

# Speech: A Brighter Future for Farming

CHECK AGAINST DELIVERY

Thank you for that very kind introduction.

It's a great pleasure to be here at this – my first – NFU conference.

But also a sadness that it will be your last as President, Meurig.

You have been an outstanding leader of this organisation, a powerful voice for farmers and a highly effective advocate for agriculture influencing every level of Government.

I have – hugely – valued your candour and wisdom and will miss our regular meetings.

Everyone in this room should know, and I am sure does, how determinedly you have stood up for their interests in all our conversations and you deserve their gratitude for your exemplary leadership.

You leave very big boots to fill.

But it is the NFU's strength – and this country's good fortune – that you have a talented field stepping up to take on new leadership roles in the union and I wish them all every success.

## **Food at the heart of life**

One issue you have continually impressed on me, and one principle I wholeheartedly agree with, is that the heart of farming is food production.

I admire farmers as stewards of the countryside – as you put it to me, Meurig, – the very first friends of the earth.

I appreciate everything farmers do to keep our soils rich, our rivers clean, to provide habitats for wildlife and to help in the fight against climate change and broader environmental degradation. And I want to see farmers better rewarded for these vital public services.

But farmers would not be in a position to provide these public goods, indeed we would not have the countryside we all cherish, without successful, productive, profitable farm businesses.

More than that, without successful farm businesses and high quality food production we will not be able in the future to maintain the balance and health of our whole society and economy. Rural communities depend on profitable agricultural businesses to thrive. The landscapes which draw tourists, from the Lake District to Dartmoor, the Northumberland coast to Pembrokeshire, depend on farmers for their maintenance and upkeep. The hotels, bed and breakfasts, restaurants and pubs which do so much to enhance

the attractiveness of these areas for all visitors depend, crucially, on high quality local produce and a healthy local food economy to be at their best.

If we get policy right for those who produce our food we can ensure sustainable and balanced growth across the United Kingdom, we can ensure the investment is there in the future to make not just the countryside but the country as a whole flourish, we can enhance our environment, provide rewarding employment for future generations, improve the physical health and well-being of the population and shape a better world for our children and grandchildren.

## **Food, at last, at the heart of government thinking**

That is why I have been determined to ensure that the voice, influences and concerns of those who produce our food has been amplified as much as possible, and put at the heart of Government thinking in every policy area.

I fear that, in the past, the concerns of farmers and food producers were given insufficient weight in the design and implementation of UK Government policy.

DEFRA, and its predecessor department MAFF, were kept unjustifiably low in the Whitehall pecking order.

That was a mistake. But it could be, and was, defended by some on the basis that the major policy decisions governing farming and food production were taken not at a domestic level but at European levels through the EU's Common Agricultural Policy. Since UK ministers and civil servants had little room to shape, let alone, reform the CAP's operation there was, it was argued, little justification for expending energy thinking hard about food policy.

This failure was all the more lamentable because, as everyone here knows, the food and drink industry is Britain's biggest manufacturing sector. It's also Britain's fastest-growing, with our export growth over the last few months having been driven by massive increases in food and drink sales.

That growth has been enabled by Britain's decision to leave the European Union and the new opportunities it has given our exporters. And leaving the EU also, of course, requires us to develop new policies on food and farming. For the first time in almost half a century, we are free to design policies from first principles that put British farmers, and consumers, first.

The brilliant team of civil servants in Defra have been rising to that challenge and also ensuring that the rest of Government does as well.

So we can now have, for the very first time in Government, a strategy that is designed to integrate the concerns of all those involved in food and drink production – from farm to fork – to develop the right policies for the future. That strategy is at the heart of the broader [Industrial Strategy](#) which you will hear more about from my friend and colleague Greg Clark, the Business Secretary, tomorrow. Indeed strengthening the food and drink sector is integral to the broader economic policy direction the Prime Minister has

outlined for the whole Government. Which is why the Department for International Trade is making action to improve food and drink exports a central ambition in its plans for this year.

Working with the Business Department we have also established a [Food and Drink Sector Council](#) with representatives from primary producers, processors and distributors, the hospitality sector and retail, to identify where more needs to be done. Current and past NFU Presidents are among the representatives on the council and working groups, who will look at how to further improve productivity, enhance training, support innovation and open new export markets.

This work will be the precursor to a new Food and Drink Sector Deal to build on existing successes and prepare the sector better for the future.

