

PART 2

MT

Confidential Filing

Lord Rothschild - discussion paper by
Consultative Board of the Joint
Consultative Organisation for R+D
in Agriculture and Food.
Agricultural Research and Development

AGRICULTURE

Part 1: June 1983

Part 2: June 1990

| Referred to | Date | Referred to | Date | Referred to | Date | Referred to | Date |
|--------------------|------|-------------|------|-------------|------|-------------|------|
| 5.6.90 | | | | | | | |
| 11.6.90 | | | | | | | |
| 20.6.90 | | | | | | | |
| 3.7.90 | | | | | | | |
| 3.7.91 | | | | | | | |
| 20.1.92 | | | | | | | |

Series closed

PREM 19 / 3606

Published Papers

The following published paper(s) enclosed on this file have been removed and destroyed. Copies may be found elsewhere in The National Archives.

CM 1127. Agriculture and Food Research. July 1990
Published by HMSO
ISBN 0 10 111272 6

Signed

J. Gray

Date

17/6/2017

PREM Records Team



✓ Mr. Foster
2 CP for files

Qd: 0010

MR TURNBULL
No 10

20 January 1992

cc Dr Walker
Professor Stewart

REPORT ON NEAR MARKET AGRICULTURAL RESEARCH

1. The Council for Awards of Royal Agricultural Societies has sent to Professor Stewart a copy of a report on near market agricultural research. Bill Stewart suggested that you may wish to be aware of this and to consider showing it to Alan Rosling.
2. The report is critical of the concept of near market research as it applies to the agricultural sector. It suggests that this is unsatisfactory and that Government funding should be available for applied research and development.

ROBERT FOSTER
Science and Technology Secretariat



Council for Awards of Royal Agricultural Societies

REPORT AND RECOMMENDATIONS

from a Seminar on Near Market Research organised by the English Panel and held on 6th November 1991 at 35 Belgrave Square, London SW 1.

Papers were presented by Professor C.R.W. Spedding on Near Market Research, and by Dr. Peter Bunyan on Policies for Co-ordination, and four shorter contributions on different aspects of the prosecution and funding of research at this level were made by Dr. M.F.F. Carver, Dr. F.B. Ellis, Mr. D.A. Perks and Dr. N. Kelly. Three Working Groups then considered the problems in depth, and the following comments and recommendations are the product of their deliberations, reported back to and discussed by the full Seminar.

COMMENTS

The Funding of Research

Agricultural research cannot be put into separate compartments, however convenient this might appear for administrative purposes. The term 'Near Market' is unsatisfactory, as it does not adequately represent the sequence of activity from applied research to field development and the dissemination of results into farm practice. Equally, the phrase "for the public good", which has been used in relation to government-sponsored research, is not helpful as a definition for research needed "in the public interest", which would be a more descriptive term.

X. | It is accepted that there is a need to differentiate types of research into those which should be government-funded in the public interest, and those that could reasonably be expected to be funded and undertaken by the agricultural and food industries. However, the concept that government funding should be largely concerned with fundamental research for which no immediate defined benefit can be expected, or with elements of longer-term strategic research, leaving much applied research and development to the industry, is not realistic. Examples can easily be found where government funding may be needed to investigate and resolve problems of applied research very near to farm practice, in which the level of public interest is great and where the necessary funds could not be raised, or facilities provided, by farming or related interests.

This may apply particularly to research on animal production or welfare, where costs can be considerably greater than with crops, and the time scale more prolonged. The outbreaks of BSE and Salmonella are good examples from the recent past. When research funding is under consideration, each case needs to be examined on its merits and funding should not be decided on the basis of an abstract categorisation. In certain cases joint funding may be the appropriate solution, especially when a defined benefit may be expected in the foreseeable future.

Continued →

The Priorities Board

Although in principle the Priorities Board system may appear to meet a need, there is some dissatisfaction about its performance in practice. Because of its constitution, the representation on it and on its Advisory Sectoral Groups (ASGs) of able and experienced farmers is inadequate. A committee or Group consisting of appointed representatives from a considerable number of organisations, some of whom may have only a rather limited concern with the practical issues, may well tend to be reactive rather than proactive.

Furthermore, members appointed to such bodies have no actual accountability either to the agricultural producers or to the sectors of the industry that they are appointed to represent. Greater emphasis by these committees on planning and strategic issues, and on avoiding deficiencies in the overall research programme, would seem to be required.

If the problem of increasing direct farmer representation cannot be overcome for constitutional reasons, consideration needs to be given either to the inclusion of a number of representatives nominated by farming organisations, or to the formal establishment of a number of Advisory Panels, drawn from the practical side of the agricultural industry on a sectoral basis, such as those at present concerned with oil seeds and potatoes. These would review research requirements and results, and act in an advisory capacity to the ASGs and the Board. They should be financed jointly by government and funding bodies, and might possibly be centred on appropriately situated university or college departments. Only a small, but technically-qualified, staff would be required to service each Panel. When drawing up their terms of reference and constitution, lessons might be learned from the Scottish system, in which research, advisory work and education are administered within a single organisation.

Information Transfer

Grave concern is felt at the difficulties being experienced in transferring information effectively between different bodies and organisations conducting research in closely related fields. There is a refusal to divulge experimental results when the research has been paid for by farmer groups, sponsors or commercial organisations, which do not see why non-contributors should benefit from the money they have invested. There is a particular problem with information from experimental work obtained by the Advisory and Development Service (ADAS), which to an increasing extent is also sponsored, in which some element of government funding, and thus of taxpayers' money, may have been involved in its acquisition.

The situation may become clearer with the new status of ADAS as an Agency, and with firm definition of the ownership of intellectual property rights. Once these rights are established, research results might then be divulged on payment of an appropriate fee. Such protection of information will inevitably lead to delays in the dissemination of results, which will be disadvantageous nationally in the competitive climate to be expected after 1992.

One possible solution might be the setting up of some form of information bank, perhaps operating on a commodity basis, from which information could be obtained after establishment of the intellectual property rights. The sectoral Advisory Panels referred to above in connection with the Priorities Board might have a rôle to play in this connection.

Intellectual Property Rights

The ownership of Intellectual Property Rights needs clarification, especially in integrated experimental projects in which a number of organisations and commercial interests may be involved. It is essential that these problems be faced and policy agreed, at the planning stage of such enterprises.

