposals for radical change are being canvassed. The future positive response of the CAP is central to many of the proposals. There is much emphasis on shorter supply chains, value added, transferring support
away from commodity production, payments for wider public goods and farm diversification. Given that many farming incomes are heavily reliant on public subsidies and that there is already a healthy rate of participation in the ESA scheme, it should follow that policy changes will receive a positive response from farmers if accompanied by appropriate financial supports and incentives.

However, the survey also provides evidence of resistance to change as well as much uncertainty. Whilst income from diversification or off-farm employment is important to some it is not for the majority. FMD has changed a few attitudes but there is a solid rump of farmers who simply want to get back to where they were. There is no apparent interest in organic farming, little advantage is taken of Countryside Stewardship, and marketing practices - dairying apart - still revolve around the traditional live auction mart. Farmers also seem somewhat reluctant to turn to the specialist advice services devised for their benefit, although in some respects, such as the possibilities of off-farm employment, those services do not seem to be addressing the emerging needs of farm households.
5 THE IMPACTS ON THE WIDER RURAL ECONOMY OF CUMBRIA

Marian Raley

5.1 Introduction

This Chapter presents a review of studies and data sources that have attempted to quantify the economic impacts of FMD in Cumbria (see Appendix 2). A package of short-term measures to assist businesses to cope with the crisis was introduced and the level of take up provides an important data source. Official unemployment figures have also been analysed. There have been a number of economic impact studies: these have typically involved surveys of businesses and present data on key indicators such as employment and turnover. A number of sectoral organisations have been active in gathering intelligence about the impacts of FMD from their members, most notably the Cumbria Tourist Board. Finally, there has been some attempt at modelling the economic effects of FMD in Cumbria into the future.

The direct impacts of FMD have been felt on farms but the surrounding rural economies have experienced the repercussions from the beginning of the epidemic, as the regional newspaper The Journal reported in its March 1st edition:

Rural shut-down starts to bite throughout economy

In the Cumbrian market town of Alston, an area which has so far seen no cases of foot-and-mouth, a general slowdown has been noticed.
This Chapter concentrates mainly on the non-agricultural economy of Cumbria (the impacts on farm businesses and the agricultural economy are analysed in Chapter 4). It covers in turn the affected businesses and sectors of the local economy, the geography of the impacts, the effects on employment and the effects over time.

5.2 Affected Businesses and Sectors

From the farm business survey (see Chapter 4) we estimate that the loss of revenue to conventional agriculture in Cumbria due to FMD is about £200 million for 2001-2 which is about 40% of all agricultural output for the County for the farming year\(^\text{17}\). Results from the *United Kingdom Tourism Survey* show that in the months from January to June 2001 there were 23% fewer trips to Cumbria than in the corresponding period in 2000, resulting in 22% fewer overnight stops and a 16% reduction in visitor spending (equivalent to £266 million). The shortfall in tourism revenues for the year is likely to be around £400 million.

Throughout the FMD outbreak the Cumbria Business Link network offered advice to local firms and was also able to offer grants to those that could demonstrate they had been adversely affected by FMD. Two significant groups were ineligible: the transport sector and agriculture

---

\(^{17}\) There are two problems in raising the information on mean revenue loss for culled and unculled farms up to the county level. Firstly, we have assumed that each farm business consists of a single holding, whereas in reality some businesses comprise two or more holdings. Secondly, and more crucially, the farm business survey was of ‘main’ holdings of which there are 6620 in Cumbria. There are, though, an additional 3956 ‘minor’ holdings, and DEFRA data on premises impacted by FMD do not distinguish between main and minor holdings. We have therefore assumed that the ratio of main to minor holdings culled out is the same as their relative proportions within the county. It should be borne in mind that earlier studies seem to have mistakenly assumed that the DEFRA statistics on culled farms referred exclusively to main holdings.
(including food processors). Those considering applying for grants were asked to provide relevant background information and this provides an indication of the sectoral impact of the crisis beyond agriculture. So far data has been compiled for 310 firms. These show, not surprisingly, a very high level of enquiries from accommodation providers (46% of the total enquiries), but also substantial proportions from the retail (14%) and catering (11%) sectors (Table 5.1). Almost half of the firms had an annual turnover of less than £150,000 (Table 5.2).

The tourism sector

Two substantial surveys of the effects of FMD on the tourism sector have been carried out, one by telephone and the other by postal questionnaire. Cumbria Economic Intelligence Partnership (CEIP) conducted telephone surveys in April and June. Quota sampling was employed to reflect the industry structure (in terms of location and type of activity), including various accommodation types, visitor attractions, restaurants/pubs/cafés and retail outlets. A summary of the principal results from the CEIP survey is presented in Table 5.3.

<table>
<thead>
<tr>
<th>Sector</th>
<th>% firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>46</td>
</tr>
<tr>
<td>Retail</td>
<td>14</td>
</tr>
<tr>
<td>Restaurants, catering, pubs</td>
<td>11</td>
</tr>
<tr>
<td>Leisure, sport</td>
<td>4</td>
</tr>
<tr>
<td>Agriculture and related</td>
<td>4</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>3</td>
</tr>
<tr>
<td>Cultural</td>
<td>2</td>
</tr>
<tr>
<td>Business services</td>
<td>2</td>
</tr>
<tr>
<td>Transport</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Cumbria Business Link, N=310
Table 5.2 : Business Recovery Grant Enquiries by Annual Turnover

<table>
<thead>
<tr>
<th>Turnover band (£)</th>
<th>Firms %</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 to 20,000</td>
<td>9</td>
</tr>
<tr>
<td>20,001 to 52,000</td>
<td>22</td>
</tr>
<tr>
<td>52,001 to 150,000</td>
<td>18</td>
</tr>
<tr>
<td>150,001 to 500,000</td>
<td>28</td>
</tr>
<tr>
<td>&gt; 500,000</td>
<td>12</td>
</tr>
<tr>
<td>Don't know etc</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Cumbria Business Link, N=310

By April, 85% of surveyed firms were experiencing decreased revenue predominantly attributed to FMD, but with wide variation between Districts ranging from 65% of firms in Carlisle to 93% in Copeland. The authors suggested that this might be due to such factors as an absence of walkers and climbers in Copeland on the one hand alongside an upturn in demand for certain business types in Carlisle related to the temporary accommodation of FMD control staff. The average change in turnover was a decrease of 39%, but reaching 47% in Allerdale and 61% in Copeland. The only business type/location showing increased turnover compared to April 2000 was in Carlisle in the following activities: hotels (+18%), guest houses (+193%) and restaurants/pubs/cafés (+2%). In total, some 4% of businesses reported that turnover had increased.

The mean level of employment in April 2001 was 418 and this represented a decrease of 16.3% compared to April 2000, resulting from both redundancy and from a failure to recruit staff, including seasonal staff. Major losses in April were in the number of seasonal staff, with both full and part-time seasonal staff numbers being reduced by more than a half.

18 Refers to persons, not FTEs.
Table 5.3 : Change in firm performance compared with a year earlier, reported in CEIP tourism surveys

<table>
<thead>
<tr>
<th></th>
<th>April 2001 survey (n= 527)</th>
<th>June 2001 Survey (n= 540)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% firms experiencing decrease in revenue</td>
<td>85%</td>
<td>78%</td>
</tr>
<tr>
<td>% change in turnover</td>
<td>-39%</td>
<td>-32%</td>
</tr>
<tr>
<td>Mean turnover change</td>
<td>£3,805</td>
<td>£1,890</td>
</tr>
<tr>
<td>% change in employment</td>
<td>-16.3%</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Mean employment change</td>
<td>-0.78 jobs per firm</td>
<td>-0.62 jobs per firm</td>
</tr>
</tbody>
</table>

By June\(^{19}\) the turnover situation was improved with a somewhat lower proportion (78%) of tourism businesses reporting a reduction and, with the mean change in turnover (compared with the previous year) smaller than in April. Looking across the County, the situation was fairly stable in Carlisle and Eden Districts which (with 67% and 84% of firms reporting reductions) were now the least and worst affected Districts respectively. The other Districts showed improvements of approximately 7 percentage points in the proportion of firms having a reduced turnover compared to April, and as high as 16 percentage points for Copeland. Significantly, however, trading conditions for bed and breakfast businesses continued to deteriorate. The overall employment situation in June was still down on the previous year though improved somewhat since April. Again seasonal staff, both full time and part-time, were worst affected.

Cumbria Tourist Board (CTB) conducted monthly postal surveys in March, April and May. Response rates were satisfactory (26-40%) although to some degree the samples will be self-selecting. The majority

\(^{19}\) There were some differences in the June sample. The average number of bedspaces had fallen by half in B and B and Guesthouses, and the mean number of full-time permanent staff had increased from 2.2 to 4.6.
of the firms are located in rural areas but with a greater proportion of hotels and a smaller proportion of self-catering operators than the CEIP survey. This is reflected in the larger mean turnover of the CTB sample firms. The geographical distribution between Districts is broadly similar and similar trends to the CEIP data are apparent, although the percentage loss in turnover was significantly less (see Table 5.4). There was some improvement in trading conditions in May compared to April with fewer firms experiencing substantially reduced turnover. Nevertheless, average turnover was still down nearly £3,000 compared to the same month of the previous year. Reduced employment levels had not recovered at all one month on.

Table 5.4 : Change in Firm Performance Compared with a Year Earlier, Reported in CTB Surveys

<table>
<thead>
<tr>
<th></th>
<th>April 2001 (N= 447)</th>
<th>May 2001 (N=259)</th>
</tr>
</thead>
<tbody>
<tr>
<td>% firms with turnover reduced by more than half</td>
<td>39.1</td>
<td>27.5</td>
</tr>
<tr>
<td>% change in turnover</td>
<td>-27%</td>
<td>-17%</td>
</tr>
<tr>
<td>Mean turnover change</td>
<td>-£5,177</td>
<td>- £2,901</td>
</tr>
<tr>
<td>% change in employment</td>
<td>-15%</td>
<td>-16%</td>
</tr>
<tr>
<td>Mean employment change</td>
<td>-1.2 jobs per firm</td>
<td>-1.2 jobs per firm</td>
</tr>
</tbody>
</table>

CTB conducted a fourth survey in late September/early October. This shows the significant recovery that occurred in tourism between June and September. Table 5.5 gives the results from the four CTB surveys concerning the change in the firms’ turnover compared with the previous year. Although 63% of tourism businesses were still experiencing reduced turnover in the period June-September, only 9% had a turnover reduction of more than half, compared to 50% in March, 39% in April and 28% in May. Moreover, 14% of firms actually reported an increase in turnover for June-September.
Table 5.5: Change in Turnover for Tourism Firms Compared with a Year Earlier

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Missing data and no change</td>
<td>14</td>
<td>16.3</td>
<td>16</td>
<td>21.6</td>
</tr>
<tr>
<td>Increase turnover</td>
<td>4</td>
<td>2.9</td>
<td>10</td>
<td>14.2</td>
</tr>
<tr>
<td>Decrease in turnover:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 to 10%</td>
<td>2.9</td>
<td>3.1</td>
<td>6.6</td>
<td>9.6</td>
</tr>
<tr>
<td>11 to 25%</td>
<td>7.9</td>
<td>9.6</td>
<td>16.6</td>
<td>23.1</td>
</tr>
<tr>
<td>26 to 50%</td>
<td>21.2</td>
<td>28.9</td>
<td>23.2</td>
<td>21.2</td>
</tr>
<tr>
<td>51 to 75%</td>
<td>19.6</td>
<td>18.1</td>
<td>12.4</td>
<td>4.6</td>
</tr>
<tr>
<td>76 to 100%</td>
<td>30.2</td>
<td>21.0</td>
<td>15.1</td>
<td>4.8</td>
</tr>
</tbody>
</table>

Source: Cumbria Tourist Board

Tourism-dependent firms

Many rural businesses in Cumbria are almost totally dependent on tourists and day visitors. This not only includes accommodation businesses and attractions, but also shops, pubs and restaurants, farm retail, and cycle hire. Crafts Council members reported fewer tourists and a lower spend, and some suffered a dramatic downturn in revenue. The National Trust estimates that visitor numbers to properties in Cumbria were down between 20 and 54% for the season. The lowest percentage fall was at Wordsworth House, a town house in Cockermouth, which remained open all season.

Many events such as trade shows, country fairs and agricultural shows were cancelled. These are an important outlet for sales by art and craftworkers. Crafts Council members reported that when shows were able to proceed, attendance was poor. Other traders, such as outdoor clothing companies and saddlemakers who rely on shows for sales were
affected, as were the suppliers of services to shows (e.g. a generator supplier, caterers and marquee hire firms).

Land based firms

Any business which carried out most of its work on farms was vulnerable to access restrictions. Much planned forestry work on private estates and farms ceased during the crisis because contractors could not gain access to the land. Three forestry firms in Cumbria who responded to the Forestry Contracting Association's postal survey reported cancellation or postponement of most work, and by mid-April had lost business totalling £40,000. In contrast, operations within large forest estates (e.g. Forestry Commission) were relatively unaffected.

Forestry and agricultural contractors based within areas where there were movement restrictions were prevented from taking up available work in 'clean areas'. Higher variable costs were incurred by contractors and hauliers by the need to disinfect vehicles and to re-route to avoid restricted areas. Disinfection could take up to 3 hours per vehicle per day.

Geographically localised markets

Local trade fell due to decreased disposable incomes and movement restrictions. By their nature some providers of services operate in largely local markets (e.g. general stores, builders, vets) and had difficulty in accessing alternative non-local markets. Forest contractors expressed concern that farmers would not have the money to pay for their services in future, and might do the work themselves.
Trading of fresh products at farmers' markets ceased from February to late April. Some trading of baking and preserves continued which helped maintain public awareness of farmers' markets and the continued viability of these businesses. Fresh produce (especially meat) started to be traded in some locations in May and a complete re-opening (including meat sales) was achieved by September. Other businesses which trade at farmers' markets, for example rural art and craft workers, were similarly affected.

On a more positive note, movement restrictions also presented an opportunity for some village shops with an increased number of rural families shopping locally rather than travelling further afield to supermarkets. In these circumstances village shops not dependent on passing trade or tourists saw revenue increase by up to 20%.

5.3 The Geography of the Impacts

The rate relief scheme, which became operational in April 2001, enabled rural local authorities to grant up to 100% rate relief to small businesses seriously affected by FMD with up to 95% of the costs met by Central Government (Table 5.6). This scheme was operated in Allerdale, Carlisle, Copeland, Eden and South Lakeland for qualifying businesses with a rateable value of up to £50,000 (DTLR, 2001)

20 In Barrow District, the normal rules applied, by which any business suffering hardship was eligible for rate relief at the discretion of the local authority with Central Government meeting 75% of the cost.
The granting of business rate relief is a useful counterweight to the surveys which rely on self-reporting, as local authorities require actual evidence of impacts, such as accounts, by which firms' claims may be verified. A disadvantage is that many small rural businesses do not pay business rates. Moreover some District Councils may facilitate the application procedure better than others. However, it would seem evident that businesses in Eden, Allerdale and South Lakeland have been most widely hit. Interestingly, this is somewhat different from the geography of the disease. The infected farms were concentrated largely in Allerdale, Eden and Carlisle Districts. However, on the one hand, Carlisle District is less dependent on tourism than the others. On the other hand, South Lakeland, which only had a handful of cases of infected farms, was very adversely affected by the closure of the countryside and the general discouragement of tourists and visitors.