Fresh thinking about food has also meant that we have been working with the Department of Health and Social Care and the Department for Education on policies to improve nutrition, health and well-being, with Defra as the driving force for improvement.

And we have also been working across Government to improve procurement. As we leave the EU, we will have the chance to review how we use the immense buying power of the public sector to, at last, properly support British food producers. Changing how Government procures food can help drive the change we all want to see – we can use public money to reward those farmers and food producers who grow healthy food in a sustainable fashion, we can invest in local food economies and we can support higher environmental standards overall.

The voices of farmers and food producers, their hopes and concerns, expectations and ambitions, and indeed obligations and duties, are now more central to Government thinking than at any time for fifty years. It is crucial that we, together, make the most of this historic opportunity as we leave the EU, this unfrozen moment, to shape policy decisively in the interest of future generations.

## **The future of food and farming**

What should our, shared, aim be? What do we, ideally, want the future to look like?

Well my own view is that we want to uphold the trinity of values identified by E.F. Schumacher – health, beauty and permanence.

We want a healthy and beautiful countryside, producing food that makes us healthier as individuals, in a society which has a healthier attitude towards the natural world, an attitude that values permanence, where we wish to preserve and enhance natural capital and where we value the traditions and virtues of rural life.

But, as I explained in my speech to the Oxford Farming Conference earlier this year, the pursuit of these values takes place against a background of

accelerating demographic, scientific, political and economic change.

Change is inevitable, whether in or out of the EU. Population growth, technological innovation, environmental pressures and evolving social attitudes require us all to adapt.

So we need policies which can help farmers and food producers develop resilience in the face of change, adapt to new opportunities and meet the expectations of future generations, while all the time promoting health, celebrating beauty and valuing permanence.

And I believe that outside the EU there are exciting opportunities for us to shape the future in a way which reflects our priorities. We can design the policies best fitted for our food producers and consumers. And best equipped to ensure our food economy remains sustainable in the long term.

Because the Common Agricultural Policy has not worked either for our food economy or for the natural environment. That is why we have outlined a new direction of travel in our 25 Year Environment Plan and will be publishing a Consultation Paper on the future of agricultural policy in England very shortly.

And, I hope we can see similar ambition in Scotland, Wales and Northern Ireland. Outside the EU the devolved administrations will have more powers than ever to shape agricultural policies that suit their jurisdictions and to devise methods of support that suit the farmers and consumers in their nations.

Of course, we are all working together to ensure there will be UK-wide frameworks on areas of common concern like animal and plant health and no decisions are taken that harm our own internal UK market. And of course we want to develop world-leading animal welfare and environmental standards

And leaving the EU also means – critically – reforming the current system of subsidy for farming and food production. As we all know it doesn't work for producers or consumers anywhere in the UK. Nor indeed does it deliver sustainability for the long term.

Paying people simply according to the size of their landholding drives up the cost of land, which ties up capital unproductively and acts as a barrier to entry to new talent, impeding innovation and holding back productivity growth.

The rules associated with current subsidy payments are unwieldy and, very often, counter-productive. They require farmers to spend long days ensuring conformity with bureaucratic processes which secure scarcely any environmental benefits and which, in turn, require a vast and inflexible bureaucracy to police.

As does the current farming inspection regime, which, despite several recent attempts at simplification, remains as unwieldy as ever. Every year, farmers are confronted by a barrage of inspections from different agencies, often duplicating costs in both time and money.

I am delighted to announce that Dame Glenys Stacey will be conducting a thorough and comprehensive review of this regime, seeing how these inspections can be removed, reduced or improved to reduce the burden on farmers, while maintaining and enhancing our animal and plant health standards.

This review is not only long-required but also very timely as we design future farming policy and maximise the opportunities of leaving the EU. It will provide answers to some key general questions to guide our future approach, subject to the outcome of our negotiations with the EU.

Dame Glenys has over twenty years' experience in driving reform within public sector organisations and will, I have no doubt, bring unequalled energy and skill to the task. She was also, formerly, Chief Executive of Animal Health, the precursor to APHA.

Our consultation paper will outline how we plan to change things more broadly.

The paper will outline a clear direction of travel on how we can better deliver support.

But it is a consultation not a conclusion.

Future support schemes can only – will only – work if they reflect the reality of life for farmers and food producers. So what we will outline is a model for discussion and refinement not an inflexible new order. We will need time, and critically, your input to get any new system of support right.

