

Speech: Green Brexit: a new era for farming, fishing and the environment

I want to thank Prosperity UK for organising this conference and in particular, Lord Hill of Oareford, Sir Paul Marshall and Alex Hickman who have been the dynamos who have ensured that today can occur.

And they, like the team that run Prosperity UK, are determined to bring together individuals from across the political spectrum to develop policies for Britain's future outside the European Union (EU). Their committee is composed of both those who argued that we should Leave the EU and also those who believed that we should Remain But they are united by the belief that, whatever positions individuals may have been adopted in the past it's important that all of us now focus on the opportunities of the future.

And in choosing today to focus on agriculture, fisheries, food and the environmental more broadly, I believe, that Prosperity UK and the people in this room have identified a critical range of areas where Britain has the potential to be an innovator, generating increased prosperity and setting new global gold standards in sustainability.

I want to set out, in a second, where I believe some of those opportunities specifically lie.

But first I wanted to say a little about how important it is to me in this Government that when we explore the opportunities of life outside the EU we ensure the hopes and fears of those who voted to Remain are woven into our thinking. And into our actions.

No decision in our nation's history has enjoyed such a strong popular mandate as the decision to leave the European Union. 17.4 million people voted to take back control of this country's trade, taxes and laws.

But more than sixteen million of our fellow citizens voted to Remain. And there is a special responsibility on those of us who argued for a Leave vote and who are charged with implementing it, to ensure that the underlying reasons why so many people voted to Remain are respected.

Many people voted to Remain because they understandably feared the economic consequences of leaving. There were warnings that a vote to Leave would trigger an immediate recession and precipitate job losses.

Others chose Remain because they feared a Leave vote was somehow a vote to turn inwards and backwards. It was a vote for narrower horizons rather than a truly global Britain.

Others were concerned that a vote to Leave would strengthen the hands of separatists particularly in Scotland or others who wished to pursue an even more populist political platform.

And, critically, there were many that felt that during the time we have been in the European Union there have been undoubted advances in how we treat each other, and the planet, which have been enshrined in law and underpinned by regulation, and all that would be put potentially at risk by a vote to Leave.

All of those concerns – for economic justice, cultural open-ness, social harmony and environmental enhancement – are critically important.

And that is why I am glad that, since the referendum result, this Government has ensured that progress has been made in all of those areas.

Since the referendum, Britain has recorded the best employment figures in its history, with more than 32.1 million people in work. Employment is just 66.5% in the Eurozone, compared to 74.1% in the UK.

And for those in work, particularly at the bottom end of the income spectrum, wages have been rising. As the OBR pointed out this week, there has been a 7% real terms increase in pay for the poorest.

More jobs for working people and better-paid jobs for working people I believe contributes to greater economic justice.

All this has been underpinned by a shift in our economy towards export-led growth, away from what I believe to be an over-reliance on domestic consumer demand in the past.

In the last 12 months exports have risen by £64.5 billion – that's a rise of 11.5%.

Our service sector continues to thrive with exports up by 10.1% and exports of goods have risen even faster by 12.6% to £344.5 billion, and the manufacturing sector in particular has been making a significant contribution to this growth.

So far then, the decision to leave the EU, far from precipitating recession, harming food security or hitting working people in the pocket, has promoted economic progress.

And it has also, I believe, had a beneficial political effect.

Since the British people voted to leave the EU, support for separatist parties and separation itself has declined. Most notably of course in Scotland.

The decline in support for separation in Scotland stands in contrast to the increased support for secession in Catalonia and the growing regional tensions that we've seen in Italy in their election campaign.

And indeed it is not just support for separatist movements which has declined in Britain since the referendum.

Support for populist parties has also collapsed. The United Kingdom Independence Party is now a ghost political movement, like the Luddites or

the Whigs, and no populist party of the right, or of the radical fringe, is taking its place.

Again, by way of contrast, the recent electoral success of the Five Star Movement in Italy, the Alternative for Deutschland in Germany, the Front National in France shows that almost alone in Europe, Britain does not have either a burgeoning populist party in parliament or making progress in the polls.

The ebbing in support for populist parties in the UK has also been accompanied by a warmer and more welcoming approach by the British people to issues such as immigration.

The most recent polling on migration showed that the UK was the country in the EU with the most welcoming attitudes towards migrants from outside the EU. We are the most open, global, nation in Europe.

And that is reflected in university admissions with the number of foreign students applying to study in the UK increasing.

