

**ELIZABETH TRUSS MP**

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Rt Hon. Owen Paterson MP  
Department of Environment, Food, and Rural Affairs,  
Nobel House,  
17 Smith Square,  
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Monday, 24 September 2012

*Owen Paterson*

Congratulations on your appointment.

I am writing to alert you to a major issue for the future sustainability of the pig industry. Local biomass subsidies are pushing up the price of straw, used for bedding, which is putting pig farmers out of business. It is a cause of concern that this will cause pig farmers to sacrifice welfare standards, and drive trade to overseas producers.

Pig farming is worth £586,820,000 to the East Anglia economy, excluding all ancillary trade. The total estimated number of direct pig unit employees is over 1000, without considering employment in allied industries i.e transport, feed milling, and pork slaughtering and processing. High-welfare pig breeding in Norfolk, practised by companies like Scotts Field Pork, is becoming more and more expensive as subsidies paid to biomass plants like the one proposed in Snetterton drive up straw prices. I am worried that the tax payer is subsidising an industry which will create an unnatural imbalance in the market place that will ultimately cost the consumer more at the till.

Livestock businesses that employ the equivalent of 3,500 full time equivalent workers and run in excess of 500 farms in Norfolk and Suffolk and approximately 200 in the Breckland District areas are paying up to £100/tonne for straw and are already identifying problems. They utilise 180,000 tonnes of straw approximately per annum. The proposed Snetterton Bio-Mass Plant will consume 240,000 tonnes of fuel per year, (60 % cereal straw, 40 % oil seed rape), which will add to the problem. It is already known that the power station in Ely is having to source straw from other parts of the country up into the East Midlands.

As you can see from the attached graph of British Hay & Straw Merchants' Association data, other than a small peak in 2002 straw and hay prices remained fairly consistent from 2001-2008. In the past three to four years there has been a significant rise: current prices are almost double what

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they were in 2006/2007. This reflects the lack of supply which has forced livestock farmers to 'bid' up the prices.

I met [REDACTED] in July to discuss this and he assured me his department would undertake a joint investigation with DEFRA to examine the effect of the biomass subsidies on straw prices. I would be grateful for an early meeting with you to discuss this. This issue is an opportunity to save taxpayers' money and help Britain.

Elizabeth Truss MP