

Oxford Farming Conference

Rt Hon Andrea Leadsom MP, Secretary of State.

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Introduction

For an industry that's been around as long as mankind itself, farming has been at the centre of human achievement.

And, no matter how the world around us changes, we rely on the same three basic needs to sustain us – food, air, and water.

Farming is at the heart of all of our lives.

It builds rural communities; it supports our beautiful natural environment –

And vitally, as the global population moves towards 9 billion by 2050, it feeds us.

Nothing should be more important to us all than the continued success of this great industry -

So your theme for this year's conference, 'Thrive or Survive', is very fitting.

And I am confident that 2016 will be remembered as the year that the UK chose to do a whole lot more than just 'survive' -

Our ambition – both as a country and as an industry – should be to grow and prosper like never before.

Producing, competing, profiting

The provenance of British food matters to consumers all around the world.

When they choose British, they know they can trust the origins of our unique, great tasting products –

And through our schools we will be encouraging the next generation to have a closer connection to the land and a better understanding of the food chain.

- Right now, the whole of our food chain, from farm to fork, adds £110 billion to our economy each year.
- Food and drink is already the UK's largest manufacturing sector – adding more value to our economy than the car and aerospace industries combined;
- Our exports are increasing; non-EU dairy exports are up 91%; wheat exports are up 80%; and, a real triumph, British lamb was voted product of the year in France last year.
- Agriculture & Food is one of the fastest growing subject areas at University, with the first graduates from Sheffield Hallam's food engineering course now joining the workforce.
- And our core-strength is our world-leading position in animal welfare, food safety and food traceability.

So, as we prepare to leave the EU, the fundamentals of the sector are strong.

I believe the British people have handed our food, farming and fishing industries an extraordinary opportunity to 'thrive'.

Twin-ambitions for Defra

I was truly delighted to be appointed Defra Secretary, and since joining the Department, I have made very clear my two, long-term ambitions very clear:

1. Firstly, to make a resounding success of our world-leading food and farming industry; producing more, selling more, and exporting more of our Great British food

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2. And secondly, to become the first generation to leave the environment in a better state than we found it.

These ambitions look *far* beyond tomorrow; they are about long-lasting change and real reform –

An even greater food and farming nation that works for everyone.

As a key industry for every part of the UK – from the Scottish highlands to the Cornish coast -

farming, agriculture and our environment are at the heart of this vision.

It's your farms, your produce, your exports that will enable us to thrive.

Brexit

However you voted in the referendum, you can rest assured that I am fully committed to securing the best possible deal for the UK.

I believe that food, farming and our environment will be central to the success of our negotiations–

As well as to our future outside the EU.

For too long, a bureaucratic system, which *tries* to meet the needs of 28 different member states, has held farmers back.

But now, we have the chance to design a domestic successor to CAP that works for all of you, rather than the entire European Union.

As we work towards this, it's really important that we've been able to reassure farmers that they will receive the same level of financial support until 2020 –

and Pillar 2 payments signed before we leave the EU will be guaranteed for their lifetime.

And today I can give further certainty by announcing that the Rural Development Programme is ready to fund its next wave of projects.

So, in the next few months, up to £120 million will be made available to help support rural growth.

The Programme has previously supported rural businesses in a range of diverse projects, from installing cutting-edge equipment to restoring flood plains –

and the next round of projects will help create more jobs, sell more products, and access more export markets.

I do realise, though, that many of you will be planning much further ahead, and your investment cycles work to much longer timeframes.

So it's vital that we start planning now, for life beyond 2020.

I want to reassure you that I am committed to supporting British farming in the short *and* the long term -

And I am confident that leaving the EU gives us an unprecedented opportunity to design a system that's fit for the 21st century.

25 year plans

Now, I can imagine that in this room, there are as many views on the future of farming as there are actual farmers.

So, that's why, following our 2015 manifesto commitment, I will be publishing two green papers –

one for food and farming, and one for the environment.

As the next step in this process, I will be launching a major consultation on these important issues.