Short-Term Contracts

There is much concern about the effects and disadvantages of short-term research contracts, giving no assurance of continued funding. This may lead to small and unintegrated projects, to risks of duplication and to instability and a lack of security in the research service, which is inimical to good research and the establishment and retention of highly qualified research personnel. Recruitment of able scientists may be jeopardised because the career prospects for young entrants are so uncertain, and the best qualified take their services elsewhere.

The situation has deteriorated with the reduction of government funding and the introduction of short-term sponsored research projects, since these cannot guarantee longer-term financing and continuity.

Levy Board Funding

The introduction of research funding by Levy Boards and similar bodies has been a welcome recent development, but even this funding may not be adequate for the volume of research required in a particular sector. There are also anomalies for those sectors of the agricultural industry not covered by statutory Boards, especially for those where there is no directly saleable end product. Important examples in which there is felt to be a grave risk of under-funding for research are soil fertility and management, grassland and forage maize production, and agricultural economics and management. Where appropriate, it might be possible to draw on levies arising from the sale of the products derived from the utilisation of the crops produced, but in other cases new sources of funding are required.

LINK Programmes

X | LINK programmes will play a significant rôle in research as environmental issues assume greater importance. If they are to be successful, all potential contributors - including commercial companies - must be involved from the outset. It is essential that more practical farmers should be involved with such programmes, that adequate funding be provided from the start and that the administration be streamlined.

[Cooperation in European projects is certain to increase, and EC funding is potentially of great value. The organisation of such cooperative projects should be as flexible as possible, taking every opportunity to reduce the time lags and delays which can arise with international programmes. It will be very important to form stronger links with the relevant organisations on the Continent if the best use is to be made of Community funding.

RECOMMENDATIONS

- X | 1. It is recommended that attempts to categorise agricultural research into compartments such as 'Near Market' be discarded, and that each project be considered on its merits when funding is under discussion. Research which can be classified as being "in the public interest" should be the responsibility of government at any point between the laboratory and the farm gate.

RECOMMENDATIONS, continued

2. It is recommended that ways should be found of increasing the representation of practical farming interests in the Priorities Board system. This might be achieved either by amending the composition and actual rôle of the ASGs to include members nominated by relevant farming organisations, or by the formation of a number of specialist Advisory Panels, composed largely of able and experienced farmers who are already involved with research and development through different organisations in their respective sectors. Such Panels might be based on, and partly serviced by, appropriate higher education establishments, with finance provided by both government and research-sponsoring bodies, including commercial companies and the processing and retailing interests.
3. The operation of the Priorities Board and the Advisory Sectoral Groups should be reviewed in order to reduce to a minimum delays in procedures and decision making, and also to take full advantage of the availability of additional expertise, either from the proposed representative members or from the Advisory Panels suggested.
4. Immediate consideration needs to be given to the problems arising in regard to information transfer, which seem likely to proliferate if positive action is not taken. A possibility which might be explored is the establishment of some form of information bank, operating commercially, perhaps on a sectoral basis.
5. The ownership of Intellectual Property Rights must be established at the outset of any programme of research, especially in the case of jointly funded projects.
6. It is recommended that the AFRC, MAFF and other Funding Bodies should work together to try to overcome the problems of a short-term approach, and to establish a better career structure in the agricultural research service, in order to stem the loss of well-qualified scientists, particularly at the post-doctoral level. This might involve freer movement of scientists into and out of the educational field.
7. Although agriculture may be a changing and contracting industry, the need for a high quality research service will remain and become even more important in the future with increasing competition in a European and world-wide context. It is imperative, therefore, that additional funding be given to research on economics and marketing.
8. Thought should also be given either to extension and adaptation of the Levy system or to devising new methods of funding to cover areas of agriculture not directly susceptible to levies. Soil structure, water relationships, grassland and minority crops would come under this heading. Without such funding, there is a serious risk of these important areas being starved of research support.
9. Environmental issues, including the control of pollution, constitute an additional research area of significant public interest, for which it is recommended that higher levels of government funding be provided in the future.
10. It is recommended that the administration of LINK programmes be simplified; that more farmers be brought in at the planning stage; that adequate funding be assured from the outset; and that every effort be made to ensure proper accountability within each project.

- - - o 0 o - - -

**COUNCIL FOR AWARDS
OF ROYAL AGRICULTURAL SOCIETIES**

List of those attending the Seminar on Near Market Research organised by the English Panel and held on 6th November 1991 at 35 Belgrave Square, London SW 1.

CHAIRMAN: Peter Innes, BSc(Hons), FBIM, FRAgS

SPEAKERS:

Dr. P.J. Bunyan, DSc,
Dr. M.F.F. Carver, PhD, BSc(Hons), ARAgS
Dr. F.B. Ellis, JP, PhD, BSc, ARAgS
Dr. N. Kelly, PhD, BSc, BAgr
D.A. Perks, BSc
Professor C.R.W. Spedding, CBE, PhD, DSc, FRASE, FRAgS

CHAIRMEN OF GROUPS:

G.L. Angell, ARAgS
T.S. Juckes, ARAgS
Professor J.H.D. Prescott, PhD, FRAgS

DELEGATES:

| | |
|---|---|
| Dr. J.C. Alliston, BSc, PhD, ARAgS | J.R. Mulholland, BSc, DTA, ARAgS |
| S.D. Bond, MRAC, ARAgS | D.H. Owen, ARAgS |
| T.D. Brigstocke, BA, MPhil, MIBiol, DIPFM, ARAgS | J.H. Parker, FRAgS |
| D.N. Cray, BSc(Agr), Dip. Agric | Mrs. D. Peake, ARAgS |
| Dr. Bridget Drew, BSc, PhD, ARAgS | P.H.M. Price, MA(Cantab), ARAgS |
| George R. Douglas, ARAgS | Miss M. Quicke, BA(Hons), DipFM, ARAgS |
| Hugh R. Finn, CBE, DL, FRZS, FRAgS | H.F. Richards, JP, FRAgS |
| D.S. Gaunt, BSc, NDDT, ARAgS | Dr. I. Richards, BA, BSc, MSc, PhD, ARAgS |
| J.A. George, MBE, DBHS, ACIS, FRAgS | The Earl of Selborne, KBE, DL, FRAgS |
| J.A.C. Gibb, OBE, MA, MSc, CEng, FRAgS | M.H.R. Soper, OBE, MA, MIBiol, FRAgS |
| G.S. Grantham, CBE, FRAgS | D.G. Spring, FBIM, FAA, ARAgS |
| R.F. Gregor, MBE, FRAgS | J.M. Stansfield, BSc(Agric), FRAgS |
| Prof. J.S. Hall, CBE, BSc(Hons), FRAgS | D.G. Stevens |
| J.E. Harrison, FBIM, FRAgS | Roy Whatton, FRAgS |
| P.H. Holroyd, NDP, DipAgr, MIBiol, ARAgS | E.J. Wibberley, MA, MSc, BSc, FRAgS |
| W.J.S. Hosking, FRAgS | A.T. Williams, FRAgS |
| C.M. Jarvis, FRAgS | Dr. H.L. Williams, PhD, MSc, BSc, MIBiol, NDD, FRAgS |
| R.H. Jenkinson, FRAgS | R.E. Wyatt, ARAgS |
| Dr. J. King, PhD | |
| Prof. I.A.M. Lucas, CBE, MSc, FRAgS | |
| Prof. B.A. May, FEng, BSc, NDAgrE, FRAgS | |