## **A transition period to get reform right**

And that is why I have said that there will be a transition period for farming to ensure we get the right new system in place. A period long enough to ensure we can all adjust to make the most of future opportunities.

One – critical – aspect of any transition is access to labour.

As we prepare to leave the EU, and free movement ends, we need to take special account of the needs of agriculture.

Farming currently depends on access to labour from abroad – both seasonal and more permanent.

And it's often very highly-skilled labour. Whether its stockmen and dairy workers or the official vets in our abattoirs, 90% of whom are from EU27 nations, agriculture needs access to foreign workers.

It's already the case that the supply of labour from EU27 countries is diminishing as their economies recover and grow. So, in the future, we will need to look further afield. And think more creatively.

We understand, however, that you need to see action quickly. Not least to deal with imminent pressures. The NFU has put forward strong and compelling

arguments for a Seasonal Agricultural Workers Scheme and I fully acknowledge your concerns.

In addition, the Government's Migration Advisory Committee are reviewing the shape of immigration policy after we're free of EU constraints. I've explained to them that we will need continued access to skilled labour if we're to keep our farming sector productive and profitable.

In the medium to long term we need, of course, to move away from a relatively labour intensive model of agriculture to a more capital intensive approach. But we can only do that if farming stays profitable. And we can only stay profitable with access to the right labour.

And as well as clarity on access to labour, you deserve clarity on future funding.

At the last election we were the only party to pledge that funding for farming would be protected – in cash terms – for the whole of the Parliament – until 2022.

We will, of course, be leaving the EU formally in March 2019 but the Government hopes we will secure an agreement from the EU to an implementation period to prepare fully for all the opportunities of the future.

In farming we have already said that we will pay the 2019 BPS scheme on the same basis as we do now. We then anticipate keeping BPS payments during a transition period in England, which should last a number of years beyond the implementation period.

But while we want to provide those guarantees to enable all farmers to prepare for change, we plan to alter some aspects of payment in significant ways as soon as we can after leaving the EU.

At the [Oxford Farming Conference](#) I explained that during the transition we propose to reduce BPS payments and redistribute that money to provide different forms of support. There are a number of ways we can reduce the payments and I am open to views as to the best method.

Which brings me to what the new system of support will be based on.

## **What, and who, we should support**

We propose to progressively, transfer money away from BPS payments towards the payment of public money for the provision of public goods.

We will guarantee all existing agri-environment agreements entered into before we leave the EU but, critically, we will also invite farmers, land owners and land managers to help us pilot new ways of investing in environmental enhancement and other public goods.

We will outline in the consultation paper what we think could be covered by the definition of public goods and how payments could be made. But, again, the consultation paper is a contribution to the conversation not the final

word. We will listen to farmers, and others, to ensure our policy proposals can effectively deliver the outcomes the public want to see.

I believe the most important public good we should pay for is environmental protection and enhancement. The work farmers do to ensure our soils can sustain growth in the future, woods are planted to prevent flooding and provide a carbon sink and hedgerows and other habitats provide a home for wildlife should be properly paid for.

We already estimate that soil degradation costs the economy of England and Wales a huge £1.2 billion every year. Soil is a building block of life, alongside water and air and we need to invest in its health.

We all have a moral obligation to hand over our environment to the next generation in a better state than we found it. And no-one appreciates that better than farmers. But if we are to ensure that our environment is enhanced we must invest in it, and it is those who are most intimately involved in caring for our countryside, our farmers, who should be supported most energetically in achieving that ambition.

I believe there are other public goods we should also use public money to secure.

I believe we should invest in research and development to improve productivity and bring further environmental benefits.

Some of the developments which improve both profitability and the quality of produce spring from farmers themselves developing new and more sophisticated approaches towards natural food production. Changing cultivation methods which require fewer expensive inputs and yield healthier food deserve to be championed and shared. Across the world farmers are learning from their experience with natural systems and making changes to their animal husbandry techniques or cropping patterns with transformational results.

And we also need to invest in the potential of new technology. For example, I know the NFU have campaigned hard for a multi-species Livestock Information Programme. Whilst I cannot make a firm announcement yet you've made a compelling case and I hope to say more very soon.

Whether its automation and machine learning, data science or gene-editing, improved tracking and traceability of livestock or new plant bio-security measures, there are specific innovations which will increase productivity across farming, bring food costs down for all, help us improve human and animal health and ensure we better protect the environment. These can only be fully realised if we invest in a way which individual farmers and land owners are simply not equipped to on their own.