In 2018 there were 7,300 more applicants from overseas, with 43,500 applications from EU students alone – an increase from the year before.

Applications from some EU nations such as Croatia, Finland, Germany, Spain, Poland and Portugal have continued to rise in the last few years by as much as 30%.

The continuing popularity of our world-leading universities with foreign students is a win-win all round. It's a wonderful example of British soft power, it makes universities themselves more diverse, it generates earnings for the UK economy, and the fees from foreign students can help keep our own costs down.

So, as well as serving economic justice, Brexit, if we make the right decisions, can serve social justice too.

THE GREAT PROGRESSIVE PRIZE OF A GREEN BREXIT

But more than that, Brexit, with the right decisions, can enhance our natural environment.

Which is why I am so delighted by the range of speakers, and indeed the breadth of issues, at today's conference. The potential for progressive change is huge.

But that change can only be made real if we utilise the talents of everyone who cares about the natural world.

I am very well aware that for many who care deeply about the environment, our membership of the EU coincided with both increased awareness of environmental concerns and improved mechanisms to safeguard the natural world.

And as I mentioned earlier, leaving the EU, for many, appeared to put those

gains at risk, or at the very least raise a question over the prospect of continued progress.

And it's because I appreciate the strength of those concerns that we in DEFRA have moved as quickly as we can to affirm that not only will there be no abandonment of the environmental principles that we've adopted in our time in the EU but indeed we aim to strengthen environmental protection measures and to create new mechanisms to incentivise environmental improvement.

That is why we're consulting on how to introduce a new environmental protection body and it's why we've outlined policies for the natural world in our 25-Year Environment Plan that, in some cases, are more ambitious than any required by EU membership.

I recognise that some of the ambitions outlined in the Plan will need legislative under-pinning. And while I can't say now what will be in future Queens' Speeches I can state clearly that if we are to honour our pledge to leave the environment in a better state than we inherited it we must also leave the statute book in a better state than we inherited it.

And in advance of any major legislation, we're also determined to show at DEFRA that we're making progress as rapidly as possible towards meeting the goals that we've set for ourselves in our Environment Plan.

That's why we're planning to go further in dealing with the pollution caused by single use plastics, and building on our plastic bag and plastic microbeads bans.

I am also determined, as I reminded today by the House of Commons, that the UK must do more to clean up our air. I want to create stronger incentives for us to do so, and I will set out our proposals in a clean air strategy later this Spring.

Because to be frank, as again the House of Commons has reminded us today, we've been too slow to act on what is a major public health scandal.

Again, we'll be saying more in coming weeks, but we all know that we have to do more to restrict diesel use, to protect urban centres from pollution, to change how some of us heat our homes and we also need to reform aspects of agriculture and industry to ensure our air is properly breathable.

A STRONG ECONOMY NEEDS A HEALTHY ENVIRONMENT

In acting in this way, I believe that this Government is being true, actually, to the best Conservative traditions. It was Disraeli's Government that recognised improving public health depended on passing enlightened environmental legislation. His administration introduced laws to safeguard our rivers. The great third Marquis of Salisbury's Government introduced laws on housing, Macmillan's introduced laws on Air Quality and Margaret Thatcher's on a range of environmental issues, all of which reflected a profound appreciation of the inter-dependence of a healthy environment, a healthy population and a flourishing economy.

I recognise that it's a stock in trade of some political commentary that you can only really pursue environmental goods at the expense of consumers or business. There are some who say that you can pursue greenery or prosperity but you can't put a premium on both.

Indeed that was the line doggedly asserted by the BBC's Nick Robinson when he interviewed me on the Today Programme for the launch of our 25 Year Environment Plan.

But, even when that case is prosecuted with all the vigour and talent of a Nick Robinson, I believe, and I believe that history shows, that it's a false dichotomy.

The truth, as governments have long understood, is that you cannot sustain economic growth if you erode the natural capital on which all human flourishing depends.

And, in parallel, sustainable economic growth will generate the income we all then can invest in future, further environmental enhancement.

It has been economic growth – free market-inspired, capitalist-generated and business-driven – that has helped us to secure cleaner rivers, cleaner and less carbon-intensive energy and to protect natural habitats in the world's wealthiest nations.

And unfortunately history tells us that centralised state control, socialist management, and the absence of effective price signals and functioning markets, and indeed the expropriation of private property and collectivisation have led, not just to economic misery but also to environmental degradation. The example of Mao's China, Soviet Russia and Maduro's Venezuela, shows that that path leads to poisoned soils and contaminated rivers, toxic air and wrecked habitats.