MR POTTER

3 July 1991

✓ Mrs Hagg

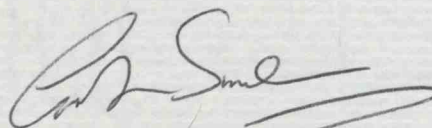
AGRICULTURE: DISCUSSION DOCUMENT

The Agriculture Discussion Document (which might be a White Paper) seems to be slipping. MAFF currently do not think that it will be ready for publication before August or even September.

They have still not shown me a draft. I am told that a draft does not exist, just some notes produced by each of the Deputy Secretaries. I shall have to talk to Derek Andrews to try to get an idea of what the document is going to say. The whole exercise is still being handled at a very senior level in MAFF.

I told you that when I discussed this a fortnight ago with John Gummer he did not unveil any new proposals to help farmers. But I am sure the document must have something on these lines, otherwise it would be a dead duck.

I will keep you posted.



CAROLYN SINCLAIR

206.CS



Ministry of Agriculture, Fisheries and Food

Whitehall Place, (West Block), London SW1A 2HH

Tel: 01-270-3000 Direct line: 01-270- GTN: 270

Telex: 889351 Fax: 01-270-8125

NAPM
AT 317

*copy
letter only*

PS to E(ST)

3 July 1990

Dear Private Secretary

*see flap
p1*

WHITE PAPER: AGRICULTURE AND FOOD RESEARCH

My Minister circulated, under cover of his minute to the Prime Minister of 22 May, a draft response to the Report of the House of Lords Select Committee on Science and Technology on Agriculture and Food Research. The final version, published today, is now attached.

*Yours sincerely
R L Alderton*

R L Alderton
Parliamentary Clerk



AGRICULTURE: Lord Rothchild Pt 2



ND 89
BT 216
CCPS

ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

The Rt Hon John Selwyn Gummer MP
Minister of Agriculture, Fisheries and Food
Whitehall Place
London SW1A 2HH

20 JUN 1990

Dear JH,

HOUSE OF LORDS REPORT ON AGRICULTURE AND FOOD RESEARCH

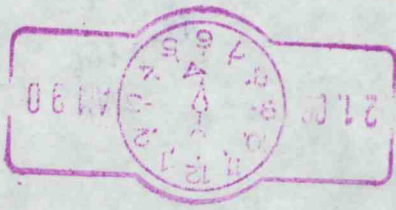
Thank you for your letter of 9 June about the draft Government response. *at top*

I note your amendment to the third sentence on page 13. I am not entirely happy with it. My suggested draft was taken from the definitions of research in the Annual Review; it reflects the fact that the AFRC has a very legitimate interest in potential applications which your revised draft loses sight of. I would not wish to delay publication further by proposing yet another form of words but this does serve to illustrate that there is a "grey area" where strategic research is concerned.

I think it would be appreciated if we could send the AFRC (and the other Councils with an interest) a copy of the response before publication. Unless you see any objection, perhaps your officials could confirm to mine that that would be in order.

Copies of this letter go to recipients of yours.

Yours,
JH



AGRICULTURE =

RTD 1/2



10 DOWNING STREET

LONDON SW1A 2AA

From the Principal Private Secretary

SIR JOHN FAIRCLOUGH

CABINET OFFICE

GOVERNMENT'S RESPONSE TO THE HOUSE OF LORDS REPORT ON
AGRICULTURAL AND FOOD RESEARCH

I am loath to put the draft White Paper back to the Prime Minister who has cleared it once. If there is no disagreement between DES, MAFF and yourself on the need for a review of the new arrangements proposed in the White Paper, I see no impediment to your leaving this on your successor's "to do" list.

I am copying this minute to Sir Robin Butler.

ANDREW TURNBULL

11 JUNE 1990



*NDN
5/26
CCPO*

2 MARSHAM STREET
LONDON SW1P 3EB
01-276 3000

My ref:

Your ref:

The Rt Hon John Gummer MP
Ministry of Agriculture, Fisheries and Food
Whitehall Place
LONDON
SW1A 2HH

S June 1990

In John.

Plan. Pt 1.

Thank you for copying to me your letter to the Prime Minister requesting agreement to publish the draft Government Response to the House of Lords Select Committee on Science and Technology report on Agriculture and Food Research. I am content to see its publication as a White Paper.

Copies of this letter go to the Prime Minister, members of E(ST), Sir Robin Butler and Sir John Fairclough.

John
Chris

CHRIS PATTEN



AGRICULTURE: R+D Pt2.



NDTH

celo

RT 1116

Ministry of Agriculture, Fisheries and Food
Whitehall Place, London SW1A 2HH

From the Minister

The Rt Hon John MacGregor OBE MP
Department of Education and Science
Elizabeth House
York Road
London
SE1 7PH

9 June 1990

HOUSE OF LORDS REPORT ON AGRICULTURE AND FOOD RESEARCH

Thank you for your ^{at top} letter of 5 June commenting on the draft Government response to the House of Lords Report on Agriculture and Food Research.

I would be very happy to discuss the operation of our new commissioning arrangements in E(ST). It will of course be two or three years before we have a real indication of how effective the new arrangements are and, at that stage, I shall prepare a paper for E(ST). Following that you and I could, as you suggest, consider whether some clearer definition of the respective roles of MAFF and the AFRC in strategic research is desirable.