Without public investment to support scientific breakthroughs and help disseminate them across agriculture we won't secure the improvements we all want to see.

Making sure these breakthroughs bring the greatest benefits to the greatest number depends on even greater collaboration and co-operation between farm

businesses and we will incentivise greater collaboration – not least to ensure we can guarantee environmental improvements at a landscape scale and help smaller mixed and livestock farmers cope with market volatility.

Public access to the countryside is another public good we value. Not that we should encourage everyone to ride or walk roughshod through working areas, but the more connected we all are to the countryside, the more we know and appreciate what's involved in farming and food production, the more understanding there will be of the need to value and support what farmers do. That's why initiatives like [Open Farm Sunday](#), supported by the NFU, and the work of organisations like [LEAF](#) is so important and needs to be supported.

As does the work of organisations like the Prince's Countryside Fund which support smaller farms, especially those in more challenging areas. I firmly believe that supporting those farmers who help keep rural life, and economies, healthy is a public good.

I am acutely conscious that the changes which are coming to farming leave some sectors more worried than others. And I am particularly aware that many smaller farmers, such as dairy farmers in areas like Devon or upland sheep farmers in Cumbria and Northumberland, fear that the future is particularly challenging for them. Margins are tight. Milk and lamb prices are far from generous. The risks to profitability of Bovine TB or other forces beyond the farmers' control add to stress. And the prospect of public support diminishing or disappearing makes many wonder how they can go on. I believe we have to ensure future methods of agricultural support recognise how critical it is to value the culture in agriculture – Devon and Somerset would not be as they are – with the countryside as beautiful as it is and communities as resilient as they are – without dairy farmers. Cumbria and Northumberland, Yorkshire's Dales and Pennine Lancashire would not be as they are – both as breathtakingly beautiful and as resilient – without upland farmers.

And yes, I am romantic about it. You cannot read James Rebanks' *A Shepherd's Life*, with its descriptions of life sheep farming in the Lake District, without realising how precious and valuable a link with all our pasts the continuation of farming in communities such as James' provides. Men and women are hefted in those hills just as much as the sheep they care for. And preserving profitable farm businesses in those communities is just as much a public good as investment in anything I know.

I also believe investing in higher animal welfare standards and investing in improved training and education for those in agriculture and food production are clear public goods. We have a high baseline for animal health standards, which we will continue to enforce. However, we could also support industry-led initiatives to improve these standards, especially in cases where animal welfare remains at the legislative minimum. This may include pilot schemes that offer payments to farmers delivering higher welfare outcomes, or payments to farmers running trial approaches and technologies to improve animal welfare that are not yet an industry standard.

Of course there are other public goods we can identify and debate how to



support. But, as I have said before, while the list may be extensive public money is not inexhaustible so we must argue for this investment not just with passion but precision.

## **Only connect**

Which brings me to investment in a public good which I know is of critical interest and vital benefit to everyone engaged in farming, but also to many others across the country.

I'm talking about broadband.

And, while on the subject, 4G mobile coverage.

Connectivity overall.

It's ridiculous that you can get better mobile phone coverage in Kenya than in parts of Kent. Unjustifiable that in the country that first guaranteed universal mail provision, invented the telephone and television and pioneered the World Wide Web that broadband provision is so patchy and poor in so many areas.

Farming cannot become as productive as it should be, rural economies cannot grow as they should, new housing cannot be provided in rural areas as so many hope to see and we cannot have an economy that works for everyone unless everyone has access to decent broadband.

Daily life, especially active economic life, is becoming increasingly difficult for those without access to fast, reliable and affordable broadband. It is the necessary infrastructure of all our lives in these times, as essential as mains electricity or potable water.

And yet rural communities in Britain are denied good access to this contemporary utility today just as the farmers of the Hill Country in Texas were denied electricity in Congressman Lyndon Johnson's day – until the New Deal transferred power to the people.

If we could provide a universal service obligation for mail in the past – so that everyone in the country knew their post would be collected and delivered on the same basis as every other citizen – if we can provide a universal guarantee now that every citizen will be given the same access to the healthcare they need when they need it, then why should we persist in discriminating over access to the essential service that is decent broadband?

We have already raised the availability of super-fast broadband from 65% of premises in 2010 to 95% by the end of 2017, which is a serious achievement. We have committed to making high speed broadband available to all by 2020 and mobile coverage to 95% of the UK by 2022. And as you will have seen, this weekend we announced a new initiative to use church spires to boost broadband and mobile connectivity in rural areas. This kind of creative thinking shows how our nation's beautiful heritage can work hand in hand with twenty-first century innovation. But we need to go still further.