Table 5.6: Hardship Relief from Business Rates\textsuperscript{21}

<table>
<thead>
<tr>
<th>District</th>
<th>Date</th>
<th>Accounts granted relief</th>
<th>Being processed</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allerdale</td>
<td>Early Sept</td>
<td>400</td>
<td>.</td>
<td>50% of applications from shops in tourist areas, hotels and guesthouses.</td>
</tr>
<tr>
<td>Carlisle</td>
<td>Sept 30th</td>
<td>66</td>
<td>130</td>
<td>41 applications rejected.</td>
</tr>
<tr>
<td>Eden</td>
<td>mid October</td>
<td>400</td>
<td>100</td>
<td>Mostly tourism firms but a wide range of other sectors also applied.</td>
</tr>
<tr>
<td>South Lakeland</td>
<td>April to June 2001</td>
<td>289</td>
<td>93</td>
<td>518 refused relief</td>
</tr>
</tbody>
</table>

\textsuperscript{21} Data for Copeland unavailable at time of writing.
North and Central Cumbria

Eden is the most rural district in Cumbria. A postal questionnaire was sent out during March to tourism firms (including attraction businesses and some retail outlets) and firms from a wide range of other sectors. The findings confirm (Table 5.7) that the FMD outbreak had affected tourism firms most widely, with two-thirds reporting that turnover was reduced by 50% or more, compared with a third of general business firms. The tourism firms had lost more jobs but less turnover (reflecting their normally smaller levels of turnover).

Similar telephone surveys were conducted in mid-May in Carlisle and Eden districts. The population of Carlisle is considerably more urban-based than that of Eden (see Table 2.1). This accounts for differences in industrial structure between the two samples. As Table 5.8 shows, three quarters of Eden businesses are to some extent dependent on tourism. In consequence, a much greater proportion of firms had made staff redundant or cut hours in Eden than Carlisle due to the FMD crisis, although the mean number of job losses per impacted firm was 5 in both Districts, of which 3 would be part-time posts. Likewise, a greater proportion of the Eden businesses had dropped plans to expand.

---

22 A greater proportion of retail firms in the Carlisle than the Eden sample (35% and 22% respectively), and a lower proportion of hospitality firms (9% and 19% respectively).
Table 5.7 : Summary of Eden District Survey, March 2001

<table>
<thead>
<tr>
<th></th>
<th>General businesses N=300</th>
<th>Tourism businesses N=200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responses</td>
<td>305</td>
<td>202</td>
</tr>
<tr>
<td>Response rate % firms</td>
<td>26</td>
<td>19</td>
</tr>
<tr>
<td>Reduced turnover % firms</td>
<td>79</td>
<td>89</td>
</tr>
<tr>
<td>Turnover down ≥ 50% % firms</td>
<td>33</td>
<td>65</td>
</tr>
<tr>
<td>Full time workers lost % firms</td>
<td>10</td>
<td>15</td>
</tr>
<tr>
<td>Reduced hours of workers % firms</td>
<td>13</td>
<td>34</td>
</tr>
<tr>
<td>Job losses per firm (FT and PT)</td>
<td>0.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Total job losses</td>
<td>97</td>
<td>161</td>
</tr>
<tr>
<td>Average turnover reduction</td>
<td>£14,300</td>
<td>£5,900</td>
</tr>
</tbody>
</table>

Parts of Carlisle District that are much more rural than the rest suffered much more acutely than areas in and around Carlisle City. A survey in March of businesses around Longtown, a rural area at the very centre of the Foot and Mouth outbreak, estimated that 300 jobs and a turnover of £13 million had been lost to 400 farms and firms in the area.

Table 5.8 : Summary of Carlisle and Eden District Business Surveys, May 2001

<table>
<thead>
<tr>
<th></th>
<th>Carlisle, N=400</th>
<th>Eden, N=301</th>
</tr>
</thead>
<tbody>
<tr>
<td>% firms not at all dependent on tourism</td>
<td>39</td>
<td>25</td>
</tr>
<tr>
<td>Mean turnover £</td>
<td>236,000</td>
<td>163,000</td>
</tr>
<tr>
<td>% firms laying off staff or making redundant</td>
<td>8</td>
<td>14</td>
</tr>
<tr>
<td>% firms cutting staff hours</td>
<td>7</td>
<td>17</td>
</tr>
<tr>
<td>% firms altering business plan as a result of FMD</td>
<td>29</td>
<td>45</td>
</tr>
<tr>
<td>% firms who had intended recruiting staff who will not go ahead now</td>
<td>47%</td>
<td>57%</td>
</tr>
</tbody>
</table>

Table 5.9 compares the results of surveys of firms in South Lakeland District and Copeland Borough and reveals that the impact of FMD on employment change and business performance was much more widespread in South Lakeland than Copeland. The five most badly affected sectors in South Lakeland were hospitality, retail, recreation/personal services, transport and manufacturing in each of more than 70% of firms had experienced decreased turnover. In Copeland, agriculture was the most commonly affected (100% reported decreased revenue, compared with 62% of agricultural firms in South Lakeland). This was followed by hospitality (67%) and retail (60%).

Table 5.9 : Summary of Copeland and South Lakeland Surveys, June and May 2001

<table>
<thead>
<tr>
<th>Impact on staffing</th>
<th>Copeland N=322</th>
<th>South Lakeland N=283</th>
</tr>
</thead>
<tbody>
<tr>
<td>% firms*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No impact</td>
<td>66</td>
<td>42</td>
</tr>
<tr>
<td>Reduced hours</td>
<td>21</td>
<td>31</td>
</tr>
<tr>
<td>Reduced recruitment</td>
<td>13</td>
<td>22</td>
</tr>
<tr>
<td>Job losses</td>
<td>11</td>
<td>24</td>
</tr>
<tr>
<td>% firms with decreased turnover compared to 2000</td>
<td>49</td>
<td>71</td>
</tr>
</tbody>
</table>

* multiple response possible, hence totals exceed 100%.
Source: Cumbria Inward Investment Agency Ltd, 2001a,b.

5.4 The Effects on Employment

Reports by Pion Economics and Cumbria Economic Intelligence Partnership estimated the number of jobs “at risk” in Cumbria in 2001 at between 15,000 and 20,000; equivalent to 6-8% of the quarter million strong Cumbrian workforce. The Cumberland and Westmorland Herald
(June 2) reported the following response to CEIP's report by the chief executive of Cumbria Chamber of Commerce:

Only rapid action on recommendations made by the local task force will help ensure that these figures are not realised.

Some indication of the actual and immediate employment effects of FMD is provided by Employment Service data. Table 5.10 shows a total of 625 new claims for Job Seekers Allowance made as a result of FMD in Cumbria. The rate of new claims had diminished by June with only 27 fresh FMD-related claims made in that month. These data only show actual job losses and underestimate the full extent of unemployment by omitting staff who would otherwise have been recruited. The main impact was clearly concentrated around Carlisle, Keswick and Penrith.

Table 5.10 : Cumulative total of new claims for Job Seekers Allowance as a result of FMD, end of June 2001

<table>
<thead>
<tr>
<th>Location</th>
<th>Total Claims</th>
<th>District</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cockermouth</td>
<td>29</td>
<td>Allerdale</td>
</tr>
<tr>
<td>Keswick</td>
<td>135</td>
<td>Allerdale</td>
</tr>
<tr>
<td>Maryport</td>
<td>20</td>
<td>Allerdale</td>
</tr>
<tr>
<td>Workington</td>
<td>23</td>
<td>Allerdale</td>
</tr>
<tr>
<td>Barrow</td>
<td>14</td>
<td>Barrow</td>
</tr>
<tr>
<td>Carlisle</td>
<td>150</td>
<td>Carlisle</td>
</tr>
<tr>
<td>Cleator Moor</td>
<td>13</td>
<td>Copeland</td>
</tr>
<tr>
<td>Millom</td>
<td>10</td>
<td>Copeland</td>
</tr>
<tr>
<td>Whitehaven</td>
<td>20</td>
<td>Copeland</td>
</tr>
<tr>
<td>Penrith</td>
<td>113</td>
<td>Eden</td>
</tr>
<tr>
<td>Kendal</td>
<td>42</td>
<td>South Lakeland</td>
</tr>
<tr>
<td>Ulverston</td>
<td>28</td>
<td>South Lakeland</td>
</tr>
<tr>
<td>Windermere</td>
<td>28</td>
<td>South Lakeland</td>
</tr>
<tr>
<td>Total</td>
<td>625</td>
<td></td>
</tr>
</tbody>
</table>

Source CEIP
People displaced from employment due to FMD certainly did not significantly swell the ranks of the formally unemployed. For example, the overall claimant count for the Keswick travel to work area peaked at 88 or 1.8% in May 2001, just 54 people more than the figure for May 2000, before dropping to its usual below-one-per-cent level from July onwards. In an area such as this where there are strong traditions of casual, part-time and self employment, however, formal employment data is not that accurate a measure of those who are in or out of work. Most of the jobs lost due to FMD have been part-time, casual, seasonal and freelance, including where employers simply failed to recruit rather than actually laid people off (see Table 5.11). In such circumstances there is much less likelihood of people making claims for support and therefore of the job loss being formally recorded. Much of the seasonal tourism workforce is either used to casual or irregular employment or is highly mobile and will simply have gone elsewhere to find employment. Moreover, both agriculture and tourism are characterised by self employment and informal employment of family members in family-run businesses. In such circumstances, there are unlikely to be lay-offs but instead a sharing around of the available work with consequent ‘underemployment’, the return of family members to running the household or rearing the family. There may also be the consideration of other options such as or semi-retirement, voluntary work or training.
Table 5.11 : Employment changes recorded by firms applying for Business Recovery Grant

<table>
<thead>
<tr>
<th></th>
<th>Pre FMD total</th>
<th>Change in total since FMD</th>
<th>% change since FMD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time</td>
<td>1,053</td>
<td>- 192</td>
<td>- 18</td>
</tr>
<tr>
<td>Part-time</td>
<td>641</td>
<td>- 83</td>
<td>- 13</td>
</tr>
<tr>
<td>Casual</td>
<td>339</td>
<td>- 161</td>
<td>- 47</td>
</tr>
<tr>
<td>Seasonal</td>
<td>176</td>
<td>- 44</td>
<td>- 25</td>
</tr>
<tr>
<td>Freelance, agency, subcontract</td>
<td>137</td>
<td>- 61</td>
<td>- 45</td>
</tr>
<tr>
<td>Total</td>
<td>2,346</td>
<td>- 541</td>
<td>- 23</td>
</tr>
</tbody>
</table>

Source: Cumbria Business Link  N=310

Those that might otherwise have been unemployed were also mopped up by the evident recovery of tourism that occurred in the summer months. This was aided by the exceptionally fine weather in late summer and encouraged by the government’s campaign to reopen the countryside and attract visitors back. The short-term recovery actions supported through the Business Recovery Programme should have also assisted from the summer onwards: by the end of March 2002 up to £23 million will have been allocated to Cumbria through this Programme (see p.17).

Many farmers and employees associated with agriculture found temporary employment in FMD-related work. An estimate of the additional direct employment created by FMD is given in Table 5.12. This employment arose from the Government’s disease eradication campaign. If roughly half of these positions were taken up by local labour, this would have at least fully absorbed the paid labour lost to the farming sector because of FMD (see p.42), albeit temporarily. The rest went to visiting officials and contractors.
Table 5.12: Jobs created through disease eradication activities

<table>
<thead>
<tr>
<th>Type of personnel</th>
<th>Estimated employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Army personnel</td>
<td>178</td>
</tr>
<tr>
<td>Vet</td>
<td>206</td>
</tr>
<tr>
<td>Slaughtermen</td>
<td>119</td>
</tr>
<tr>
<td>Administrators</td>
<td>200</td>
</tr>
<tr>
<td>MAFF case officers</td>
<td>111</td>
</tr>
<tr>
<td>Cleansing contractors</td>
<td>400</td>
</tr>
<tr>
<td>Disposal workers</td>
<td>250</td>
</tr>
<tr>
<td>Landfill operations</td>
<td>50</td>
</tr>
<tr>
<td>Total</td>
<td>1,514</td>
</tr>
</tbody>
</table>

Source: Cumberland News, 4/5/01, p13, cited in CEIP (2001c)

The presence of non-local workers will primarily give a boost to hospitality sector businesses. Newspaper accounts of FMD (see pp.33-4) suggest these benefits have accrued in urban rather than rural areas of Cumbria. This is confirmed by the tourism sector survey conducted in April (see p.53) which found that hospitality sector businesses in Carlisle were experiencing increased turnover compared with the previous year. Consumer expenditure by workers relocated to Cumbria also constitutes an injection into the local economy. If their expenditure in Cumbria was concentrated in close proximity to their accommodation, then it seems likely that this too will have benefited the urban areas, notably Carlisle.

There remains the question of the longer-term loss of employment due to FMD. The disease eradication and clean-up campaign actually injected large amounts of public money into the rural economy and clearly helped to sustain or create jobs and businesses. With the elimination of the disease, this emergency source of funding will disappear. From the winter of 2001 onwards therefore, the effect of taking out 40% of the agricultural output of Cumbria will begin to become more starkly
apparent. We have estimated that the direct loss of paid employment on farms will be equivalent to about 600 full-time jobs across the county (see p.42). As we have seen the vast majority of farmers intend to restock, but many at lower stocking levels and over a 3-4 year period (see p.45). It is a matter of considerable concern therefore what happens to the firms and jobs that are ancillary to Cumbrian agriculture in the interim period. Table 5.13 estimates the likely job losses, by type of business, indirectly due to the FMD crisis. Many of the businesses concerned have already closed or are barely trading, although many of the affected staff found temporary work through the slaughter programme. The total job loss is estimated to be over 900. The effect of these losses in both upstream and downstream industries will be significant in themselves, but also in radically changing the support infrastructure essential to the recovery of livestock farming.