Finally, I have taken on board most of your drafting suggestions. I have, however, amended the third sentence on page 13 to read:

"The strategic funded by MAFF in that it springs from the science base and is directed towards scientific questions rather than potential applications."

The reason for this is that the definition of AFRC work you proposed was so broad as to exclude only work directed towards specific applications. This is, by definition, near-market work which, as you know, the Ministry no longer funds.

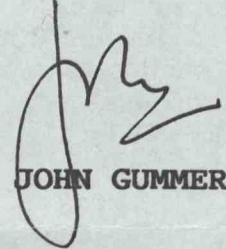
/I have also ...

AGRICULTURE: R+D A2

I have also adopted the drafting points passed on by your officials and shall be arranging for the report to be published as soon as possible.

I am copying this letter to the Prime Minister, other members of E(ST) Committee, Sir John Fairclough and to Sir Robin Butler.

John Gummer



JOHN GUMMER

11.02.76
1130
765

W0497



NDPM
AF
10/6

CCPU.

PRIME MINISTER

7 June 1990

GOVERNMENT RESPONSE TO THE HOUSE OF LORDS REPORT ON AGRICULTURAL
AND FOOD RESEARCH

— to p 1

You have recently cleared for publication a MAFF White Paper giving the Government Response to the House of Lords Report on Agricultural and Food Research (copy attached). The response describes (inter alia) key changes which MAFF are introducing to their arrangements for commissioning and monitoring research.

2. I very much welcome the clearer separation between the roles of customer and contractor and the reorganisation of the Priorities Board. Both are major improvements which will take some time to become full established and would therefore benefit from being reviewed after a year or two. It would also be appropriate to ensure at that time that there is no duplication of the roles of MAFF and AFRC. Mr McGregor makes this point in his letter of 5 June to Mr Gummer (copy attached).

3. The Government response, very properly, is not prescriptive on these points, but you may agree that it would be worthwhile for my successor to check that the new arrangements are operating effectively. I understand that MAFF would not be averse to a review.

4. I am copying this minute to Sir Robin Butler.

Juo

SIR JOHN FAIRCLOUGH
Chief Scientific Adviser

DRAFT

GOVERNMENT RESPONSE TO THE REPORT OF THE HOUSE OF LORDS
SELECT COMMITTEE ON SCIENCE AND TECHNOLOGY : AGRICULTURAL
AND FOOD RESEARCH*

INTRODUCTION

1. The Government is grateful to the Select Committee for its report. It has carefully considered the Committee's conclusions and recommendations and welcomes their endorsement of the need for public support for agricultural and food research and their view that industry should contribute to the cost of research aimed at increasing industrial profitability and competitiveness. Since the report was published, the Ministry of Agriculture, Fisheries and Food (MAFF) and the Department of Agriculture and Fisheries for Scotland (DAFS) have reviewed their research commissioning arrangements and are introducing substantial changes which take account of many of the Committee's recommendations, particularly with regard to the customer/contractor relationship.

STRUCTURE OF RESEARCH COUNCILS (5.1)#

2. The Committee's interim report of October 1988 recommended an amalgamation between AFRC and NERC (5.1). This was a timely contribution to the debate on the structure of the Research Council system. In May 1988 the Advisory Board for the Research Councils (ABRC) had set up a sub-group, under the chairmanship of Mr Dick Morris, to review the Research Councils' overlapping responsibilities for the increasingly important pervasive biological sciences. This sub-group went on to look at the entire span of Council responsibilities and its April 1989 report recommended that five Councils should be replaced by a

single National Research Council. The ABRC advised the Secretary of State in July 1989 that it was sympathetic to the Morris recommendations, but that there would be practical problems in implementing these and that further study was needed. The Secretary of State welcomed the Board's detailed scrutiny of the issues and specifically asked that the Select Committee's proposal for a Natural Resources Research Council should be considered.

3. The ABRC's substantive advice, in November 1989, recommended the reconstitution of the ABRC - as a smaller body with a more explicit remit to improve coordination among the Research Councils - and the creation of a working group to examine the practicalities of achieving a closer association of the AFRC and NERC, possibly leading to their merger. The Government response to these recommendations (see House of Lords Report for 22 January and 1 February; columns 914 and 510) was to reconstitute the ABRC from April 1 with a membership reduced from 26 to 14 and with a revised remit to promote collaboration between the public bodies funding research. These new terms of reference are reproduced at Annex A.

4. In the light of the decision to reconstitute the ABRC, the Government concluded that it would prefer the "new" ABRC to take forward the question of improving cooperation between all the Councils, within the existing Research Council structure. The Government believes that the new Board will give the Research Council system a dynamic central organisation, able to foster more effective cooperation at the boundaries where the most exciting research opportunities arise and to respond quickly to those opportunities through appropriate changes in the balance of financial support. This evolutionary reform seems to the Government to offer the best opportunity for improving cooperation between the Councils whilst avoiding the

disruption, transitional costs and the need for legislation associated with more radical proposals. The Government now expects the "new" Board to give urgent attention to carrying this into effect.

5. In advising the Secretary of State on its own reconstitution in November 1989, the ABRC said that the first challenge for the newly reconstituted Board would be to improve coordination of research programmes in biotechnology. The Government welcomes and endorses this statement and looks forward to early practical results from the Board's consideration. The need for collaboration extends beyond the Research Councils to embrace the Government Departments which fund research. The Government gives high priority to that part of the "new" Board's remit to:

"promote effective collaboration between Government Departments and Research Councils in the development of both their forward strategies, and in arrangements for commissioned research".

THE FUNDING OF RESEARCH

6. The Select Committee advocates a strong Government commitment to agricultural and food research (5.2, 5.5) including at least level public funding in real terms for a period (5.8). It also emphasises the importance of basic research (5.6). The Government's commitment to R&D remains strong. Following the Public Expenditure Survey (PES) in both 1988 and 1989 it announced substantial increases in the science budget which will reach £897 million in 1990/91 - over 11%* higher in real terms than in 1988-89. The Agriculture Departments are giving priority to strategic research (ie applied research which has not yet advanced to the stage where eventual applications can be clearly specified) and to work in support of statutory and policy

*In constant prices using the Treasury GDP deflater

objectives; additional funding was provided for strategic research in the 1988 PES. Beyond 1990/91 public spending plans remain subject to review in the annual PES. However the Government understands the need to avoid sudden disruption of research programmes and will take full account of the Committee's views on this point.