Some say that if individuals choose to live in rural areas, where broadband provision and mobile phone coverage may cost more, that choice should not be “subsidised” by others in urban areas. But where do the urban dwellers get their food from, who keeps the countryside beautiful for them, who protects the landscape, keeps our nation’s green lungs breathing, maintains the health, beauty and balance of nature for future generations? The people in rural areas who are deprived an important service so many take for granted.

We’re planning to spend north of £60 billion on HS2, 30 times as much as it would cost to provide universal superfast broadband.

Surely investment in broadband is a vital, urgent part of improving our critical national infrastructure?

Inside the EU, rules on state aid have prevented us from investing in broadband in a way that is best for the UK.

Outside the EU, just one fifth of our annual net contribution would transform our national infrastructure.

The Prime Minister has made clear that the days of the UK making vast annual contributions to the EU are over. And when we leave the EU we can put that money towards domestic priorities, like making our digital infrastructure work by improving rural broadband and connectivity. I will be working closely with my fantastic colleague, Matt Hancock, the new DCMS Secretary of State and I know he shares my passion for sorting this out.

Universal broadband and 4G coverage for all – which could be paid for by the money we no longer have to give to the EU – that is what we mean by taking back control.

And that’s not the limit of my ambition for rural Britain and our farming sector.

I’ve argued before that we should not seek to compete on the basis of a race to the bottom but by occupying the high ground of strong environmental, welfare and quality standards.

We produce the world’s best food – our beef and lamb, cheese and milk, cod and salmon, soft fruit and salad vegetables – are recognised globally as the gold standard in fresh produce. One of the reasons why exports are growing so fast.

And that’s precisely why we will not lower environmental or animal welfare standards as part of any new trade deals. We should no more lower our standards than the best brands in any market would lower theirs. Indeed we should aim higher.

The trend of our times, and it will only accelerate, is to invest in food that is healthier both for ourselves and the planet.

Rather than feeding ourselves the chemically-adulterated, over-sugared, trans-fat rich processed foods that contribute to obesity, diabetes, heart

disease and massive additional pressure on the NHS, there is, rightly, a growing demand that we help more and more people adopt a healthier diet.

Adopting a healthier diet means eating more sustainably produced and carefully cultivated, British produce. More fresh British fruit and veg, fresh British milk and farmhouse cheese, grass-fed beef and lamb, sustainably caught fish and shellfish, British peas and beans, Kentish cobnuts, pulses and seeds.

The more we can support local food economies where farmers and growers provide fresh produce to local retailers, the more we can ensure supermarkets and others pay fair prices for fresh British produce, the more children in school learn to buy wisely, cook properly and eat healthily and the more public procurement values fresh, healthy, British food, the better for all our health.

That is why I believe the money we spend, as a country, supporting healthy food production is an investment not an expenditure, a way of reducing significant future costs not an enduring burden on the exchequer. Wholesome food production is an invaluable investment in the health of our nation, from which we all reap the benefits.

## **A brighter future**

As I hope you can tell I believe farming has a bright future, and I want to ensure it does.

I want to ensure you have a stronger voice in Government decision-making and the new resources Defra enjoys as well as the new structures we sit at the heart of should deliver that stronger voice.

I want to ensure you have access to as much clarity as possible over future labour, and funding, arrangements as we leave the EU. And I believe we can develop both a labour market policy and a system of funding support that is fairer to all and which enhances productivity.

I want future funding to be allocated in a way which commands enduring public support, clearly delivers important public goods, delivers productivity and innovation breakthroughs that individual farmers could not secure on their own, supports greater collaboration, gives farmers greater bargaining power, delivers environmental benefits at landscape scale, makes soils healthier and rivers cleaner, encourages the development of new habitats for wildlife and incentivises healthy food production.

I want to see public investment at last treat rural areas fairly – not least by making the universal service obligation on broadband truly universal – so ensuring farming can be more productive than ever

I want to harness the increasing interest in the health of our citizens and our planet to ensure we recognise the importance of supporting those who grow and rear the fresh, local produce which is best for us as individuals and for the environment

Driving reform in all these areas will ensure British farmers are better supported to do what they do better than any farmers in the world – produce the best quality food in the world to the highest standards – and it is time we started celebrating that.