Table 5.13 : Estimated Job Losses in the Agricultural Services and Supply Industries

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Job Loss</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auction Mart Companies</td>
<td>290</td>
</tr>
<tr>
<td>Animal Feed Companies</td>
<td>100</td>
</tr>
<tr>
<td>Livestock Hauliers</td>
<td>100</td>
</tr>
<tr>
<td>Veterinary Surgeons and Staff</td>
<td>100</td>
</tr>
<tr>
<td>Animal Health Specialists</td>
<td>20</td>
</tr>
<tr>
<td>Fertiliser and Related Staff</td>
<td>20</td>
</tr>
<tr>
<td>Machinery Fitters and Specialists</td>
<td>30</td>
</tr>
<tr>
<td>Milking Specialist Engineers and Electricians</td>
<td>20</td>
</tr>
<tr>
<td>Agricultural Merchants</td>
<td>30</td>
</tr>
<tr>
<td>Raw Material/Feed Hauliers</td>
<td>10</td>
</tr>
<tr>
<td>Catering Staff</td>
<td>15</td>
</tr>
<tr>
<td>Agricultural Retail Staff</td>
<td>30</td>
</tr>
<tr>
<td>Agricultural Contractors</td>
<td>50</td>
</tr>
<tr>
<td>Milk Processing Companies</td>
<td>50</td>
</tr>
<tr>
<td>Abattoirs</td>
<td>80</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>945</strong></td>
</tr>
</tbody>
</table>

Source: *Impact of FMD on the economy of Cumbria*, DETR
The other medium-term direct employment effects of FMD will depend upon the speed of recovery of tourism. A Cumbria Tourist Board survey conducted in late September/early October found that 41% of businesses had reduced forward bookings for October to December 2001 compared with the same time in 2000; and that 28% likewise had reduced forward bookings for January to March 2002. It seems therefore that it will take at least a whole season for tourism to recover fully, although it will become increasingly difficult to distinguish any long-term deterrent effects of FMD on visitor numbers from the effects of major exogenous factors such as the New York terrorist attack.

5.5 The Economy-Wide Effects Over Time

Two separate studies conducted in the midst of the FMD crisis attempted to predict the aggregate impact of FMD on the Cumbrian economy. Employing recent survey work and extant baseline data, both estimated the direct impacts on employment and revenue of farming and tourism for the whole county. They then estimated the 'knock-on' effects. Indirect impacts occur from the change in demand by farms and tourism businesses for the goods and services supplied to them. Induced effects arise from the change in wages available to spend by workers employed in firms that are directly or indirectly affected. On this basis Cumbria Economic Intelligence Partnership in July 2001 estimated the aggregate loss of Gross Value Added to the Cumbrian economy for 2001 to be £300 million. In August 2001 Pion Economics estimated it to be between £255-£266 million, equivalent to about 4% of the County’s GDP.

It must be stressed that results obtained from such models are broad indicators of effects rather than precise forecasts, and they are sensitive to
the assumptions that are made. As well as those inherent in the use of input-output models, assumptions must be made about other factors such as the duration of the outbreak and the future volume of visitor numbers.

5.6 Conclusions

A large number of data sources and special studies exist which help to quantify the impacts of FMD on the wider Cumbrian economy. This Chapter has attempted to extract the key indicators. It is clear that the effects have been dramatic overall and particularly severe in the more rural areas of the County. The Business Recovery Fund administered regionally and delivered locally has been heavily over-subscribed in Cumbria and it is tourism-related businesses that have had to seek the most help. The Business Rate Relief data tell the same story.

There have been significant reductions in employment. Reflecting the influence of the tourism/hospitality sector and its seasonal pattern of employment, it is mostly casual and part-time positions which have either not been filled or have disappeared. The downturn in trading conditions has not resulted in a sharp increase in levels of unemployment. The hidden unemployment and underemployment in a county like Cumbria may mask the full extent of job losses. Temporary effects associated with the FMD control programme have also played a part in offsetting employment effects.

Serious reductions in business turnover have clearly been experienced, especially within the tourism sector in the early stages of the epidemic. There was some recovery in business turnover at the height of the summer as the FMD restrictions were eased. This is a critical time for
many businesses when cash reserves need to be accumulated to balance against the leaner winter months. It may be some time yet before the full picture regarding business survival emerges.

The survey evidence reveals information about the variable geographical effects of FMD. The immediate impact was in the farming areas in the North and East of the County where the disease was rampant. The wider rural economy crisis quickly embraced those areas in Mid- and South Cumbria heavily dependent on tourism. Whilst the overall effects were overwhelmingly negative there was deflection of demand to areas or activities which were open for business and also a temporary injection of employment and expenditure into the local economy. It was the urban areas, however, which tended to accrue most of these beneficial effects.

While the short-term effects of FMD on economic activity are immediately apparent from the various studies, the long-term implications are more difficult to discern. Most rural firms are strongly embedded in their local economies, and reduced input expenditure has direct knock-on effects on other locally based suppliers. The more redundancies and business contractions or closures that occur, the less disposable income will be spent in the local economy and the greater the induced effects. One consequence is that the full impacts of the FMD epidemic on the rural economy of Cumbria will take months to emerge.
6 THE EFFECTS ON FARMING LIFE IN THE NORTHERN FELLS

Katy Bennett and Jeremy Franks

6.1 Introduction

This and the following Chapter present a case study of the Northern Fells: the first covering the impact of FMD on farming life and the second on non-farming businesses, families and village life. The Northern Fells are in the area most deeply ravaged by the disease.

The Northern Fells lie in the north of Cumbria with Keswick to the south and Carlisle to the north, flanked by the M6 to the east and the A595 to the west (see Figure 6.1). Caldbeck is the only village of any size and it lies at the centre of the Northern Fells. South of Caldbeck is mainly fell, with lowlands to the north and west. This landscape shapes both the farm structure, of dairying and upland stock rearing, and the settlement pattern of hamlets skirting the edge of the fells.

The farming mix in the Northern Fells is typical of that of Cumbria as a whole. Livestock farming predominates with over 98% of farms classified as mixed or livestock farms. LFA Cattle and Sheep farms make up 43% and mainly occupy the Caldbeck, Uldale and Bowscale fells. Lowland Cattle and Sheep farms make up 26% and occupy the lower areas to the north and on the edges of the fells. Dairying accounts for...
27% of farms with approximately one third operating in the LFA and two thirds in the lowland area to the north.

Figure 6.1: The Northern Fells Case Study Area

Almost half the farm holdings in the Northern Fells were culled out in the FMD outbreak. During this period farming families lived through a period of turmoil and uncertainty that none of them had ever before experienced. Not only were their farm enterprises hit, but so too were off-farm incomes and diversification activities. In the year before FMD
just over half of the surveyed farms in the Northern Fells were engaged in a range of diversification activities (Table A1.17) and a third of the households on the farms had members that had off-farm employment (Table A1.19 and A1.20). This Chapter relives what is was like for farming families during the different stages of FMD and considers their plans for the future. It is based upon the survey of farms reported in Chapter 4 (specifically the sub-sample of 46 farms located in the Northern Fells), plus in-depth interviews with members of nine farming households and a focus group with the children and grandchildren of farmers. Whilst it was mainly men who responded to the survey, husbands, wives and sometimes children took part in all but two of the in-depth interviews. In the remaining two, the farmers’ wives were interviewed alone.

6.2 The Coming of the Disease: Preventing its Spread

At the outbreak of FMD in England the immediate response of most farming households was to curb their usual daily activities. Only the most essential movements off and on the farm were permitted and sometimes even these were stopped. Some young people had to leave home and stay with a relative or friend to access work and school. Members of farming households feared being responsible in any way for the spread of the disease onto their own farm and the repercussions of this for neighbouring holdings:

If I’d ever thought, if any of us had thought that we’d brought it in ourselves we would have been, I don’t know how we would have been, I don’t know how we would have coped. If I’d ever thought that any of my actions had caused to happen what did happen …. I would have been going to the doctors I think … yet at the end of the day it obviously didn’t help in our case.
Particularly for those farm businesses that have bred stock over generations, households fought in any way they could to save their stock. There is a strong relationship between farming families and stock that have been bred by parents, grandparents, great grandparents. This is why such farming businesses made every effort to save their animals.

To prevent unnecessary visits onto farms, gates were shut and signs were put up allowing access by appointment only or no access at all. Pieces of old carpet were drenched in disinfectant and laid at the entrances to farms accompanied by buckets, brushes and disinfectant pump sprays to scrub and clean tyres and boots.

Repeatedly, farmers checked their stock for any telltale signs of sickness while anxiously monitoring the advance of the disease in the area. The self enforced isolation and policing of movements made the spread of the disease and its ‘creepy’ nature even more apparent. Radio Cumbria, in particular, helped people to map its movements (Table A1.34). One woman described how she took the radio three times a day to where her son and grandson were on the farm so they could listen to news bulletins whilst working.

6.3 Coping Responses by Farm Businesses and Households

The vast majority of farms are family businesses each one managed and run by one or more households. Their viability usually relies on household members, besides the farmers, working on the farm or lending a hand at busy times. The labour used on the farms in the survey sample
averages 2.2 units of unpaid family labour (including that of the farmer and spouse) and 0.9 units of paid labour (Table A1.14). In addition, more and more farm families rely on income from diversified enterprises and off-farm employment and the ability to tap these income sources depends even more on the individual and collective efforts of members of the farm household.

Such family-based businesses draw even more heavily on family resources at times of crisis. This was particularly so during the FMD crisis. Table 6.1 shows predominant responses amongst the sample survey of farms in the Northern Fells at the height of the crisis, in August 2001.

Table 6.1 : Farm Business/Household Response to FMD

<table>
<thead>
<tr>
<th>Step already taken or soon to be taken</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reducing staff working hours</td>
<td>35%</td>
</tr>
<tr>
<td>Household members doing additional work on farm</td>
<td>30%</td>
</tr>
<tr>
<td>Laying off staff permanently/temporarily</td>
<td>30%</td>
</tr>
<tr>
<td>Cutting back on household spending</td>
<td>24%</td>
</tr>
<tr>
<td>Not employing seasonal/casual labour</td>
<td>22%</td>
</tr>
<tr>
<td>Household members doing additional work off-farm</td>
<td>22%</td>
</tr>
<tr>
<td>Renegotiating loans/mortgage/new loan</td>
<td>17%</td>
</tr>
<tr>
<td>Temporarily closing down diversified enterprise</td>
<td>15%</td>
</tr>
</tbody>
</table>

Derived from Table A1.32 N=46

Predominant responses included cutting costs through reducing staff working hours, laying off staff and not employing seasonal/casual labour. At the same time, either to fill the gaps or to replace lost income, household members were called upon to do additional work both on the farm and off the farm. In addition, to help overcome cash flow problems,
a quarter of the farms had cut back on general household expenditure, while one in six had renegotiated loans or mortgages.

6.4 Isolation

Table 6.2 gives details of normal household activities curtailed due to FMD restrictions. These included visiting friends and family, going to the pub and church, going shopping and attending school. Family and social life were deeply affected. Children were kept at home, visits were not made to elderly relatives, and friends and neighbours were avoided.

### Table 6.2: Farm Household Activities Prevented by FMD Restrictions in the Northern Fells

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage of farms where household members were prevented from engaging in their normal activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visiting Friends</td>
<td>96%</td>
</tr>
<tr>
<td>Visiting Family</td>
<td>93%</td>
</tr>
<tr>
<td>Going to the pub</td>
<td>89%</td>
</tr>
<tr>
<td>Attending agricultural show or village fete</td>
<td>82%</td>
</tr>
<tr>
<td>Shopping further afield</td>
<td>74%</td>
</tr>
<tr>
<td>Going to church</td>
<td>72%</td>
</tr>
<tr>
<td>Shopping locally</td>
<td>64%</td>
</tr>
<tr>
<td>Attending school</td>
<td>58%</td>
</tr>
<tr>
<td>Attending special occasions (weddings, christenings, etc.)</td>
<td>50%</td>
</tr>
<tr>
<td>Attending off-farm work</td>
<td>46%</td>
</tr>
<tr>
<td>Receiving healthcare</td>
<td>9%</td>
</tr>
</tbody>
</table>

Derived from Table A1.31. The percentages are based on those farms where household members would normally have engaged in the particular activity.

Most farming households isolated themselves from the outside world for a period of time. On the surveyed farms household members confined themselves to the farm for an average of 19 days. Four farmers recalled isolation on the farm for over 60 days. Those people who completely
isolated themselves relied upon friends and relatives to leave food shopping at farm gates, with some people carefully timing the drop-off and collection of food to avoid interacting with the people who left the groceries.

Even those who ventured out, say, for essential shopping avoided human contact as much as possible, especially with anyone else who might be from a farm. Shopping habits were often completely revamped to very early in the morning or late at night, just before the closing time of the supermarket or shop. Shopping patterns also changed according to where the latest outbreaks of the disease were. Some people described how, whilst out shopping, they awkwardly walked past individuals they knew without stopping to speak just in case there was a risk of transmitting FMD.

The uncertainty surrounding the spread of the disease permeated daily activities in every way and prevented what would have been usual social intercourse. For those who had seen but avoided friends in public places there was concern for how their actions would affect friendships. Others felt shunned, ignored and ‘disease ridden’.

The one thing that enabled people to cope with their situation was the telephone. Many people talked about the phone constantly ringing and using it to chat for hours. Often the best people to talk to were long distance friends, who were removed from the whole ordeal and could cope with listening to the problems. It was sometimes harder to talk to
local friends given they were often in a similar situation and struggling themselves to deal with everything that was happening. The downside of keeping in touch through the telephone was when children, temporarily living away from home, could hear that their parents were obviously upset, but were unable to be with them.

6.5 Stress

Concerns and worries induced by the threat of FMD heaped upon one another to create stressful situations for households. People’s usual ways of coping with problems were curtailed. They stopped going to the pub or visiting friends or going to church or club meetings.

Focusing on the farm context, farmers described the fear they felt when they woke in the mornings, not knowing what they would find when they went outside to check the stock for the first time that day. They worried that they would not spot the disease and unknowingly abet its spread. Self-confessed paranoia meant that every cow with a runny nose or sheep with a limp sparked panic.

Every morning I’d come down and I could look across and some days I could count 10 pyres and you just felt sick in the pit of your stomach and also with sheep I wondered will I notice it, I thought well we’ve got sheep and cattle, surely if we get it the cattle will show it first, but they didn’t.

We had heard that it was very difficult to spot in sheep as well, as everybody has lame sheep, we were terrified that we wouldn’t spot it, erm, but fortunately (someone) spotted it quite early on.

You looked at them one morning, come back, you asked do they get sniffy noses with foot and mouth. It’s just been a cold night.
Every morning you wake up and you were scared really to go outside and see, find, what you were going to find outside, you know, you’re looking at every little sniffle and cough and everything these animals might have.

Other farm-induced worries resulted from being placed under movement restrictions. With confirmed cases of FMD creeping ever closer, farmers worried about how much feed it was worth buying, or whether or not to put fertiliser down or how grassland could sustain more stock than usual. At the same time, movement restrictions shut off the farms’ main income source.

Confounding farm related concerns therefore were financial worries which were deepened when household members stopped going off the farm to work, were laid off or whose work activities depended on people being able to access the house or farm. The 21 households in the survey with established off-farm employment have experienced, on average, a reduction of £2,100 or 18% in income from this source. Likewise, the 24 farms with diversified activities have seen an average drop in earnings of £2,100 or 20% from these sources (Tables A1.19 and A1.17).

Some households had contingency plans in order to keep an outside business or employment going in the event of the disease hitting the farm. One such household was ready to rent a cottage in the village for a base from which two household members could run the non-farming business, whilst a third household member was to stay on the farm for the duration of the cleaning up process.
This was a fraught time for households, especially for those with young people who had to leave home so they could go to work and school. The absence of children meant that parents became further absorbed in their problems. They missed hearing about their children’s experiences at school, college and work - the casual chats, conversation and stories that usually constitute household life. When children left, parents were conscious of losing what was probably their chief distraction from the worries and stress of running a farm at the time when these worries became particularly acute.