7. The Government welcomes the Committee's endorsement of the restructuring and rationalisation within the AFRC. The Council expects to complete major physical restructuring in 1992-93. The Agricultural and Development Advisory Service (ADAS) in England and Wales and the Scottish Agricultural Research Institutes (SARIs) and Scottish Agricultural Colleges (SAC) have also been restructured to become more streamlined with a more coherent research strategy. They are well placed to secure research contracts from the private sector.

8. The Government accepts the Select Committee's view that cutting research budgets is not the answer to over production (5.4). It agrees that agricultural surpluses are a result of political and financial policies (5.3) and should be reduced primarily through policies to encourage market economics. It is important that the industry should continue to improve its efficiency and pursue the necessary research, collaborating with partners where appropriate.

THE ROLES OF INDUSTRY AND PUBLIC FUNDING

9. The Government welcomes the Committee's view (5.9) that industry should contribute to research aimed at improving its profitability and competitiveness. While the Government recognises the difficulties in raising research funds from farming, which is a fragmented industry with large numbers of small producers, it notes that in most sectors mechanisms already exist to provide a collective base for such funding.

The Government is convinced that the increasing involvement of industry will result in better targeting on industry's real needs and an improved uptake of results.

10. In the light of the move towards greater industry involvement in research the Government has reorganised its objectives for publicly-financed agricultural and food R&D and has taken steps to shift its emphasis. The primary role of public funding for agricultural and food research and development is now similar to that identified by the Committee (5.10). In particular the Government will:

- a. support research and development aimed at benefiting and protecting the community at large; such work includes food safety issues (eg salmonella), food compositional and nutritional quality, animal health and welfare (eg bovine spongiform encephalopathy (BSE)) and the environment (eg nitrate leaching, options for land use, biological control of pests).
- b. provide the necessary scientific knowledge to underpin the formulation of new policies and the setting and monitoring of appropriate standards and requirements whether by statute, in regulations or codes of practice.
- c. support basic and strategic research, so that the country continues to sustain that knowledge and scientific skill base which provides the long-term underpinning for commercial development by industry.

The Government agrees with the Committee (5.10) on the importance of entering into a partnership with industry to fund certain areas of research and development and has set

up the LINK initiative which includes specific projects in the food area. It is exploring with industry how the initiative might be extended to agriculture and horticulture.

NEAR MARKET RESEARCH

11. Near market R&D (ie work whose primary objective is the development of a specific product, process or service for commercial sale or use) is for industry to fund. The Committee recommends (5.11) that the withdrawal of Government funding from near market research should not result in an overall reduction in public expenditure on research. The Government confirms that the money saved has been redirected into areas of research more appropriate for public funding. Reference has already been made to the overall increase in the Science Budget. Within this the DES grant to the AFRC has been increased from some £62m in 1988/89 to £75m in 1989/90 and £86m in 1990/91. In addition planned provision for spending by the Agriculture Departments on strategic research was increased by £2m for 1990/91 and £5m for 1991/92 in the 1988 public expenditure decisions.

12. The Committee recommends (5.12) that the Government should reassess their lists of projects identified as near market. As part of the review of R&D priorities announced in Cm 185 in July 1987 the Agriculture Departments carried out a review of their research and development programmes and identified certain areas which were near market and hence appropriate for industry funding. The Government has since consulted the industry as to the work which the industry wishes to fund and has indicated the nature of the work which will continue to be funded by the Government (paragraph 10). The Government confirms that it will continue to give priority to work which is essential in the

public interest and is readjusting its programme as necessary to ensure this. But near market research which is not picked up by industry will be terminated.

13. The Select Committee also recommends (5.13) that the timescale for transferring the funding of near market research to the private sector should be extended to 5 years. The Government recognises the need for adequate time for industry to raise its funding level: the transfer of funding is being phased and will be completed by 1991/92, over six years from the initial announcement that the Government would be looking to industry to bear more of the cost of R&D from which it benefited.

BIOTECHNOLOGY

14. The Government welcomes the Committee's support for the SERC's Biotechnology Directorate (5.14). Following a review in 1988 the Directorate is to be supported for a further six years, with another review in 1994. There is day-to-day liaison with the other Research Councils and a formal avenue for input via their membership, or participation in the Biotechnology Joint Advisory Board (see below). Joint funding with industry has been steadily increasing over the Directorate's history. Joint funding with other bodies began in 1986 with the establishment of the antibiotics and RDNA Club, funded by industry, the SERC and the DTI. More recently formal joint funding arrangements have been established under the LINK scheme.

15. The Committee's interim report recommended the establishment of a Biology Advisory Group which the Committee suggest (5.15) should draw up proposals on how to improve support for biotechnology. The Biotechnology Joint Advisory Board (BJAB) was set up by SERC and the DTI in 1989 to advise on the broad objectives, the strategy and balance

of funding for support of R&D in biotechnology, in both national and international programmes; to define and advise on how to meet the national need for education and training for biotechnology; and to propose measures which would further technology transfer and industrial application of biotechnology. AFRC, NERC and SERC are full members, and the MRC has a standing invitation to participate either as a member or as an observer.

TRAINING AND MANPOWER

16. The Government endorses the Select Committee's view (5.16) that research is an important means of producing highly trained personnel. It welcomes AFRC's policy of increasing support for research and training in universities and polytechnics, and moves by the Research Councils towards greater integration of the work of their institutes and units with that of university departments. Like the Committee, it also acknowledges the important training role of AFRC institutes and SARIs.

17. The Government notes the Committee's concern (5.17) about potential shortages of biological scientists, but agrees that there is no clear evidence of the overall extent of the potential problem, or of its likely effect on particular specialisms. The DES will invite the ABRC to assess the evidence it has obtained from the Research Councils about manpower shortages in some areas of the biological sciences and to consider how efforts to overcome these shortages might be better coordinated. The Government agrees with the Committee's view, (5.17), that breadth of research training is important and welcomes AFRC's efforts to retrain staff to facilitate redeployment. However, there are practical limitations to the extent to which scientists can convert from one specialist research field to another.