Indeed the economic policies pursued by the leaders of the Bolivarian Revolution in Venezuela – Hugo Chavez and Nicholas Maduro – who have such enthusiastic fans here in the UK, naming no names – those policies have involved the grotesquely profligate exploitation of fossil fuel reserves in a manner that has been both economically foolish and environmentally reckless. And that has been accompanied by the immiseration of the nation's population, provoking not just the migration of millions of refugees but also the devastation of that country's rural economy.

So poor, and hungry, have Venezuela's citizens become under Chavez and Maduro that they were driven to eat the animals in Caracas zoo to keep alive. As a metaphor for how economic failure drives the destruction of the natural world, it is both all too fitting and heart-breaking.

A POST BREXIT LONG-TERM ECONOMIC PLAN

But while open and enlightened market economies have done a demonstrably better job in delivering environmental goods than closed command economies, we've also got to be honest about where our economic thinking has been deficient in recent years.

Just as growth in the first decade of this century was over-reliant on debt, on borrowing that we expected the next generation to pay for, so growth over many decades has been over-reliant on exploiting finite natural resources whose depletion inevitably leaves future generations poorer.

As a Conservative, someone who believes in the careful husbanding of resources, both financial and environmental, and as someone who also believes in the principle of stewardship, the idea that we must hand on our inheritance to the next generation in an enhanced state, I believe we have a responsibility to ensure that our economic model prices in those valuable principles. In other words we have to have truly sustainable economic growth.

That is why I am such an enthusiast for the idea of natural capital, pioneered by the brilliant economist Dieter Helm, from whom you will be hearing later this morning.

Dieter developed the idea, the concept of Natural capital accounting, which aims to measure every natural asset – from freshwater to the oceans, oil and gas stocks to fish stocks, woodland to peat – and record how those assets are changing over time, both in physical and financial terms.

The UK was the first country in the world to establish an independent Natural Capital Committee to advise the Government on how to manage and enhance our natural wealth and that committee has been playing a critical role in the formulation and implementation of our 25 Year Environment Plan. The insights of the Natural Capital Committee have ensured that this government recognised that natural capital is as fundamental to our health and prosperity in our future as our human capital or physical capital.

Of course it's important to note that natural capital is just one tool we can use to deliver on our environmental gains. Not everything that we cherish in the natural world can be given a monetary value. We don't want to protect and restore the environment simply because of its economic value, but because of our moral duty and our emotional attachment. But still, natural capital remains a powerful tool for all of us who care about the natural environment and prosperity in the future to ensure that we take our responsibilities towards the environment seriously, and we can be held accountable for our actions.

So as we design the economic and environmental policies that will guide Britain after Brexit our aim will be to ensure we incentivise investment in physical, human and, above all, natural capital.

CAP REFORM

The prosperity of our economy, and in particular our food economy, depends on us developing a truly sustainable approach for the future, and in particular towards our landscape.

So as we escape from the Common Agricultural Policy and develop our own domestic farming policy we have to move away from our current system, which lacks effective incentives for long-term-thinking, to one that promotes

investment in our shared future.

That will mean we pay farmers to improve the quality and fertility of their soil, that means we want to reverse the trends of the past which have led to compaction and run-off, and which have polluted our rivers and choked our fish.

Supporting those who practice min or no-till cultivation in agriculture is not only better for our rivers and watercourses, it will also help to control and reduced carbon emissions, it will reduce demand for chemical inputs and it will provide a richer habitat for insects and invertebrates.

And we should indeed, as we revise our policy towards our land and embed natural capital thinking in our approach, move to provide better support for our farmers and land managers who maintain, restore, or create precious habitats for wildlife. Whether it's supporting those who're protecting curlews on moorland or who're ensuring the health of sphagnum moss in blanket bog, the stewards of precious natural assets which Britain has a special role in conserving, need improved support in the future, and that will be at the heart of our environmental, agricultural and economic policy post-Brexit.

FISHERIES

And as well as reforming the Common Agricultural Policy to reward those who provide habitats on land, leaving the EU also provides us with an opportunity to escape the Common Fisheries Policy and replace it with an approach to managing our marine environment which puts conservation and sustainability at the heart of our approach towards our own territorial waters.