(It was) a big wrench for us because … somehow this was the little girl really … and before she went she was the only one going out because she was going to college and she was kind of the bubbly one at night when we all sat down.

We just never went anywhere at all, we were completely, it was like one of them Big Brother programmes, you know, where you’re shut in from the outside world.

I wanted to look after them and I couldn’t … I mean we just missed the lads. The house seems quiet when there’s nobody there.

So (they) came to see us on the Saturday because of course (their) Dad had called them and he was really upset, so (they) wanted to see their Dad, but they only came as far as the gate because they hadn’t seen us for ages, I mean (one of them) just looked and said ‘Oh Mum’. My hair was, I hadn’t been the hairdressers, her Dad hadn’t been the hairdressers. You know when you think you haven’t seen them for a while you just sort of stand back and look for a minute and (one of them) looked different as well, looked that much more grown up.

While family members rallied together, the pressures upon them affected relationships. The enforced isolation, the self-policing of behaviour and worries about how they would pull through put a strain on marital and domestic relations. Some of the men bottled up their anxieties. One
woman commented “I think we coped individually rather than together”. Additional frictions or worries arose from children being stuck at home or forced to live away.

At the centre of household life and mopping up all the tension like a sponge were women. They had to tend to husbands who turned in upon themselves or talked of nothing else and to deal with the angst that the children experienced. Women prevented from working off-farm had anxieties not only about the family finances but also about losing their jobs or letting down their employers.

6.6 The Effect on Young People

Undoubtedly FMD has had a profound impact on the lives of young people of the Northern Fells. This has been particularly the case for the children of farmers who have had to cope with the cull and disposal of stock, household tensions and the changes that the crisis brought to home life. They have had to cope with the temporary break up of their household as they and/or their brothers and sisters have moved away from home to go to school and work. Whilst some parents reported the tears that their children shed over the cull of stock, others commented upon the resilience of children. One mother, for example, reported on how she watched her young son incorporate a heap of animals, depicting a burning pyre, into his toy farmyard.

Out of the 24 farms surveyed with school-aged children, 14 of them stopped children from going to school because of FMD. Young people
stuck at home found household life fraught with tensions. They themselves conceded that their own behaviour had not alleviated the situation. Admissions included having moaned about their confinement, a lack of motivation regarding homework sent by their school and an inclination to sleep in later than they ordinarily would. At the same time there were additional tasks to do helping out on the farm where, say, a farm worker was unable to access the premises. On all accounts, the disruption to the usual structure of daily life made household relations difficult:

I was probably really nasty to Mum and Dad, I just complained all the time about the fact I wasn’t allowed out.

Dad didn’t want to speak to anyone because he was feeling too miserable.

Dad was quite upset but didn’t say anything.

Despite parental concerns for children living temporarily away from home, most young people seem to have coped well with the disruptions to household life and daily routines. Young people reported, though, about how they had worried about their parents and what they were going through and got upset when their parents were upset, particularly when they heard that the stock on their farm had been culled. Sometimes being identified with a farm that had been culled out caused trouble at school. Although no serious bullying was reported, young people sometimes felt alienated by their association with the disease.

Young people only had good things to say about the people with whom they stayed whilst living away from home and they coped well with their
less familiar surroundings. Their only complaint was that they had had
to be on their best behaviour all the time, volunteering for domestic tasks
that they felt they could have ducked at home. Even though they were
staying with people to whom they felt very close, children still felt they
were guests and had to behave in appropriate ways:

You’ve got to be on your best behaviour all the time.
Sometimes I felt as if I wasn’t myself.

You had to make your bed very smooth.

You always fold your clothes.

Being isolated from their friends or their parents made young people feel
apart. Some clearly felt torn between identifying with their beleaguered
parents and the farming community, and reassessing their own feelings
towards a way of life that now seemed tarnished.

6.7 The Cull

The cull in the Northern Fells began in mid-March and lasted until the
end of April. Confirmation of FMD on farms, or neighbouring farms,
signalled an invasion of officials with roles to play in the management of
the disease. People differed in their opinions as to how well the cull and
disposal of their stock had been managed. Some reported that the process
had been well organised and quick, others that it had been bungled, with
too many delays and stock not disposed of quickly enough.

It is difficult to put into words the effect of the cull of their stock upon
farming families. Facial expressions revealed much more than what was
said when household members described how they had felt. A farmer’s face, for example, visibly drooped and looked much older when he simply looked into the empty fireplace and said ‘I coped’. To help themselves get through the ordeal some people had kept diaries; others had taken photographs of their animals before and after the cull.

People felt more able to talk about other household members than themselves. Someone’s children had been in tears because the lambs had gone. Someone’s husband, while his sheep were being culled, had sat all day in the room that looked onto the garden. Another husband, as night fell after the cull of his stock, went outside into the barn to check them one more time, to see if they looked peaceful in death. One youth recalled that “Mum was in tears and when we tried to cheer her up she got worse”.

For days, even weeks after, some people remained in mourning. Wives mentioned their husbands weeping subsequently when they saw other farmers’ stock being culled on television. One husband took to bed during the day. In another case, grandparents sat all day behind closed curtains.

With the cull of their stock households lost not only the animals, but also the legacy of accumulated breeding acumen of previous generations. In a way, the family biography, lived out through the stock, was brought to an end.
6.8 The Clean Up

After getting through the cull and the removal of animals, in a strange, but understandable, way there was sometimes a sense of relief within farming households because the long wait and the feared outcome were over. Farming families could begin positive steps towards some sort of normality. For those farming businesses that had been culled because they had contracted the disease there was the work of disinfection. For some this was obviously cathartic, not just in the tasks to be done but in ridding their farms of the disease.

I think it was a relief when everything had gone, err, more after the stock had been lifted, because you weren’t going out checking your stock and thinking the worst.

Some days are more positive yes I have quite a few negative days even now, even though I’m a busy person, I’ve got a lot to do, but you just haven’t always got the enthusiasm to do it, so you know, I think I’m a bit in that phase at the moment.

The process of disinfection temporarily alleviated some of the financial concerns for some households, with Foot and Mouth related income averaging almost £16,000 per farm. Nevertheless, it was not without its frustrations. There had been mixed messages and different experiences across farms depending upon how regulations were interpreted and reinforced on the ground by those overseeing the clean-up process. Some farmers were disgruntled that higher standards had been justified for the clean up of farms that had been culled out earlier in the crisis, including even structural improvements to farm buildings and upgrading of farm tracks. But subsequently Government had cracked down.
Farmers had had to bear the brunt of the confusion as plans of action changed and different people gave them different answers to a basic question. Members of households also felt swamped by the sheer number of people that were involved in the management of the clean-up process and the resulting hurdles that had to be faced. Buried within such discontent was occasional reference to an individual, a field officer or a vet for example, who had been helpful.

There’s a letter from DEFRA, this morning, I’ve just glanced through it quickly, but they want us to say how long it’s going to take us to finish cleaning up and how much it’s going to cost. Now how can I tell them that when a vet comes round and pokes her finger in a hole and says that’s not clean do it again. I mean DEFRA or MAFF or whatever you call them, change the goal posts every day, they tell you one thing one day and then contradict it the next, say you can’t do that….I mean why set the standard so high to start with if you don’t need it at the finish, so you don’t know whether you are coming or going.

6.9 The Future

For most farmers and their families Foot and Mouth has been a deeply disturbing episode. For some it has shaken their sense of direction and self-belief and made them question their future in farming. Most, though, hanker for a return to what they know as normality. Fell farmers are used to hardship and take a long-term view.

Those, whose animals have not been culled but have lost income and have had to suffer extra costs, are anxious for normal trading conditions to resume so as to recoup some of their losses. Those who lost their animals have an opportunity to think about the future. With the cleaning
up process over, uncertainty about farming futures, longer nights and shorter days and usually busy times looking after stock, the coming Winter would be when people would have time and space to reflect.

That’s when the problem is going to start because at the moment they are getting, well up until now, you know, they are being paid for the cleaning process and things like this. It won’t be long until all of those farms will be getting signed off. There’s then that period of, you know, we obviously, we obviously don’t know when we will be able to restock …. A lot of them are resolving themselves to the fact that they don’t think they’ll get restocked this year. You know, it will be into next year before they get restocked and their incomes are going to dry up because, you know, technically we are working for the Ministry cleaning out before we start to restock.

Once we’ve done this cleaning and got it all finished and once the farm’s been cleaned and signed as being passed they’ll be a period of time between that and between re-stocking, I don’t know how long though. I think that will be quite a time, I think that’s when the majority of people will find it quite hard.

Most of the farmers intend to restock. This is what they know about. The Foot and Mouth episode has served to heighten their distrust of external experts and politicians. Many farmers are highly sceptical of talk about alternatives, a scepticism reinforced by the evident vulnerability of diversified activities during the crisis. Most feel deeply committed to continuing in farming, if not for themselves, then for the sake of their families.

Our son, who wants to farm, I mean it’s in his heart, he doesn’t want to do anything else.
You farm for the next generation, the farmer has always been like that, you know us farmers who do have sons are always living on a promise that some day son, this lot will be yours.

Farmers’ wives and families are more likely than farmers to consider alternative sources of income or lifestyles. Some farmers’ wives, for example, have skills and qualifications outside of agriculture and are more open to new challenges such as attending computer courses. FMD and the compulsory purchase of stock has provided farming families with a potential window for change to do things differently, to get out of farming or to set up a new business. Often it is farmers’ wives and young people who look through this window and question the aim to restock and to return to what things were.
7 THE EFFECTS ON VILLAGE, BUSINESS AND 
HOUSEHOLD LIFE IN THE NORTHERN FELLS

Katy Bennett and Jeremy Phillipson

7.1 Introduction

FMD, and its handling, had repercussions not just for farming families, but for the whole community in the Northern Fells. Everybody was affected in some way by what they witnessed around them. Nearly everyone became wary about unnecessary journeys and policed their own movements. Household, business and village life were all disrupted with repercussions for individuals and families attempting to traverse the difficulties and uncertainty that foot and mouth disease brought to the place. Every person would have a different story to tell, according to their age, background, experience and concerns, about the impact on their life and how they personally responded to the crisis. This Chapter seeks to capture some of the experiences of non-farming businesses and households, as well as the impact on village life more generally.

Those worst affected were households whose livelihoods were under threat. Employees felt trapped in a waiting game as they watched the businesses that employed them struggle with fewer clients, customers and visitors, and anticipated the threat or the prospect of short time working or being laid off. Below, though, the focus is on the business owners and managers and their households. In many ways, it is often difficult to see where the business ends and the household begins and vice versa, because the two are so interconnected. The downside of this is that the household
can never escape business concerns, with very real implications during a crisis such as that caused by FMD.

Thus, whilst the previous chapter focused on farming, this one draws upon the experiences of non-farming businesses and families. Although the two are looked at separately, FMD has demonstrated and to some extent tested the interconnections between farming and other rural activities. Whilst some businesses in the Northern Fells service agriculture, others rely upon visitors to the area, and the closure of footpaths and bridleways and the discouragement of visitors had repercussions for many of them.

Just fewer than four thousand people live in the seven parishes of Ireby and Uldale, Westward, Boltons, Caldbeck, Sebergham, Castle Sowerby and Mungrisdale which make up the Northern Fells. The area encompasses one village, fifteen hamlets and a large number of isolated farms and cottages with almost half of the total population living in Westward and Caldbeck, the two largest parishes, both of which have seen significant population growth of approximately 12% since 1991.

Before the onset of FMD, the Northern Fells had a busy social calendar with many clubs and societies embracing a wide range of interests and age-groups. Twelve village halls and meeting rooms, fifteen churches and places of worship and eleven pubs facilitate the social life of the area. Whilst the area has witnessed an erosion of local service and facility provision over the past 30 years, five primary schools and the Caldbeck
Doctors Surgery continue to serve the area. Eighty local businesses provide goods and services to the Northern Fells, almost half of which offer tourist accommodation in the form of hotels, B&Bs, guesthouses and caravan parks reflecting the dependency of the local economy on visitors to the place.

Research involved 18 in-depth interviews with the owners of non-farming businesses to examine the extent of the impact of FMD upon enterprises, their responses and ways of coping. To meet a wide range of local residents researchers also attended Women’s Institute meetings in Ireby and Welton, organised two focus groups, one with young people (13-17 year olds) and another with the over-55s through the Thursday Club and met with people in Mungrisdale and Mosedale through an open day which local residents organised. During the study period one researcher stayed in bed and breakfast accommodation to witness first hand the lack of visitors to the Northern Fells and the wider effect of FMD on the area.

7.2 Experiences of the Cull

A War Zone

The cull of stock turned usually peaceful villages and countryside into places of turmoil and carnage. The metaphor that many people readily drew upon was that of a war zone. This expressed their sense of the widespread disruption of everyday life and the scale of the destruction involved:
the sight in Uldale was just horrendous. I mean there was 42 of these covered vehicles lined up at the junctions to take all the cattle away and there was still vehicles coming through … . It was just a sight. There was just literally lined up and down the … and across the road and the road was closed towards the school that way and then on top of that it was, I’ve got it all written down somewhere, it was 17 … wagons, 3 army personnel, so many field officers … it was just unbelievable in a little peaceful…

I was standing in the yard there with the binocs, and you could see the fires over at Longtown, the smoke actually. I watched it for a week or two, that’s bloody awful, and then it started to creep down the Eden Valley.

Things that we saw, you know, seeing the army of a morning that was strange and just wagons and fires being built, and things like that. It was unreal in some places, you’d never really, you know, never seen before.

It was like living in a war zone.

We felt we were under siege then, well it was just creeping closer and closer and that was the stressful time.

Prompting such an association were the strong memories of burning pyres, the pall of smoke over the fells, the smell of burning flesh, the death of so many animals and, of course, the arrival of the army to take control of the eradication campaign. Reinforcing the war zone imagery was the way in which the disease relentlessly spread, steadily encroaching on villages and households accompanied by an ‘invasion’ of officials with roles to play in the management of FMD. People felt there was ‘no escape’ and that they were ‘under siege’ as the disease spread. The policing and restriction of their own movements contrasted with and accentuated the mobility of the virus. Furthermore, as in a situation of war, some local residents were angry and upset by what they perceived to
be the unnecessary death of so many animals, especially those without
the disease but culled because of ‘dangerous contact’.

The aftermath

In the aftermath of the cull, people described the silence hanging over
their villages and the unfamiliar sight of empty fields. The landscape is
depicted as ‘eerie’ with its lack of stock:

The fields were just emptied.

It’s the sound, the sound that’s the worst, or lack of sound. It’s
just so quiet. When you’re out in the garden, you always heard a
noise and (pause) it just feels empty.

Such emptiness was particularly poignant at what should have been
lambing time. A teenager explained how he “missed the lambs running
across the fields – they used to race each other.” In short there was a
lifelessness that hung over the Northern Fells as animals no longer filled
fields and people confined their movements about the place.