18. The Government does not accept the Committee's view (5.18) that short-term appointments are at too high a level in AFRC at present; nor does it see any need to reverse the trend. It is for the Council itself to decide on the appropriate balance between permanent and period scientific appointments in light of existing commitments and future opportunities. Short-term appointments may often be appropriate to industry funded work.

NUTRITION

19. The Committee recommended nutrition research should be given greater priority (5.19). The Priorities Board recommended* a shift in resources from food technology to food safety and nutritional quality, including multi-disciplinary research on human nutrition. The Government has accepted that recommendation. The Medical Research Council has also examined its own priorities in nutrition research. It will be giving increased emphasis to a number of nutritional areas designed to provide a balanced portfolio of nutrition research. The MRC recognise the importance of cooperation with the other Research Councils and links between the MRC Dunn Nutrition Unit and the AFRC Institute of Food Research have been established, especially in the area of clinical nutrition. The MRC is seeking financial support for rehousing the Dunn Nutrition Unit in modern accommodation closer to the Clinical Departments of the University of Cambridge.

20. The Committee also advocated (5.20) that the Health Education Authority (HEA) should provide sound dietary information for the public. The Government wholeheartedly accepts the need for such information. The HEA has recently reviewed its education strategy. A separate nutrition programme has been established and a formal MAFF, DH, HEA

*Priorities Board third report to the Agriculture Ministers and Chairman of AFRC, March 1990

liaison group formed to assist the HEA in increasing its activity in this field. DAFS and the Scottish Home and Health Department, for their part, have initiated work on aspects of human nutrition and health, and the programme has attracted wide support. MAFF and DH have also established a committee to coordinate their own activities in the fields of nutrition research, surveillance and public information.

FORESTRY

21. The Government agrees with the Committee's view (5.21) that research will be needed into new areas of forestry. As part of the fourfold increase in expenditure on farm woodland research, announced by the Minister of Agriculture, Fisheries and Food in evidence to the Committee, new research projects have been commissioned on many of the specific areas identified by the Committee including silviculture of broadleaved species, improvement of genetic material and environmental impacts. Tree and forestry research is also carried out or commissioned by the Forestry Commission, NERC, the Department of the Environment (DoE), AFRC, DAFS, the Department of Agriculture Northern Ireland (DANI), the Countryside Commission and the universities.

22. The Forestry Research Coordination Committee (FRCC) is the central body responsible for coordination of forestry research planning and the Committee has recommended (5.22) that the organisational arrangements for forestry be tightened up with the appointment of a Chief Scientist for Forestry. The FRCC was set up as a result of a 1980 report from the Select Committee*. At the time the Government concluded that the FRCC would fulfil the necessary co-ordination role and that the appointment of a Chief Scientist could not be justified. The Government has now re-considered the matter, and confirms its earlier view, while recognising that the Chairman of the FRCC may need to

*Second Report of Session 1979/80

discharge some Chief Scientist-type functions to ensure adequate representation of the wide range of research interests in forestry.

THE CUSTOMER/CONTRACTOR RELATIONSHIP

23. The Government welcomes the Committee's support for the customer/contractor relationship (1st Report 1986-87/HL20-I). With the changes currently taking place in the balance of research, there was a need to reexamine the way in which MAFF has discharged its role as an "intelligent customer". The Ministry therefore initiated an internal review which took account of the Committee's views (5.23) and the Ministry is now implementing its conclusions. The Ministry's R&D programme will be restructured by major customer groups, with budgetary responsibility for each block of R&D passing to the policy units at Grade 3 level. The aim is to strengthen the Ministry's 'intelligence' as a customer by bringing about a much closer integration between science and policy formulation and a clearer separation between the customer and the contractor. A further development was the launch of the Central Veterinary Laboratory as an agency.

24. The Government does not accept that scientific knowledge has not had a major impact on MAFF policy(5.23). Many of MAFF's policies stem directly from the application of scientific knowledge eg the setting of standards for pesticides and their subsequent use to avoid residue problems, the prevention of animal diseases such as zoonotic infections, research into the effectiveness of cooking methods on the control of pathogens and policies on measures to limit nitrate leaching. MAFF is the second largest employer of scientists in the Civil Service - only the Ministry of Defence has more - and is increasing the number

of posts in its Chief Scientist Group as a result of the review mentioned above (paragraph 23). The Ministry also cooperates with and, where appropriate, receives advice from outside scientific sources including the Priorities Board, other departments and the research councils. At all levels there is close liaison between scientists and administrators in policy formation.

25. The Government is concerned that the Committee gained the impression that MAFF's contractors are discontented (5.23). That impression is not borne out by day-to-day contacts between the Ministry and its major contractors. Indeed, the NERC has applauded the clear recognition by the Ministry of the long-term nature of strategic science in the environmental field, and commented that the Ministry's strategy has contributed significantly to the maintenance of high quality research of great benefit to the science and to both organisations.

26. The Government has considered carefully the Committee's recommendations (5.24, 5.25 and 5.26) that funds transferred to MAFF in 1975-76 should now be returned to the AFRC. However, as a user Ministry with a range of science based policy responsibilities MAFF requires research and development in support of its policies and in the practical application of those policies. It also funds strategic research where there is no market or where defects in the market mechanism are such as to prevent research being fully funded from private industry or other non-Government beneficiaries. MAFF thus has a continuing and important role as a customer for strategic R&D. Noting the Committee's support of the customer/contractor relationship in principle, the Government considers that the reforms noted in paragraph 23 will bring about considerable improvements in the way in which the relationship operates in practice.

The Government will be monitoring the operation of the new arrangements and confidentially anticipates they will produce a more effective relationship with MAFF's contractors, including the AFRC. This customer role would not be fulfilled if the funds were transferred to AFRC. The strategic work currently supported by AFRC under the Science Vote differs from that funded by MAFF in that it springs from the science base and is directed towards scientific questions rather than specific applications. However, the allocation of funds between Departments is kept under continual review and decisions are taken annually in the context of the PES. It has already been noted that the Science Budget received significant increases in both 1988 and 1989.

27. The Committee also recommended (5.27) that MAFF should pay a general surcharge averaging 10% on research contracts as recommended by Lord Rothschild. The Government accepts the principle, that budgetary provision should be made for "seed corn" research and to generate future research capability. However, the Government remains of the view expressed in Cm 185 that flexibility is necessary in applying the principle to specific cases. MAFF has recently reviewed its policy and concluded that an overhead of up to 10% to fund seed corn research may be agreed where this is appropriate.