Effective reform in all these areas will of course depend on also enabling the right sort of technological and scientific breakthroughs. And freedom to innovate in these policy areas should I hope also provide new opportunities for the burgeoning growth and environmental entrepreneurship that we see in Britain. From the appropriate surveillance of fishing activity to the use of artificial intelligence to improve farm animal health, we can demonstrate how we can increase both natural capital on land and at sea and also boost national productivity.

AGRITECH

There is, I am delighted to say, a continued and intense interest in British environmental technology and innovation because we excel in agritech and supporting innovation in green finance. There were more than 58,000 tech start-ups in the UK in 2017 and more venture capital invested in technology in London than in Germany, France, Spain and Ireland combined.

A new business starts every 75 seconds, and many have the potential to change how we define prosperity and how we enhance natural capital. New companies like Saturn Bioponics are leading the way with new modular growing systems that allow farmers to increase crop density while making harvesting cleaner and easier, reducing labour costs by up to 50% and producing an almost 100% saleable yield. Overall, Saturn Bioponics have shown that investment in their

technology will be paid back between 1-4 years through increased profitability.

And Government, critically, has a positive role to play in helping to enable this sort of innovation.

Just this week an investment of £90 million from the Industrial Strategy Challenge Fund was directed towards the Transforming Food Production programme. Investments like this will I believe help to support a technology and data-driven transformation for UK farmers, UK land managers and those who work on or with our environment.

By supporting farmers with the initial investment we can help their businesses to not only become more productive and to generate more growth, and indeed to provide more high-skilled jobs, we can also drive more high-value export opportunities, and critically we can also ensure that our environment becomes more resilient and even better guardians of our natural environment.

Across the UK there is a wealth of innovative start-ups redefining what it means to be a farmer or a land manager, and how to farm effectively and sustainably. One company, Hummingbird Technologies uses crop mapping to identify problems in drainage, compaction, nutrition, weeds and pests before they become devastating, and it can pre-emptively detect the presence of particular diseases like potato blight and blackgrass.

It is also the case that our universities like Harper Adams who have been collaborating with a number of tech companies, have helped to lead the charge in developments in agronomy and agritech, and in particular the world has been paying attention to the way in which Harper Adams through its Hands Free Hectare project has shown the way for a more efficient and environmentally sensitive approach towards agriculture.

I believe that we can also, as well as demonstrating global leadership in all these areas, also demonstrate it in our approach towards resource efficiency and the treatment of waste. We all know that we need to reduce our reliance on plastic and in particular make sure the incentives are there to move away from the use of virgin products so we all use more recycled material. I recognise that we need to reform the existing producer responsibility scheme, we need to impose appropriate costs on those whose products leave a heavier environmental footprint and we then need to use the money generated from that to invest in dramatically improved recycling facilities in this country.

In the same spirit, we also need to encourage movement away from diesel and petrol cars towards ultra-low emission vehicles such as those Sir James Dyson is developing. And we also should build on the work that's being done to develop autonomous vehicles in the future. Their development could help us to further reduce the adverse environmental impact of our current approach towards urban transport.

GLOBAL LEADERSHIP

I believe that Britain has the potential now to demonstrate global leadership in all these and more areas.

And there are opportunities on the months ahead for us to demonstrate, alongside, other nations, our determination to do more for our planet.

At the forthcoming Commonwealth Heads of Government meeting, and with Canada's Presidency of the G7, we can play our part to extend protection to more of the world's oceans.

At the Illegal Wildlife Trade Summit in London this autumn we can take decisive steps to safeguard biodiversity worldwide, and indeed we can, in the months ahead, develop new approaches to measuring, valuing, and enhancing biodiversity worldwide.

We can also ensure in the trade agreements that we hope to sign and indeed in the economic partnership that we plan to forge with the EU, that natural capital is protected, that the natural world will be respected and that the highest ethical and environmental standards are upheld.

CONCLUSION

A commitment to the highest environmental standards in everything we do doesn't involve any long-term economic sacrifice. Quite the opposite. We will only succeed in the world as a food exporter, a centre for tourism, a hub for technology investment and an incubator for wider innovation on the basis that we are an economy and society where quality, integrity, sustainability and a commitment to long-term relationships are guaranteed. We need to build an economy and a society which continually promotes incentives to virtue.

There are great prizes for our resourceful, resilient, remarkable nation in the years ahead – and I hope, with the help of all the people gathered here for this conference, that we can succeed in the years ahead in building something special in this our green and pleasant land.

Thank you.