There are conflicting views on the effect of the cull on grassland and wild
flowers. Some members of farming families are negative about the
current state of grassland with no sheep to keep it in shape. They
comment on the weeds and thistles now growing unabated on the fells. In
contrast other residents have commented on how green the fells look with
the chance to recover from being brown and overstocked. Individuals
also comment on the array of wild flowers putting in an appearance.
Some of those putting a positive gloss on the changes brought to the fells
were anxious to find some good coming from all the waste and destruction that had occurred.

7.3 The Impact on Village Life

The parishes of the Northern Fells have a wealth of clubs, organisations and places where local residents congregate and socialise but with the confirmation of the first FMD case in England, all meetings, activities and events were immediately cancelled. Much has been made in the national press about how the countryside was closed to urban visitors but in a much more pervasive way it was also closed to rural inhabitants. Commercial activities and social life ground to a halt as people limited their movements to those that were necessary and visitors stayed away:

You felt very isolated, there were days where you wouldn’t speak to anybody, it felt like living in a remote island, furthest north in Scotland really because seeing people moving about and seeing people every day to chat to, there was just nothing.

It took the heart out of the village pub as well really. I mean I’ll occasionally go have a meal but my husband likes to go and have a crack with everybody, they do meet up and talk farming talk. Everywhere was just quiet.

We used to find coming through the village farmers – tractors going to a job or whatever would stop and get chocolate bars etc. That just all stopped, we didn’t see anybody for weeks and weeks. Van drivers if they were coming through, they were just doing the job and getting back to wherever.

Organisations such as the Women’s Institute, Mothers’ Union, Mother and Toddler Groups, Thursday Club, Young Farmers and History Society went into abeyance. Regular events, such as sports matches, shoots and hunts were cancelled as were special events such as the production to be
performed by the Caldbeck Players and the Hesket New Market Show. Public houses and restaurants reported a dramatic reduction in trade, churches (at least those able to remain open) fewer numbers in their congregation and local shops a decline in passing trade.

Farm families are usually active in their local communities, and members of farming households often occupy positions of social leadership locally. The quarantining of farms, however, prevented or greatly diminished normal community participation. Table 7.1 indicates the major impact on those community activities in which 30% or more of farms have household members normally involved: Young Farmers Clubs, Sports Clubs, Hobby Groups and Parish Councils. Other community activities where the participation of farming households was also greatly affected include Scouts and Guides, the Youth Club and local committees for the management of the commons, the village hall and the local school (Tables A1.29 and A1.30).

**Table 7.1: Reduced Community Participation by Farm Households in the Northern Fells due to FMD Restrictions**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage of farms where household members withdrew or reduced their participation in normal outside activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Young Farmers Club</td>
<td>100%</td>
</tr>
<tr>
<td>Sports Club</td>
<td>94%</td>
</tr>
<tr>
<td>Hobby Group</td>
<td>89%</td>
</tr>
<tr>
<td>Parish Council</td>
<td>79%</td>
</tr>
</tbody>
</table>

Derived from Table A1.29. The percentages are based on those farms where household members normally participate in the particular activity.

Uncertainty surrounding reasons for the spread of FMD caused people, and not just farmers, to restrict their interaction with others. It did not necessarily ease matters just because most of the restrictions were self-
imposed. On the contrary, the self-policing of ordinary behaviour felt burdensome. Even those movements vital for the maintenance of businesses and households made individuals feel guilty and nervous. People were wary of simply stopping to chat with one another. Village life became muted:

You felt guilt, as soon as you went onto the main road you felt guilty, you know, because you shouldn’t be there, and you were frightened in case you brought something back.

There would be people calling or some’at like that, now they wouldn’t. Or just drive in. You don’t get that now because they can’t, you know, everything is left in the box on the wall where is someone would bring the Parish magazine or something like that, you’d stand and have a chat with them, but if you are inside and you are doing some’at you don’t see them, it’s just left and that’s it.

We got to the stage where the only place you went to was to post a letter.

To counteract feelings of isolation many people phoned each other regularly. In many ways, the support that networks of individuals provided each other through phone calls, letters, emails and small gifts resulted in new and closer friendships within the Northern Fells. Farming families in particular were often overwhelmed by letters, cards and words of support from friends and local residents as they lived through the crisis. They also looked to support from these people. Some 84% of surveyed farmers, for example, said they sought support from friends and 78% from immediate family. Over 60% of the farmers also identified other farmers as being a significant source of support. Some 15% cited the importance of the local doctor or nurse.
The vicar rang several times and the doctor rang and all my friends.

And a lot of the newcomers in the village were the ones who really were a good shoulder for us. A lot of the ones who’d moved in, mind the older ones, the other ones as well.

While family friends and neighbours rallied to support one another, such a severe crisis as this also tested local dependencies and solidarities. New fissures and points of tension emerged. There have been incidents of farmers falling out over the decision on whether or not to cull, over differences in the valuation of stock and over the scale of improvements to a few farm holdings during the process of disinfection and clean up. A few farmers have accused residents of irresponsible movements and in return residents have accused the occasional farmer of illegal stock movements. Some owners of non-farming businesses expressed frustration at the amount of money paid to farmers by the Government for the compulsory purchase of stock and the disinfection work done on farms, when they themselves were entitled to no compensation for lost income. And all of these upsets between adults have filtered down to children affecting their relationships with other children in the villages and at school.
7.4 Impact on Local Businesses and Households

Overview of the impact of FMD on non-farming businesses

The outbreak of FMD marked the start of a period of acute uncertainty and anxiety for most non-farming businesses. Talking about their experiences, business owners found it difficult to contain the frustration and distress that they continued to feel about the very difficult and often dire situations into which they had been precipitated. Conversations with the business owners were interlaced with anger and tears. At the start of the crisis many businesses were hit by cancellations and the disappearance of bookings. For some, the phone simply stopped ringing but others were swamped by phone calls from people cancelling their bookings.

That very first weekend when it all blew up the message came out loud and clear from Government, do not travel to the countryside and that was the one message that just kicked off the roller-coaster downhill, sent tourism into jeopardy.

The first few weeks were absolutely terrible, and I dreaded answering the phone because I knew it was somebody trying to cancel.

Our income’s gone, the bookings, there’s nothing at all.

There is a diverse range of non-farming businesses in the Northern Fells, reflecting the different experiences and aspirations of owners, and the particular niche each occupies, whether supporting agriculture, meeting the needs of tourists or providing services for local residents. The sort of impact that FMD had on these businesses depended on their specific context. Most of those dependent on tourists and visitors to the area felt
an immediate effect with the outbreak of FMD and the closure of the footpaths and the fells. Some of those providing services to locals as well as tourists also witnessed a sudden decline in their income as village life froze. Other service providers were not immediately hit as they met past demand and bookings, but feared the future months as bookings dried up. Businesses supporting agriculture have also been differently affected depending upon the nature of the service they provide. Those that support long-term investment and management of farms were immediately hit, those that support the daily needs of farms experienced a decline that went down by degrees as farms gradually went out of production with the culling of stock. Only one business interviewed had not experienced (and was not expecting) a decline in turnover, providing, as it did, a necessary service to locals, although the outbreak of FMD had caused difficulties to its daily operation.

A decline in turnover was sometimes accentuated if a business had recently made some investment to improve premises or the management of the enterprise. Carefully laid plans were thrown upside down with FMD when in normal circumstances the business should have been seeing an improved return as a result of its investments. The onset of spring, leading to the summer months is the time when many businesses in the Northern Fells are at their busiest. FMD meant that such businesses were denied the usual spurt of income that sustains them through the quieter months of winter.
Action

The immediate response of many businesses was to rein in capital spend. All businesses to some extent spend on the upkeep and maintenance of premises with a few, particularly those recently established, with plans for future investments and expansion. All this, for the large part, was stopped. The next step taken by some businesses hit by FMD was to reduce running costs, which often meant a reduction in staffing levels. For many business owners laying off staff or reducing their hours was a traumatic experience because on a daily basis they work alongside their employees, know their families and their problems and that they too have mortgages to pay. Some business owners tried to find alternative employment for staff they made redundant. Not only have people lost their jobs, but also in some instances businesses have lost a team of experienced staff that they have worked hard to build.

I didn’t call upon them for as many hours.

We have to think of them and we said that we would help them to find jobs as best we could.

The situation of casual employees raised complex issues. On the one hand many businesses did not take on casual labour through the Easter period as a result of depressed visitor numbers to the area. On the other hand, as the summer approached businesses found it difficult to recruit casual labour. The explanation offered by local residents was the effect of high wages paid by the Government for the clean up process on farms which absorbed those who would usually be looking for work during the summer months.
Throughout the crisis many businesses sought help and advice. Usually the first to be approached were familiar faces, such as bank managers and accountants who often pointed them in the direction of further sources of help such as Business Link who would inform them of the various government aid schemes (see p.17). Businesses often felt caught up in a myriad of help lines which for some caused more confusion and frustration than anything else. Individuals were often frustrated by a lack of clear answers to their questions. The most proactive businesses in seeking external advice and aid have tended to be those who already had a working relationship with systems of advice and financial services before the onset of FMD. On the other hand there are local businesses not inclined to seek external assistance, and typically not heavily indebted, who have stoically written off 2001 as a “bad year” and have simply reduced expenditure wherever they can.

We started getting offers of help and advice and it was telephone lines, phone this, phone that, and at first, right at the beginning these phone lines, these people who were manning them didn’t really know much about it at all themselves, and that created even more stress, anger, whatever.

Basically we did everything that it was possible to do, deferred this claimed that, bank overdraft increased to XXXX, which was how the bank wanted to play it … no the bank was really good, but the bank are still going to charge us interest on all of that.

We are seeing Business Link tomorrow to see if we can get any help with advertising to get ourselves on the map again.

Under this initiative called the Rural Recovery Fund we can get £6,000 towards marketing, £2,000 towards IT both of which we have got, we’ve actually had that approved, that’ll help, that’s sizeable, it’s still not going to be how much we will have lost, but it does part of the way.

Our Bank Manager suggested we had a moratorium on our mortgage which we’ve taken. We could not have coped
without that – we had three months moratorium on that and he suggested for us to seriously think about another three months. He knows how we feel about wanting to get back on track but he keeps saying well six months now might be better to you than, he said what’s six months at the end of ten years. Our idea was always to try and pay everything off a lot quicker.

The interconnectedness of business and household life

Business and household life in the Northern Fells is intricately connected, with one sustaining the other. In fact, key motivations for many businesses in the Northern Fells are working for oneself in a great environment and a situation that allows more time to be spent with family members, particularly children.

We wanted a rural property if we could so that we could have some quality of life as well as work. This seemed ideal because it is so uncommercialised this area – you are working hard but you have still got the peace and quiet first thing in the morning. So really that’s basically why we chose it.

We both had very, very high pressured, high stress level jobs and we wanted to opt out in inverted commas. Erm in hindsight it hasn’t quite worked like that, because we are still working as, well harder, if not harder than we did then, but very much different in that it’s for ourselves. Erm, so we wanted to opt out, we didn’t feel like opting so far as to sort of move to an isolated island or something, so we had to find some sources of income. And some place that we thought would be suitable to bring up the children. And a nice environment and we thought we’d found the ideal here.

The thing was that we had the two boys so I wanted something that I could actually be at home and be, look after the boys, collect them from school. All that sort of thing that my mother used to do with us. That to me was very important, the way they were brought up you know, so something I could fit into my life. But also create some sort of income too.
Of course, an interconnected business and household life means long hours and little relief from work with usually the business and household sharing the same premises and often the same phone line. Working from home means that customers, clients and visitors are able, one way or another, to access home and what is usually private space. Business pressures impinge directly upon the household:

Home life and work life as you can see just blends....The knock on effect to us is that the people can come to the door at any time, and if they want anything, yes we are happy to do that 99.9% of the time, but there’s always the one time when the doorbell rings and you really don’t want to see people but that’s just how it is

As businesses were drawn into the FMD crisis, so inevitably household life became deeply embroiled too as household members worked longer hours and were ever more preoccupied with worries about the business. In many ways the household acted as a buffer to some of the pressures placed upon the business, absorbing both financial and emotional strain caused by FMD. Where the help of staff would have allowed some respite - for example, from waiting for the phone to ring or both early morning and late evening work serving few customers - business owners and their families had no opportunity to escape. On two separate occasions business owners likened their experience of FMD to being on a roller coaster, with no power to control what was happening to them. Most spoke of no spare time for ordinary family life, of tiredness or exhaustion.
Financial pressures have also been absorbed by households through individuals simply cutting back on spending on themselves. So integrated are the business and the household that a cut back on domestic spending is something that is almost unconsciously done. The sort of spending cuts that business owners most readily referred to was children having to forfeit ‘extras’.

You do stop spending money without realising it really, you’re just very careful.

The strength and resilience of businesses are dependent upon the strength of households which are sustained by sound relationships. In dealing with the crisis, people talked about how they were thrown back upon themselves and each other.

We do talk a lot to each other and we try and take time out to talk and organise and think what’s going to happen.

It’s a tight ship that we, keep ourselves to ourselves and what we are doing. But we do get on alright as a family. I know people say, well can you cope and all that, well we can and we have done.

You do believe you are coping but every now and then, like sort of before, it comes from nowhere and you think well why, but I think it is because we are tired too. You do get tired because you feel as if you are on a rollercoaster really that is how it feels and sometimes you just want to halt that rollercoaster and say please just give me space to breath and think again, to think straight again.

Because what happens is that because we have other duties to do you do not have the time to sit down and do the business side which is so important because if you let that go then you
do get out of control and that is the part we have to find the extra time for now where you should be resting,

The future

The pace of recovery of these businesses will vary. Those who service tourists and local residents hope that the opening of the fells and footpaths and the return to some sort of normality for village life will improve their incomes. Those who support agriculture are more sceptical, especially with uncertainty over when, and the extent to which, farmers will re-stock and go back into production.

Most non-farming businesses were certain that they would survive the crisis. However, this resilience relies upon the households of businesses absorbing problems and a decline in income, with household members having to cut back on their spending and work longer hours in an attempt to rectify business problems. Even where some businesses, such as particular accommodation providers, recovered to some extent during the summer they had still suffered significant losses earlier in the year which cannot be recovered. Following on from this, there are concerns that the process of recovery will take longer than perhaps the government expects, requiring aid packages and support structures beyond the short-term. The repayment of loans and recovery of overdrafts will take time.

The other thing is for people who are taking, erm, are trying to assess the impact of Foot and Mouth not to just think it’s because Foot and Mouth was here so many weeks, months ago, to think that the impact, they need to assess the impact during those months, but businesses like ours it is going to carry on and we need people to take account of that fact into the future,
not just to think that it’s done and dusted and that’s assessed and that’s the end of it.

I don’t think it is all going to come right within a year I think you’ve got to look that it could take two years to recover from the downfall really.