AFRC AND ADAS

28. The Committee considers (5.28) that changing circumstances call for a review of the relationship between the AFRC and ADAS. It points to the possibility of integrating programmes and facilities (5.29 and 5.31) and the possible impact of the creation of agencies (5.30). Following the introduction of an integrated programme for ADAS and AFRC work in horticulture, the work of both organisations has been integrated under a reconstituted

British Society for Horticultural Research (BSHR). Formal mechanisms exist in other sectors to allow ADAS and AFRC to define potential joint projects and co-ordinate programmes. For instance, in February 1990 ADAS and the AFRC's Institute of Arable Crops Research launched a collaborative programme of integrated and coordinated research and development.

29. However, integration must be limited by the fundamental difference in nature between the AFRC and ADAS.

AFRC plans, executes, monitors and reviews basic and strategic programmes in the biological and physical sciences related to the agricultural, food and non-medical biological sectors financed by a grant-in-aid from DES. Through its institutes, AFRC also acts as a contractor for research from others, including MAFF. ADAS is of course also a contractor for research but, unlike the AFRC, is not solely a research organisation but is heavily involved in technology transfer and advice to the rest of MAFF on the formulation and implementation of policies and statutory responsibilities. In its role as an intelligent customer the Ministry places work with whichever organisation is the most appropriate and offers the best value for money. The Government does not consider it appropriate to merge the two organisations. It would be concerned at the confusion in the respective roles of AFRC and ADAS that would result from such a merger.

AGRICULTURAL AND ENVIRONMENTAL RESEARCH

30. The Government agrees with the Committee (5.32) in attaching importance to the integration of agricultural and environmental research. Following publication in 1988 by Government of "Protecting Your Environment" (HMSO), significant additional funds have been made available to Environment and Agriculture Departments, Research Councils and other bodies to advance environmental research and

monitoring. The Government is committed to research in this field and foresees a further increase in expenditure over the next few years. Funding bodies include MAFF, DoE, DAFS, DANI, the AFRC, NERC, the Economic and Social Research Council (ESRC), the National Rivers Authority and the Foundation for Water Research. There is regular liaison between these bodies and cross-representation on research committees. Specific actions have been taken to improve coordination including regular meetings between MAFF and DoE Chief Scientists. A register of Government-funded Agriculture/Environment R and D in the UK has been placed in the Library of the House. Joint and collaborative projects include: the Countryside Change Initiative funded by the ESRC at University College, London and the University of Newcastle; a £5.4m three-year research programme on agriculture and the environment, launched in 1989 and managed jointly by AFRC, NERC and ESRC; long-term monitoring activities by NERC, MAFF, DAFS, DANI and the AFRC; collaborative research on problems of animal and sewage waste disposal; and studies of nitrate leaching. Discussions are also taking place to devise a programme studying pesticide leaching to water. The Government will continue to ensure that agricultural and environmental research are appropriately integrated taking account of the Select Committee's views.

LONG TERM POLICY AND PRIORITIES

31. The Government welcomes the Committee's support for the Priorities Board (5.33). The Board's sponsors (MAFF, DAFS and the AFRC) have recently reviewed the role of the Board and its associated sectoral Research Consultative Committees, taking into account the views of the Select Committee.

32. The Government has made three important changes to the way in which the Board will work in future. First, it will

operate and make its reports to its sponsors on a much more closely defined timetable. Second, the Research Consultative Committees are being replaced by six Advisory Sectoral Groups (ASGs) representing the various sectors, including the environment. These ASGs will report to the Board each year and will provide a focus for discussion of the work Government and industry plan to support so that both sets of customers can prepare their programmes in the knowledge of each others' plans. Third, membership of the Board is being extended to cover the whole of the food chain. By this means the Board's ability to advise the Government on the whole spectrum of R&D should be maintained even though industry is now solely responsible for funding work close to the market. Discussions with industry about the detailed arrangements for the sectoral groups are now in train.

33. These changes should enable the Board to offer advice in the knowledge of the whole research continuum and should facilitate the coordination of both public and private sector research.

SET ASIDE

34. The Committee considered (5.34) further research was needed on the desirability or otherwise of removing land from agricultural production. The economic and other effects of policies which involve removing land from agricultural production are kept under review. DOE and others are studying the environmental aspects of set aside but the main thrust of research is directed towards determining the best way of maintaining land taken out of production. For example, ADAS now has in hand a series of five year experiments to evaluate different methods of establishing and maintaining rotational fallow. Complementary work is being funded by DAFS in Scotland.

EVALUATION

35. Appraisal of research proposals, the monitoring of work in progress and the evaluation of completed research are all necessary to ensure that funds are properly deployed and value for money is achieved. The appraisal form criticised by the Committee (5.35) was in fact a pilot form used in a comparative trial. MAFF are currently revising their appraisal, monitoring and evaluation systems as part of the review described at paragraph 23 and this is expected to lead to improvements in the effectiveness of commissioned research.

CONCLUSIONS

36. Departments will continue to support R&D because it is essential to the formulation, appraisal and evaluation of policies and to the practical application of those policies to the agriculture, horticulture, fisheries, food and related industries and to consumers. Government will also support basic and strategic research which takes opportunities to the point where it is appropriate for industry to fund further development prior to exploitation. Changes introduced since the Committee's report, particularly in regard to the customer-contractor relationship should further increase the effectiveness of publicly funded agricultural and food R&D. However, the Government will continue to monitor the efficiency and effectiveness of publicly funded R&D with a view to obtaining continual improvements and better value for money.

ADVISORY BOARD FOR THE RESEARCH COUNCILS (ABRC)

TERMS OF REFERENCE

1. To advise the Secretary of State on his responsibilities for civil science - with particular reference to the Research Council system and its articulation with higher education, and the proper balance between national and international scientific activity;
2. To advise the Secretary of State on the resource needs of the Research Councils, Royal Society and Fellowship of Engineering, and on the allocation of the Science Budget between these bodies;
3. To promote effective collaboration between the Research Councils and the harmonisation of their activities, and to advise the Secretary of State on any necessary transfers of responsibilities between Councils;
4. To work closely with the UFC and PCFC on issues concerning the support of research in higher education institutions, and the training and support of postgraduate students;
5. To promote effective collaboration between Government Departments and Research Councils in the development of both their forward strategies, and in arrangements for commissioned research;
6. To promote productive interaction between the Research Councils and the users of the research which they support.



ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000



The Rt Hon John Selwyn Gummer MP
Minister of Agriculture, Fisheries and Food
Whitehall Place
London SW1A 2HH

- 5 JUN 1990

Dear John,

HOUSE OF LORDS REPORT ON AGRICULTURE AND FOOD RESEARCH

Thank you for your letter of 22 May attaching a revised draft Government response to this Report. I have also seen your minute of 22 May to the Prime Minister and her response of 29 May.

The revised draft circulated with your 22 May minute takes account of most of the drafting suggestions made in my letter of 2 May and in correspondence between our officials. Your letter draws attention to two points on which you did not feel able to adopt my proposals.

The first was on my proposal that we should include a commitment to a review of commissioning arrangements, based on a review of the "grey area" of strategic research which might either be located with a Research Council or with a commissioning Department. I copied to you a note of a meeting I had last year as Minister of Agriculture with Kenneth Baker and the Chief Scientific Adviser when it was agreed that there should be a review of the respective roles of MAFF and the AFRC in relation to strategic research.

While I understand your wish not to include a public commitment to such a review in the government response, I continue to think that it would usefully clarify our thinking. I welcome your proposal at paragraph 26 of the response to monitoring the operation of MAFF's new commissioning arrangements. I think that it would be helpful in due course to discuss the results of the monitoring in E(ST). We could then consider whether some clearer definition of the respective roles was desirable.

The second point was on the reference to the role of the new ABRC in promoting collaboration between Government Departments and the Research Councils. You did not question the substance of the reference - that this collaboration would be particularly important in the area of agricultural and food research; but preferred for drafting reasons not to include it at the suggested point in the draft response. On that basis I am content with the draft response.

One small drafting suggestion. I would prefer the second and third sentences on page 13 to read:

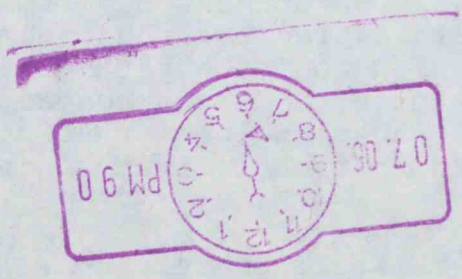
"The channelling of funds for this strategic work through MAFF reflects the Ministry's role as customer. The strategic work supported by AFRC through the science vote differs in principle from that funded by MAFF in that it is not directed towards specific applications, but springs from scientific ideas and developments where practical applications seem likely but cannot yet be specified."

My officials will be passing on to yours some other minor corrections picked up on rereading the text.

I am copying this letter to members of E(ST), Sir Robin Butler and Sir John Fairclough.

Yours ever,
JL

AGRICULTURE: R&D pt 2.





ELIZABETH HOUSE
YORK ROAD
LONDON SE1 7PH
01-934 9000

The Rt Hon John Selwyn Gummer MP
Minister of Agriculture, Fisheries and Food
Whitehall Place
London SW1A 2HH

- 5 JUN 1990

Dec JH,

HOUSE OF LORDS REPORT ON AGRICULTURE AND FOOD RESEARCH

at trap
Thank you for your letter of 22 May attaching a revised draft Government response to this Report. I have also seen your minute of 22 May to the Prime Minister and her response of 29 May.

The revised draft circulated with your 22 May minute takes account of most of the drafting suggestions made in my letter of 2 May and in correspondence between our officials. Your letter draws attention to two points on which you did not feel able to adopt my proposals.

The first was on my proposal that we should include a commitment to a review of commissioning arrangements, based on a review of the "grey area" of strategic research which might either be located with a Research Council or with a commissioning Department. I copied to you a note of a meeting I had last year as Minister of Agriculture with Kenneth Baker and the Chief Scientific Adviser when it was agreed that there should be a review of the respective roles of MAFF and the AFRC in relation to strategic research.

While I understand your wish not to include a public commitment to such a review in the government response, I continue to think that it would usefully clarify our thinking. I welcome your proposal at paragraph 26 of the response to monitoring the operation of MAFF's new commissioning arrangements. I think that it would be helpful in due course to discuss the results of the monitoring in E(ST). We could then consider whether some clearer definition of the respective roles was desirable.

The second point was on the reference to the role of the new ABRC in promoting collaboration between Government Departments and the Research Councils. You did not question the substance of the reference - that this collaboration would be particularly important in the area of agricultural and food research; but preferred for drafting reasons not to include it at the suggested point in the draft response. On that basis I am content with the draft response.

One small drafting suggestion. I would prefer the second and third sentences on page 13 to read:

"The channelling of funds for this strategic work through MAFF reflects the Ministry's role as customer. The strategic work supported by AFRC through the science vote differs in principle from that funded by MAFF in that it is not directed towards specific applications, but springs from scientific ideas and developments where practical applications seem likely but cannot yet be specified."

My officials will be passing on to yours some other minor corrections picked up on rereading the text.

I am copying this letter to members of E(ST), Sir Robin Butler and Sir John Fairclough.

Yours ever,
JH

AGRIWORLD: R+D

June 83

*Agriculture Sep
R+P.*

dti

the department for Enterprise

*NBPM
ST 46
ceftu*

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

Rt Hon John Gummer MP
Ministry of Agriculture,
Fisheries & Food
Whitehall Place
LONDON
SW1A 2HH

**Department of
Trade and Industry**

1-19 Victoria Street
London SW1H 0ET

Enquiries
071-215 5000

Telex 8811074/5 DTHQ G
Fax 071-222 2629

Direct line
Our ref
Your ref
Date
071-215 5623
PE3ANV
June
4 ~~May~~ 1990

Dear John

**HOUSE OF LORDS SELECT COMMITTEE ON SCIENCE & TECHNOLOGY :
AGRICULTURAL & FOOD RESEARCH**

I am content for the Government Response to the above Report to be published as a White Paper.

Copies of this letter go to members of E(ST), Sir Robin Butler and Sir John Fairclough.

John Gummer

Stewart



Recycled Paper

PART 1 ends:-

AT to MAFF 29.5.90

PART 2 begins:-

SS/DTI to MS/MAFF 4.6.90

Grey Scale #13



A

1

2

3

4

5

6

M

8

9

10

11

12

13

14

15

B

17

18

19