We are in this business to stay. We are not full of joy, but we are not going under or anything.
8 VIEWS FROM BEYOND THE NORTHERN FELLS: CONSUMER ATTITUDES

Angela Tregear and Johanne Allinson

8.1 Introduction

This Chapter reports on the methods and findings of consumer research conducted in Cumbria during early October 2001 in the immediate aftermath of FMD. Its purpose was to gain insights into the priorities which drive food choice and behaviour and to explore whether local consumers' perceptions, habits and priorities had changed in the light of FMD. The propositions being tested are whether local consumers, by buying more products from local sources and retail outlets, could benefit businesses badly hit by the FMD outbreak and the extent to which local consumer purchasing power might assist the rural recovery programme.

The key questions which have been addressed are:

- what issues are of importance to consumers when purchasing and consuming food (in particular, to what extent are consumers aware of and concerned about social, economic, environmental issues relating to food and the countryside)?

- what particular types of food products and distribution channels do people use (in particular, to what extent do people choose local, regional, organic items)?

- to what extent do people perceive FMD to be an issue affecting their food purchasing and consumption behaviour?

- to what extent have food habits changed as a result of FMD?

- how do people feel about FMD and its impact in the region?
8.2 Consumer Perceptions and Behaviour Relating to Food and Farming

There is a growing interest in foods which have added distinctive attributes, which derive from welfare or environmentally friendly production practices, or which are identified with specific local or regional characteristics. However, it seems that the market share of these types of product is still small and that only a narrow segment of consumers are regular buyers of these foods.

Consumers face a complexity of issues and meanings in making choices over food. Personal concerns for health and safety vie with 'civic' concerns relating to society and the environment, which in turn contrast with practical concerns of price and convenience. The prioritisation which consumers make between such concerns may be partly determined by their own characteristics (age, gender, income or socio-economic group), but also be influenced by type of purchase occasion (level of involvement, complexity of the buying process), or behavioural orientation (level of awareness or interest in the wider issues connected to the food purchase). Manufacturers' or retailers' interventions in promoting, branding and labelling specific products also influence choices. In examining these variables, previous studies have found that purchases of specialist or local foods tend to be made by consumers from higher socio-economic groups, and in relation to higher involvement purchases, where perceived safety or social risks are greater. Amongst buyers of local and specialist products, benefits of improved product

quality and authenticity have been cited, in addition to the benefit of helping farmers and rural communities.

Since the publication of these studies, however, the FMD crisis has occurred. Media coverage of this event included disturbing images of the countryside, which may have impacted on consumers' existing perceptions of food and farming. Furthermore, coverage of the crisis also brought to public attention some facts about the livestock industry, such as the extent of animal movements and transfers, which could affect consumer perceptions of meat products in particular.

However, the nature of these perceptions and the extent of variance between different consumer groups is not known. For example, it could be that coverage of the crisis has raised (particularly urban) consumers' awareness of the fragility of the rural economy, stimulating more purchases of local products. Alternatively, the negative imagery may have raised consumers' fears about the quality and safety of British food products, or those from the areas most badly affected by the crisis, stimulating buying patterns away from these products. The crisis may have prompted more consumers to buy direct from local outlets or farmers' markets as a way of supporting the rural economy, or indeed it may have encouraged purchases of more familiar branded products in main supermarkets, as consumers seek reassurance in response to safety fears. Different responses could also be hypothesised across alternative consumer groups, for example between urban consumers who are distanced from the immediate effects of the FMD crisis and rural-based consumers who have more direct experience.
8.3 Study Design

To explore perceptions of FMD and purchasing and consumption habits amongst Cumbrian consumers, two focus groups were conducted. Following good practice, the profiles of individuals within each group were the same, to encourage free discussion. However the groups themselves were of different profiles, reflecting two key types of consumer:

- The relatively affluent, well educated, young professional type (which previous studies have shown to be interested in food issues and speciality/organic products, and which could be a key segment to target with marketing initiatives in the rural recovery programme).

- The slightly older, more settled BC1C2 consumers purchasing for themselves and their families. Previous studies also find these groups to be actively interested in food issues, but in a contrasting way to the first group.

A further distinction between the groups was made in the urban/rural location of participants. This was done to explore whether concerns over food issues differ according to the proximity of consumers to the source of the food. It was also to test the proposition that the impact of FMD on perceptions and behaviour may be greater for rural rather than urban based consumers. On this basis, the profiles of the two focus groups were:

*Group 1: Carlisle (urban)*

Aged 20s, ABC1, mixed gender, young professionals, reasonably well educated, single or with partner, with relatively adventurous, open-minded approach to food
Group 2: Penrith (rural)

Aged 35-45, BC1C2, females, with families and dependants, consumption choices more restricted by budget, dependants, etc.

It was important in this study that participants were encouraged to give spontaneous views regarding what they find of concern to them when purchasing and consuming food. Perceptions of FMD could then be placed within this context to obtain a true reflection of the importance and impact of this crisis. Thus, the discussions began with treatment of general concerns/interests in food and everyday habits. Participants came to the focus groups with the information only that the topics of food and grocery shopping would be discussed. Following this, FMD was explicitly introduced into the discussions. A copy of the complete discussion guide is given in Appendix 3.

8.4 Issues of Interest and Concern when Choosing Food

Both focus group discussions opened with the question of what participants found important to them when choosing or shopping for food. The most common spontaneous responses tended to be price, convenience and value for money. In particular, Group 2 participants spoke of living on a tight budget and problems they encountered trying to feed a family on this. Thereafter, issues such as 'quality', 'freshness' and 'insecticide free' were forthcoming. Group 1 participants spoke of being concerned about the state of food being put into their bodies and so they looked for good appearance on the shelf. Group 2 spoke of caring about nutrition and fat content on behalf of their families, although it seemed some trade-offs occurred, as certain participants also spoke of their
children not always wanting to eat healthy foods. Choosing and buying food seemed to be largely determined by children's preferences:

My shopping totally revolves around Ashleigh really and whenever I go shopping it's what will she eat, what won't she eat and basically I shop around her. I eat round her as well.

(Group 2, Penrith)

Overall, it seemed that practical priorities of budget, time and lifestyle tended to dictate food-related concerns and participants' prioritisation of these. In both groups, a couple of participants did mention buying local products, this apparently being driven by the desire to support local businesses and the wider local economy, as much as any perceived advantages of product quality:

I would rather go somewhere where I know the meat is local [because] you are putting the money back into the local economy [and] you know it is going to be a bit fresher and they probably have paid a decent price for it rather than crippling the farmers.

(Group 1, Carlisle)

It is noteworthy that the above comment related to meat products, as in general in the discussions over food choice, it emerged that priorities seemed to shift somewhat when participants talked about meat. In meat choice, it seemed that heightened awareness of health and safety came into play, prompted by coverage of issues such as BSE. For example, the following exchange took place in Group 2:

You don’t want to buy something that’s been sprayed to death, do you, and I’ve been a bit funny about buying meat just lately with all of this Foot and Mouth.
It's the BSE thing that stopped me buying meat, not the Foot and Mouth really ... you see cows falling about and it just doesn't seem healthy does it? If something's wrong with that I don't want to eat it.

(Group 2, Penrith)

The outcome of such concerns for some participants was a willingness to pay a bit more for certain meats, or to make extra effort to get what they perceived as better quality:

It's like sausages isn't it?

You try and buy the most expensive ones you can afford really because otherwise they could have anything in.

You hope they haven't got anything in!

But you don't know, do you, it's pot luck. Unless you go to a butcher where they do their own and you know they are reliable if you know them. But going to supermarkets and buying the pre-packed stuff, you haven't got a clue what's in it, it could have bits of hair and animal skin, all sorts in it. Bone and all sorts mashed up.

(Group 2, Penrith)

As regards issues such as organic and animal welfare, Group 1 seemed to be particularly sceptical, describing these aspects as a 'marketing gimmick' and supermarket 'money spinner', and with the male respondents in particular being cynical - indeed scornful - of such concerns:

if you look at the difference between one potato and another potato that has been 'cared for', you say, just give me the potato that has had a bad childhood.
I used to buy free range eggs as a purposeful thing, but when you think about the rubbish they have been eating in the farmyard ... so I don't bother these days, I just buy whatever is cheapest. (Group 1, Carlisle)

Other participants testified to feeling squeamish about actually eating animals, although this did not seem to stop them from eating meat, nor encourage them to choose welfare-friendly options. Instead, these participants tended to choose types of meat that did not resemble the original animal. Trade-offs with budget and practicality were also mentioned in relation to meat choice, even though these seemed to be conducted on a slightly different level of concern than with other foods.

Overall, it emerged that knowing the source of food was not a top priority for participants in either Group, notwithstanding the couple of individuals who spoke of their interest in choosing local products. The only other occasion where source of food seemed to take on more importance was again in relation to meat, where a number of participants spoke of choosing British meat. This seemed to be linked to anti-French feeling as much as belief in the quality or safety of the product. Such concerns also seemed to be limited to purchases of fresh red meat, as less concern about buying British was evident in relation to chicken, for example.

8.5 Active Shopping and Purchasing Habits for Food

Participants were then asked to describe and explain their food shopping habits. This gave insights into the types of outlet normally used and the general roles that food and food shopping played in participants' lifestyles. Again it seemed that budget and time priorities took
precedence for most participants, with supermarkets being the most common type of outlet used. For Group 1, supermarkets had the perceived advantage of very flexible opening hours which fitted with their lifestyles, whilst for Group 2, the 'one stop shop' convenience aspect seemed most beneficial, avoiding the necessity of 'trailing around' lots of different shops with children in tow. Some participants mentioned using local shops, again because of wanting to support local businesses. Local shops also offered social interaction and transparencies in production and service, as this testimony reveals:

You can see them do it at the proper butchers though. I know I went for some lamb mince, and I wanted a specific weight of something, and I'm not into these new fangled weights at Safeways, so I went down to Clarks butchers - it's where my mam used to go. And I saw him cutting it off the whatever, and he took it upstairs and minced it for me. I saw him doing it, it took longer. I knew it was fresh, do you know what I mean? In Safeway, I don't know how long it had been in the packet.

(Group 2, Penrith)

Regarding other outlets, awareness of farmers' markets was low overall, and it seemed very few participants were regular attendees. In discussion of this in Group 2, it was felt that the Penrith farmers' market was not a 'proper' farmers' market, as it was over-priced and many items were not being sold direct from farmers. Awareness of how to procure products from farm outlets was also low, although within Group 2 there was a strong view from one participant that such outlets did exist and were good value for money, leading to a quite heated exchange. For the other participants, problems with mobility, access and time were expressed in relation to using these types of direct outlet. In contrast, a number of participants in Group 1 spoke of buying direct, however this seemed to be
a result of them making convenient use of personal contacts, rather than making a specific decision to buy direct.

8.6 Perceptions of FMD

Following discussion of participants' current concerns and habits relating to food, the topic of Foot and Mouth disease was broached explicitly. In both groups, FMD had been mentioned spontaneously by single participants when talking about issues of importance to them when buying food, but this line of discussion did not expand on its own, as other issues were debated at more length, and talk of BSE as a food issue took more prominence. When FMD was formally introduced into the discussion, the kind of images which sprang to mind for participants were 'burning animal pyres', 'smoke, smell', 'empty fields', 'kids off school' and, more generally, the terrible impact that the crisis has had on local peoples' lives:

You could see the fires burning everywhere. There is nothing anywhere. The grass is gone. It has devastated the area where I grew up. People have lost their entire livelihoods and there is no way back.
(Group 1, Carlisle)

These kinds of thoughts tended to move on quite swiftly to condemnation of the government and its handling of the crisis. Comparisons were made with countries on the continent, where the disease was seen to have been stamped out quickly and decisively. Lax rules and conflicting priorities were perceived as causing particular problems in the UK (for example, lack of enforcement of disinfection points, too early opening of footpaths). There was a feeling of Cumbria's situation being forgotten
and Group 1 added the perception of the media manipulating the crisis, 'whipping up a storm' over the issue in the beginning, but then effectively dropping the story at national level in favouring other news events. It was felt this gave a false impression that everything was normal, and indeed, it seemed that news coverage overall was not trusted as a true and impartial account of reality.

An interesting juxtaposition of views emerged between the two groups on the impact of FMD on participants' own lives as well as those of others. Group 2, although situated in a rural area, contained no participants with direct links to farming. Thus, although there was general sympathy, a greater point was made about the inequities in support and perceived compensation given to farming communities relative to other sectors. It was felt that farmers had received ample compensation and that some individuals had 'done well' out of the crisis, whilst non-farm businesses had been left to deal with drops in business on their own:

And farmers, they've all been given loads of money haven't they, they've got ten times the value of their stuff. So they haven't come out so badly at the end of it.

It's the knock on effect on people like us, who are at work.

It's like they say, who can afford not to have Foot and Mouth now?

Yes, I mean they can't move their stock, they can't sell their stock, they can't do anything with it and it's costing them money to feed them, so some of them are actually wanting Foot and Mouth because it's the only way they'll get some money from these animals.

But they've been keeping an eye on them, haven't they?
Some of them have been caught. But the organisation of the whole thing has been a total disaster. It's like you say, abroad it was stamped out immediately. And we're going on for months and months. It's ridiculous. MAFF want shot. No wonder they changed the name.

It solved the over-stocking problem though, didn't it?

That's it you see. I mean the few farmers that get back on their feet now are going to be raking it in. Aren't we cynical!!

(Group 2, Penrith)

In contrast, Group 1 participants, although Carlisle-based, tended to have more direct links to farming through personal contacts and family. As such, there were more generally supportive views expressed towards the sector, although the negative impact on other businesses was also acknowledged:

it is not just the farmers who have been affected, it is all the businesses as well, and not just tourism either.

It is absolutely tragic for the people that are directly involved ... It should have been cleared up by now, the government should have cleared it up. They have slaughtered all those animals and it still hasn't gone. So they are obviously doing something wrong.

(Group 1, Carlisle)

Although there was out and out condemnation of the way the crisis had been dealt with, it was noteworthy in the groups that alternative, conflicting positions were expressed about the courses of action which should have been taken. For example, some participants argued strongly that footpaths had been kept closed for too long, damaging tourism and related industries, whilst others complained that access restrictions had
not been enforced stringently enough. So consumers themselves appeared to be caught up in the same dilemma which faced Government.

In terms of immediate impact of FMD on participants themselves, there was little expression of direct personal effects. In Group 2, some spoke of a drop in business, leading to temporary laying off of staff. It was perceived that for tourist businesses, this drop was particularly severe as such businesses rely upon summer trade to keep going through the winter. There were alternative views on what impact FMD had had on Cumbria's image. Some felt that it had impacted negatively:

If I lived outside of Cumbria, I probably wouldn't want to buy Cumbrian products, but because I live here I want to support ... I know it's different because I'm here, but if I wasn't here I wouldn't know, would I? So I probably wouldn't buy stuff. (Group 2, Penrith)

For others, especially in Group 2, it was felt that the impact had been more national:

Because it has been such as widespread outbreak, I don't particularly think that people will think "That is from Cumbria, I'm not going to eat it."
(Group 1, Carlisle)

8.7 Rural Recovery Recommendations

In the final part of the discussions, the precise aims of the research were explained to the participants and their views were sought on the potential of local marketing initiatives to help the rural recovery. Some forthright
views were expressed. In Group 1, a generally pessimistic view was taken of the ability of consumers to mobilise themselves to effect change:

You will never get a big enough consumer market that would turn around and say “right, we are not going to buy foreign meat”. You would never get enough to make a difference to the government, supermarkets, or whoever to say “right, we'll stick with British meat and not import meat”.

(Group 1, Carlisle)

For these participants, it was felt that it was up to the government to 'do more', rather than consumers taking an active role.

In Group 2, though, there was some receptiveness to buying more local produce, but such produce would need to be made more available and accessible:

I mean, if I knew there was a place, conveniently, locally that I could go to. Like, I don't know … a farmers' market! If it was brought to your attention that you need to buy local, you need to support local, and give us a convenient place to buy the stuff, fine. I would. I probably would make that little extra effort. But because you're working mothers, you're busy, you've got no time … I do a lot of my shopping on Sundays and at nights.

Not everybody has transport.

Exactly, yes. So there's got to be a way of pointing you in the right direction. Because there's not a single person in this room, well apart from you, who could tell you where to buy locally produced veg.

There are no more farmers advertising locally produced eggs or whatever than there was before Foot and Mouth.

Where should locally produced food be made more available?
Supermarket.

Yes, because that's where everybody goes.

The council should say to them as part of their agreements, right we want …

Just a little section.

Yes, in the supermarket.
(Grupo 2, Penrith)

Thus for these participants, it was felt that existing direct outlets of local produce were not advertised sufficiently, and that more local produce needed to be made available in the most convenient shopping places, in particular, supermarkets. Although Grupo 1 was generally pessimistic about consumer purchasing power, they did themselves appear to be influenced by some branding and marketing initiatives. One spoke quite strongly about the impact of the long-standing campaign for Danish bacon on his quality perceptions, whilst another described the effect of the campaign for local Fellbred meat on his own attitudes:

There is a very good advert at the moment about farmers, which does actually get you thinking about the whole Foot and Mouth thing ... They all want you to buy Cumbrian meat - picture it, it is raining, farmers are in the fields and these are the best farmers in the whole world because they are looking after your meat. It does get you thinking about the whole crisis, but at the end of the day, I buy from Tesco because it's easier. But if they had that on the shelf I would probably try it.
(Grupo 1, Carlisle)

Overall, though, like Grupo 2, it seemed that if these participants were to be persuaded to buy more local products, they would have to be in the right place and also at the right price and quality:
It would still depend on price … they could sell it at a price which they would compete with the supermarkets, or slightly higher. That would be much better, because you know the meat is fresh and local. If it was the same price, I can't see why you shouldn't purchase from a local source.

I might try local food marketed as such, but if I didn't like it, then I'll go and buy what I was used to. Obviously if it was good, I'd continue to buy it.

(Group 1, Carlisle)

Thus in spite of awareness of the crisis issues, it seemed in both groups that the majority of participants would prioritise budgetary and time concerns when choosing food, and thus selection of local products would have to fit in with these. A final thought on the general wisdom of pursuing local product marketing schemes to aid rural recovery came from Group 2, where this strategy was seen as another example of the needs of the agricultural community taking precedence over those of other sectors:

That approach to me just seems to be to help the farmers to get back, what about all the other businesses? You know, that's to give them a chance to sell their products and everything, but what about the other businesses in the vicinity and the rest to do with tourism, that have been affected? The farmers have already had the help, what about the others? They should be focusing on them as well. I mean, they've got food to buy as well, are they going to be offered this produce at a reduced rate or ... do you know what I mean? That could be a way to help them, as a knock on from the farmers. Because they all need eggs and all sorts of food anyway. But to me, that comment all seems to be aimed at helping the farmers.

(Group 2, Penrith)
Finally, on the question of whether the participants would be willing to eat vaccinated meat, a dichotomy emerged between the two groups, with the Penrith group responding with a resounding 'no', on the basis of health and safety, whereas the Carlisle group expressed less concern.

8.8 Conclusions

The consumer study set out to explore in depth local people’s perceptions and concerns relating to food, and examine the extent to which those perceptions and habits had changed in the light of the FMD crisis. The key results of the focus groups may be summarised as follows.

On the issue of what is important to consumers when shopping for food, price and convenience were expressed most commonly as priorities, followed by other concerns such as freshness, additive-free and nutritional content. When discussing meat, however, consumers tended to talk in more involved terms, showing willingness to search out perceived good quality for reasons of personal health and safety. Within this, knowledge of the source of meats was one method to ensure safety, and this could be assured either by going to a known butcher, or choosing to buy British. However, not all meats were treated the same, and it was also clear that price and convenience still played an important part for many participants even in relation to this category. Apart from meats, participants seemed generally unconcerned about the provenance of foods they bought, were more concerned that end products had the right quality appearance on the shelves, and that they would trust their own judgement to choose the quality they wanted. FMD was mentioned spontaneously in both groups early on in the discussions, but it emerged that in terms of
impacting on food concerns and behaviour, BSE was perceived as more important. The majority of participants did not see FMD as an issue of food health and safety or as a consumption issue, rather more as a supply or production issue.

In terms of actual behaviour and shopping habits, supermarkets dominate as the main outlet for food shopping, for reasons of convenience and price. Beyond this, many participants expressed positive views about using local shops, partly motivated by a desire to support local business, but also because of perceived gains in quality, safety and transparency, particularly in relation to higher involvement food purchases like fresh meat. Other forms of outlet such as farmers' markets or direct sales from farms were not commonly used, and suffered from a general lack of awareness amongst participants.

In relation to FMD, participants expressed much concern over the impact of the crisis in the region, and had many negative views on Government’s handling of the issue. Mixed views were expressed on how the crisis could have been dealt with better, however, and contrasting arguments were put forward, for example in relation to access restrictions. The negative impact on the farming sector was acknowledged in both groups. However, the effect on non-farming businesses was also strongly emphasised, with the relative lack of support and compensation they had received being an issue of concern. Overall, the groups were equivocal about the impact of FMD on the image of Cumbria and Cumbrian produce, some feeling that it had been specifically tarnished, whilst others felt the impact had been more at the national level. However, participants
all agreed that the effects of the drop in business, particularly in the tourism sector, would be felt for a long time to come.

Finally, on the matter of the rural recovery programme and development of marketing initiatives to encourage a greater uptake of local products, there was some receptiveness in both groups to such an approach. However, it was conditional on the end products meeting participants' needs and expectations on price, quality, convenience and accessibility. Participants seemed unlikely to change their current priorities and habits even in the light of the crisis and their awareness of the wider issues facing the rural economy. Furthermore, one group was generally pessimistic about the ability of consumers to mobilise to effect change, whilst the other group expressed concern that the marketing initiative approach was simply another example of support being targeted at the farming community rather than other affected sectors.

Overall it may be concluded that consumers are aware of, and concerned about, wider socio-economic issues relating to food, farming and the countryside. In many cases, they also appear to make the link between production and consumption issues. In terms of purchasing behaviour, however, their propensity to respond accordingly, for example by buying more local food, is not strong. Practical concerns of price, convenience and access seem to take precedence and therefore any strategy to encourage a greater uptake of local products amongst consumers has to take account of these realities. Also, tactics aimed at increasing basic awareness and profile raising of local products would be useful as few
consumers in the groups studied actually knew where to find local products.
9 CONCLUSIONS

Terry Carroll and Philip Lowe

9.1 Introduction

The study has examined the economic and social impacts of FMD in Cumbria through a combination of primary data collection and analysis of existing reports and data sources, taking the Northern Fells as a special case study area. Systematic research was carried out of farmers and other rural businesses, households and consumers closely affected by the disease. The fieldwork was undertaken at a time when the outbreak was coming to an end and so respondents could take a retrospective as well as prospective view.

A purpose of the study is to inform the debate about policy reform which has been demanded from so many directions. This debate has gathered pace in the immediate aftermath of the disease, and numerous initiatives nationally and locally are underway to speed the process of recovery. It is vitally important that reform and recovery are founded on detailed evidence and sound analysis of the causes and consequences of FMD.

In this concluding chapter the principal strands of the research are drawn together with a commentary on the implications of the findings for the various policy changes now under examination.
9.2 Rural Recovery and the Changing Policy Context

The initiatives being taken or advocated\(^\text{24}\) comprise a combination of short and medium/long term measures that can be broadly assembled into two groups: the first focused on recovery of the farming industry; and the second directed towards recovery of the wider rural economy and communities.

The main policy themes are as follows:

(i) Farming

- Reduction in excessive sheep numbers through the purchase of quota; more controls over the movement and traceability of sheep; a more effective and better regulated role for live auction marts; and investigation into the viability of a return to small, local abattoirs.

- Greater co-operation among farmers in producing and marketing higher quality and locally distinctive “value added” products; the creation of shorter supply chains and the formation of partnerships between primary producers and processors with the hospitality sector and major retailers.

- More widespread take-up of existing agri-environment schemes; examination of more sophisticated and flexible ways of purchasing public or non-food goods (landscape, bio-diversity, access, flood

\(^{24}\) Report of the Rural Task Force Tackling the Impact of Foot and Mouth Disease on the Rural Economy (October 2001); Lord Haskins report Rural Recovery after Foot and Mouth Disease (October 2001); Cumbria FMD Task Force A Proposal for A Cumbria Rural Action Zone (October 2001) and Fresh Start for Farming (second draft July 2001); Preliminary Findings of the Devon Foot and Mouth Disease Inquiry, (October 2001); NWDA England’s North West Rural Recovery Plan (October 2001);
control, water quality protection, energy crops) from landowners and farmers; and further promotion of organic farming.

- An accelerated reallocation of CAP funds from commodity support in favour of agri-environment and other rural development measures; encouragement of farm diversification and off-farm employment; and an expansion of the activities supported under the England Rural Development Plan (ERDP).

(ii) Rural Economy and Communities

- A continuation of the schemes of temporary assistance to rural businesses; and thereafter, a better integration of the support provided to business by, for example, the Small Business Service, Farm Business Advice Service and Tourist Boards.

- A major effort in 2002 to relaunch the countryside through a programme of special events and activities and promotion of walking opportunities.

- Reinforcement of Rural White Paper measures to regenerate market towns, extend the ICT infrastructure, improve training opportunities and strengthen community services and facilities in rural areas.

- A requirement for public agencies to integrate programmes for rural regeneration and their separate funding streams, and to target these on the recovery of badly affected areas.

---

• A more flexible interpretation of development plan policies by planning authorities and a more pro-active approach to development opportunities to facilitate diversification of the rural economy.

These measures must be viewed in the context of the policy debate taking place within the EU over the future of the CAP and particularly the scope for redirecting finance from commodity support into wider rural development programmes (the so-called second pillar of the CAP). There is a growing acceptance that a major overhaul is needed driven in part by the cost of the current CAP, its perceived failure to deliver wider social, economic and environmental benefits and the forthcoming accession of East European countries. The last major reform (Agenda 2000) was in 1999 and covers the period to 2006 although provision was made for a mid-term review. This may enable interim changes to be made but substantial obstacles exist to radical reform and the likelihood is that the pace of CAP reform will constrain the ability to take immediate action in certain areas.

The emerging role of the Regional Development Agencies in the field of rural development is also pertinent. These agencies have been identified as the key organisation and catalyst for overseeing and targeting support for all sections of the rural economy and to bring about the integrated approach that is widely advocated\textsuperscript{25}. Most RDAs are now producing Rural Action Plans to give direction and substance to this work.

9.3 Research Findings and their Relevance to the Policy Debate

The following paragraphs attempt to distil the key findings of the research and provide some observations for those engaged in the development and implementation of the new policy initiatives for farming and the wider rural economy described above.

Farming

Farming in Cumbria was in severe difficulty even before the outbreak of FMD. The research demonstrates how dramatic the financial and psychological effects of the disease have been for the farming community. The differences between the farms that were culled and not culled have been quantified. The income from sales and subsidies of the former group is substantially reduced but these farmers have received compensation and, for some, there has also been temporary financial relief in the form of payments for the disinfection process. Projected incomes for the farms not culled show a lower reduction but this group may be worse affected in receiving no compensation yet having to bear the financial consequences of the restrictions on livestock sales and movements. Some offsetting benefits may accrue to this group in due course from higher prices for their breeding stock at a time of higher demand and reduced supply, as restocking occurs.

A high proportion of farm income is derived from subsidy, particularly in the beef and sheep sectors. The farms will therefore be vulnerable if the signposted reductions in commodity price supports and subsidies under the CAP come about. On the other hand this high level of dependence means that farmers should be highly responsive to changes in the support mechanisms if these were redirected to secure wider public and
environmental benefits. Already, participation in the existing ESA scheme is high for those that qualify. In addition and even though the payments are small in comparison to other sources of farm income, a third of the farmers intend or want to explore the possibility of new or greater involvement in agri-environmental schemes in the aftermath of FMD. It may be concluded that a reorientation of payments for production in favour of environmental outputs would have the desired outcome.

The research found an expectation among farmers of future reductions in the beef herds and sheep flocks. A significant proportion of farmers would thus appear to be potentially receptive, if a suitable scheme could be devised, to the Government purchasing some of their quota for livestock premia. Such a scheme could be used to lower stocking densities systematically and permanently. This could greatly enlarge the scope for either extending agri-environment schemes or pursuing a greening of existing LFA supports.

Notwithstanding the above, the research also reveals a significant degree of resistance to change in the farming community and this should be of concern to policy makers. Almost all of the farmers interviewed were expecting to continue farming and many to return to previous levels of activity. Although the ESA scheme has proved popular in the eligible area, the Countryside Stewardship scheme which is more widely available has not attracted support. Little actual enthusiasm was expressed for increased participation in alternative land uses, such as
forestry, and no interest at all was registered in converting to organic production.

Many of the new policy measures and funding programmes are founded on the perceived need for greater diversification of the farming economy. There was some existing diversification on the surveyed farms but much of this revolved around farming-related contract work. There was much less involvement in the kind of activities which the ERDP is designed to support. Very few farmers had sought external advice about possible diversification opportunities post-FMD. Off-farm incomes whilst fairly common were considered to be very important by only a small minority of farmers. Furthermore those farmers not engaged in diversification or not relying on off-farm income demonstrated a marked reluctance to become involved. Attitudes on these issues have not fundamentally altered amongst most farmers.

Farms with diversified activities have been no less vulnerable to the effects of FMD. Indeed it might be said that the commercial exposure has been magnified because whilst the losses to farming from the cull have been compensated those sustained by, say, tourism and leisure enterprises have not. Off-farm employment was also affected in some instances but less so than for diversified activities. The farmers themselves acknowledged that their diversified activities had been much more vulnerable to disruption due to Foot and Mouth than off-farm employment. Approaches to diversification therefore need to be reviewed, in the light of the FMD experience, to reduce their
vulnerability to future farming and animal disease crises and to minimise the risks posed to biosecurity.

Resistance to change can also be reinforced by the way long-term business decisions are made on the farm. Only rarely do farmers make decisions alone. They are caught up in a complex set of obligations within the household and between the generations, and this often inhibits decisive action. At the time of the survey farming families had just coped with the stress of the cull, had worked through the clean up, the checks and re-checks, the paper work and bureaucracy and were emotionally drained. This was still a time of considerable uncertainty, not perhaps the best time for innovative thinking.

A reasonable assumption from this research is that there may be a low level of interest in applying for ERDP funds for diversification projects even if substantial resources are made available. The reasons for this are complex but lie in the perceptions amongst farmers that alternative markets are saturated, certain areas of the County have little potential for tourism or other leisure developments and that capital expenditure is too risky. There is also a strong belief in farming as a worthy occupation that should continue to generate full-time livings as it has in the past. This sense of farming as an identity as well as a livelihood defines the individual and family.

The scepticism of farmers about practical diversification opportunities may be well founded. But if farming prospects do not recover then
pressures to find alternative income sources will grow. Interestingly, the research reveals a greater interest in diversification than off-farm employment to provide this, but amongst those farmers with experience of either of these outlets there is growing interest in opportunities for off-farm employment for themselves or other household members. More farm households may be placed in the position of needing external advice. What is on offer should embrace other members of the household than the farmer and should include training and employment as well as business advice.

The challenge for the rural development agencies will be to provide sound and convincing advice in what may be unpromising commercial conditions and to make funding schemes accessible, flexible and capable of accommodating an appropriate level of risk. In view of the lack of apparent awareness or confidence in Government agencies and the low level of existing uptake of business advice, this is likely to be a significant challenge. The newly created FBAS would seem to be the obvious candidate to take on this task but will need to establish a credible reputation with the farming community quickly.

As regards food production in the future, farmers will increasingly be urged to cooperate more, understand the needs of their customers better and become more innovative in their marketing practices. New and shorter supply chains are envisaged and more value-added products. Amongst the farming sample, however, there was as yet no evidence of processing or of direct sales activity (excluding dairying). Nationally, the numbers of individual farmers becoming actively engaged further up the
supply chain is undoubtedly growing and this is mirrored in the rapid growth in popularity of farmers markets. This will appeal to the most enterprising of farmers but not to the great majority, and farmers need to be encouraged to cooperate.

The research confirms that the marketing of livestock is exclusively tied to the traditional live auction marts. This is regarded as a transparent means of price setting and a familiar way of conducting trade and social intercourse. However, the FMD crisis has caused great upset and uncertainty for the marts. The study has quantified in broad terms the extent of the likely losses they will have incurred. It has also pointed to further difficulties ahead regarding greater regulation of livestock movements and other bio-security measures. The future therefore offers very serious threats. The demise of the marts would be a blow to local economies but would also entail the loss of important social functions. A key means of knowledge transfer within the livestock industry would be lost. Farmers, for example, are very likely to look to the marts for leadership in bringing about the sought after changes in marketing and supply chain management. The prospects and future role of auction marts are a pressing topic for further research.

Significant opportunities exist for initiatives led by the livestock industry that anticipate and satisfy the Government’s requirements for change. The Fellbred scheme in Cumbria, coupled with Penrith Farmers & Kidd’s recent acquisition of abattoir facilities and the supply arrangements with Booth’s Supermarket provide models of the kind of co-operative marketing and vertical integration which is now needed. Such projects
require commercial realism and the commitment of private finance to succeed. Nevertheless there may be sound justifications for certain ventures to be publicly supported or facilitated in the development phase.

**Consumers**

Whilst changes can be instigated from the primary production end of the supply chain they will ultimately be consumer driven and the multiple retailers will continue to exercise a powerful influence. The research indicates that, as with farmers, there is significant inertia amongst consumers. Purchasing habits of most consumers are dominated by price and convenience. There is some empathy with the farmers and support for the local economy. But, aside from meat, there is only a modest degree of interest in the provenance, means of production and environmental associations of food. The supermarkets also appear to enjoy a good reputation for their high food safety standards.

There is every justification for promoting awareness and higher consumption of regionally distinctive and local foods and more traditional and value-added niche products. This meets sustainability objectives and acts as an important counterweight to the globalisation and centralisation of food production and distribution. Farmers markets may not transform the local rural economy but can provide tangible benefits. Initiatives such as the Countryside Agency’s Eat the View scheme, the activities of the North West Fine Foods group and ‘Made in Cumbria’, and the Soil Association’s Local Foodworks project provide good examples of positive action in this field. The consumer survey, though,
revealed a lack of awareness about the presence and location of existing initiatives, such as farmers’ markets, which needs to be remedied.

Winning consumer acceptance, however, cannot be taken for granted and this points to three main requirements. First, any duplication of effort and disjointed activity in promoting regionally distinctive foods must be avoided. There would appear to be a key role for the RDA in securing the necessary integration. Second, strategies to encourage a greater uptake of local products must take account of consumers’ practical concerns over price, convenience and access. Third, given the dominance of the multiple supermarkets in food retailing, it is important that they adopt a more favourable attitude to regional sourcing, especially of meat products. In the aftermath of FMD, opportunities exist for primary and local producers to enter productive alliances with the multiples, and rural and regional development agencies should explore how they can best facilitate this.

Non Farming Businesses

The FMD outbreak has had very serious economic impacts that extended well beyond farming, revealing the diverse yet interdependent nature of the rural economy. The impacts were severe in the short-term, but the emergency and follow-up funding, whilst not satisfying all needs and expectations, was fully exploited and provided some relief. Serious reductions in business turnover have been experienced, most generally in the tourism sector, but also by firms in a wide range of other sectors including retailing, catering, crafts, local services, land-based activities and agricultural suppliers. The research indicates the determination of
most businesses to survive, and the summer and autumn certainly brought some signs of recovery at least in tourism. Nevertheless, it will be some time before the full impact of the FMD crisis on business failures will be clear.

The research provides insights into the structure and nature of the rural economy and motivations of business owners. It mainly comprises family-based micro-businesses. Many are used to coping with often sharp, seasonal and annual fluctuations in trading conditions and income. For many, operating in the County is more of a deliberate lifestyle choice than an economic imperative. For others stability or survival rather than growth is the main business objective. FMD has simply presented a more extreme set of circumstances against which business owners have had to struggle.

The duration of FMD impacts is likely to vary between different business sectors. Businesses closely associated with farming anticipate continuing difficulties while uncertainties about future strategy and investment in the industry persist. By comparison those involved in tourism expect a quicker recovery.

The research sheds some light on the typical coping strategies of businesses. Tourism related businesses stopped taking on their usual complement of seasonal employees or reduced their hours. Capital investment was deferred, loans and overdrafts extended and day-to-day expenditure curtailed. Where eligible, use was made of the emergency
relief funds. Family and business life are intertwined imposing additional strains and tensions but also providing a source of strength in seeing the crisis through. The ultimate impression is one of a battered but resilient rural economy.

Various arms of Government have had an important part to play in assisting businesses through the crisis. The research, however, records a fair degree of institutional confusion and disaffection with the authorities. Perhaps this was inevitable given the pace of events, the emotional effects and stress caused by FMD and the number of official bodies involved. The main messages for business support agencies are unsurprising: better communication; more transparency in the process of determining eligibility for assistance; a recognition that recovery from the very poor trading conditions in 2001 may take several years; and more sensitivity to the complexities of small businesses including advice and support strategies which do not necessarily imply growth and acknowledge the wider role of small businesses in rural development.

Community

The social impacts like the economic impacts were severe as the research in the Northern Fells revealed. Local people say that it is a period of time in their lives that will never be forgotten. Divisions and tensions emerged within rural communities and the social scars and the sense of alienation run deep. Some have even said that their villages and lives will never be the same again. The social consequences of FMD may take considerably longer to resolve than the economic, although the two should not be seen as separate with economic consequences (and responses) sometimes
fuelling tensions and problems within the community. However, whilst plans have been put in place to help the economy recover, this is not the case for problems at the level of the community.

Through the crisis many families and individuals turned in on themselves. It was families and households (both those that support businesses as well as those that do not) that had to absorb the brunt of the crisis. Most support came from immediate family and friends. There was little evidence of recourse to formal networks and officialdom. The local radio station was relied on as the main source of information.

Healing the emotional wounds inflicted by FMD is no easy task but begins at home with people discussing problems with one another but also being aware of how some talk, especially in front of children, can cause further tensions elsewhere, say at school or in the village. For many individuals the winter may be especially long with the short days and drawn out nights providing people with space to reflect upon events caused by FMD. There is evidence to suggest that people have attempted to contain emotions as they have dealt with the immediate effects of FMD. The repercussions of this could have diverse health, including mental health, consequences in the future.

The supportive role of community organisations is crucial. There is already evidence that people in a position to help, such as those who head schools, the surgery, churches, for example, have played a pro-active role in alleviating stress caused to individuals as a result of FMD.
Much community and social life was put on hold throughout the crisis. Many clubs and societies suspended their activities and local events were cancelled. The response of some villagers to restricting their own movements and cancelling all meetings and events was not just an attempt to prevent the spread of FMD, but also because individuals were in no mood for seeing one another to socialise. Even as people are beginning to meet once again, many feel drained by all that has happened to them and find it difficult to get back the momentum for the social life they previously had. A conscious effort is needed to rebuild community and social life, not least because tensions between individuals are a potential obstacle to recovery.

Community organisations therefore have a vital part to play in recovery but some of them also need a hand. Their financial reserves and emotional energies have been sapped. In some cases people are unsure whether to return to the positions of community leadership they used to occupy. However, any form of assistance must be conscious of the fact that many people in the Northern Fells are fed up of heavy-handed interference in their lives from outside. One potential means to support recovery at the level of the community is the Northern Fells Rural Project (NFRP). The project has been popular with local residents and is run by local people, identifying and meeting local needs, for example, through the community bus and organised lunches for the elderly. Alongside the seven parish councils, the NFRP could be a useful mechanism to channel resources to where they are most needed. This might be in providing advice to help people to deal with what has happened to them. It might
be to help parish halls, clubs and community organisations that have lost income as a result of FMD to get back onto a sound footing. It could also be to support local events, not only to get local people together, but also to encourage visitors back.

### 9.4 Final Remarks: The Wider Lessons of FMD

A crisis such as FMD challenges fundamental assumptions by revealing underlying realities. What this crisis has revealed above all is how much the countryside has changed in recent years and how out-of-date are official and public conceptions. The last major FMD outbreak in the UK was in 1967, when the countryside was largely a farming domain (significantly the ‘Northumberland Report’ into the 1967 outbreak and the subsequent economic analysis considered solely the impact on the agricultural sector). Much has changed since then, with the great growth in rural tourism and leisure, in counterurbanisation, in the urban-rural shift in certain types of employment, and in the expansion of farm household pluriactivity. Yet public perceptions and official outlooks have not kept pace.

For example, both the mass media and the Government responded to the 2001 FMD outbreak largely as if it were simply an agricultural matter. A disease control strategy that was ‘ultra-precautionary’ in order to protect the farming industry coincided with predominant news values (particularly the strong visual images of carcasses and pyres) in determining the media’s treatment of the crisis as an animal plague visited on the country.
Confronted with these grisly images and asked to stay away, the public obeyed, avoiding contact with farm animals, but also with market towns, village pubs and shops, country hotels, and visitor attractions too. The consequence has been severe losses in the wider rural economy, which at least in the short term have greatly outstripped those inflicted on the farming sector.

The public and the Government have thus been rudely awakened to the diversity of the contemporary rural economy and agriculture’s altered role within it. Leisure and tourism, manufacturing, and services have replaced agriculture as the mainstays of local rural economies. However, policy and official structures have failed to reflect this change, and still largely view rural issues through an agricultural lens.

Yet the FMD crisis has also revealed starkly the continuing dependency of the countryside on farming. The rural economy may now be diverse and agriculture a diminished component, but it remains vulnerable to an agricultural crisis, and would have still been vulnerable even if the crisis had been handled differently. This is because the predominant image of the countryside which FMD has tarnished is a pastoral one, based on extensively grazed landscapes. That is what the tourists and visitors appreciate.

Agriculture’s wider role in the countryside is therefore mainly symbolic, aesthetic, and ecological. The particular sectoral incidence and
geographical impact of the present crisis have highlighted the links between certain farming systems and the touristic countryside. Because FMD largely took hold in sheep, the heavily affected areas have been those with extensive grazing systems and picturesque landscapes. What must be readily apparent is that the public-good benefits of pastoral farming in such areas far overshadow the market value of its tradable products.

More specific geographical dependencies and vulnerabilities have been revealed by the particular incidence of the FMD crisis. First, since the mid-1980s, on-farm diversification has been promoted as a means of strengthening rural economies and boosting farm incomes. Diversified enterprises on farms, though, have been particularly affected by the quarantining of farms, which must raise some doubts over the wisdom of this strategy.

Secondly, the FMD crisis has revealed the still narrow basis of the economy of some rural areas. The peripheral areas where the disease has hit hardest are heavily dependent on primary industries and tourism, and consistently rank amongst the most deprived rural areas in England26. An important question facing future rural development policy is the extent to which a strategy of encouraging diversification from agriculture into tourism may risk simply shifting local employment from one vulnerable sector to another.

---

Finally, the crisis and its consequences reveal how poorly we understand the nature of a local economy such as that of contemporary rural Cumbria. Massive losses of revenues occurred in two of its staple sectors. Economic modellers identified 15-12,000 jobs at risk, equivalent to 6-8% of the County’s workforce. However, in the event, formal employment levels were barely affected. This is largely due to the intrinsic nature of the Cumbrian rural economy. Much of the employment lost related to casual, seasonal or part-time positions. Most of the firms affected are micro-businesses, many of which drew on family and household resources and flexibilities to cope with the crisis and its aftermath.

In this way, the families of family-based businesses act as a buffer at times of crisis, absorbing financial and practical pressures. That makes for a certain resilience. But it means that there may also be complex and long-term ramifications arising from economic or business shocks. These can place great strains on family and community life, leaving mental and social scars. Such wider impacts - which conventional economic indicators do not reveal - in turn may have economic consequences, reinforcing a general conservatism and insularity amongst family businesses, that may perpetuate a low-growth trajectory for the rural economy.

The implications for rural development policy are complex. What is clear is that the process of recovery from FMD will be a long one. It is also apparent that it has as much to do with renewing community confidence and vitality as with business measures. Support for rural development
should therefore be broad based, embracing rural microbusinesses as well as farms, women and young people as well as business owners, training and job advice as well as business support, community enterprise as well as conventional business. Above all it should ensure that conditions support the renewal of the rural communities which maintain both the economy and the environment of rural Cumbria.
REFERENCES


CEIP (2001a) Foot and Mouth Disease Tourism Impact Survey April. Cockermouth: Cumbria Economic Intelligence Partnership.

CEIP (2001b) Foot and Mouth Disease Tourism Impact Survey June. Cockermouth: Cumbria Economic Intelligence Partnership.


MAFF, SERAD, DARD (NI) and NAWAD (2000) Agriculture in the United Kingdom London: HMSO.