This will be *your* chance to tell us, in writing, or at the many stakeholder meetings we're planning around the country, your views and ambitions for the future.

I'm already meeting with farmers, industry groups, scientists and of course Ministers from right across the United Kingdom to consider every aspect of our negotiations to leave the EU.

Our EU Exit Programme in Defra has 8 different work streams, and is carrying out detailed analysis, ranging from market access and labour, to trade and agricultural land use policy.

This is a once in a generation opportunity to look at new ideas and also at how other great farming nations operate, so, for example:

1. How do we manage risk, and make the industry more resilient to extreme weather and price volatility?
2. How can we prioritise capital investment and boost productivity?
3. And how can we increase food production at the same time as enhancing our natural environment?

These are all important questions that will shape the way the industry progresses over the next decade -

but no decisions will be taken without you, and this consultation is a key part of the process.

Red Tape

There is, of course another side to our negotiations.

We shouldn't lose sight of the other big potential wins for farmers.

Too much of your time and money has been wasted on keeping up and complying with EU red tape.

Over the past 6 years we've done everything we can to reduce this burden –

but I'm quite sure everyone here can still think of at least one piece of EU regulation you *won't* miss.

Now, as we prepare to leave the EU, I will be looking at scrapping the rules that hold us back, and focusing instead on what works best for the UK:

No more 6 foot EU billboards littering the landscape -

No more existential debates to determine what counts as a bush, a hedge, or a tree.

And no more, ridiculous, bureaucratic three-crop rule.

By cutting the red tape that comes out of Brussels, we will free our farmers to grow more, sell more and export more great British food –

whilst upholding our high standards for plant and animal health and welfare.

My priority, will be common sense rules, that work for you.

Resilience

But, as we prepare to leave the EU, it's vital that we continue to undertake the day to day business that's necessary for a resilient, match-fit industry.

- I know how important it is for farmers to receive their Basic Payment on time, and so I am pleased that the RPA hit its 90% target by the end of December.

It's good progress, but I am very clear that we must get all payments out of the door.

Like you, I won't be satisfied until every outstanding payment has been resolved, and 100% of eligible farmers have been paid.

- We're doing more than ever to improve our resilience to flooding. Over one million acres of prime farmland will be better protected by 2021 –

And that comes on top of the record £2.5 billion we've committed to spending on flood defences.

- On bovine TB, our comprehensive eradication strategy is delivering vital results for the beef and dairy industry –

And in 2017, England will be applying for TB-Free status – that's two years ahead of schedule.

- We remain vigilant against all threats to plant and animal health, including the recent cases of Avian Influenza.
- And of course, price volatility remains a big challenge for farmers, but Government is doing what it can to help –

And thanks to our reforms, farmers are now able to average their profits for Income Tax over five years instead of two.

Opportunity

Greater resilience will allow us to boost our productivity.

At every cabinet meeting I attend, improving productivity is at the top of the agenda – and it's a particular focus for farming and rural areas.

Currently, 35% of farm businesses generate 90% of the total output – so there is plenty of scope for improvement.

And with a focus on resilience and greater productivity, a world of opportunity awaits British farming.

But, to make the most of this, we have got to get three, very crucial, things right.

Firstly, to equip the workforce with the right skills;

Secondly, to take innovation in farming to the next level;

And thirdly, to get out there, and export more of our Great British food and drink to the world.

So the industry needs to attract more of our bright young people into a career in food and farming -

And in our 2015 manifesto, we set ourselves a target to treble the number of apprenticeships by 2020.

In the summer, I helped to launch 10 new 'Industry Approved Apprenticeship Programmes'.

These schemes will professionalise careers in baking, butchery, and dairy – but backing the rising stars of food and farming will require a joint effort on behalf of government and business.

Just before the New Year, we heard the fantastic news that McDonalds is moving its non-US operations to the UK -

a real vote of confidence in our corporate landscape.

It's great news for farming, too, as McDonalds have just launched the next round of their Progressive Young Farmers scheme.

Other businesses are helping to secure their future supply chain, too -

With Sainsbury's, McCains, and Moy Park just a few of the organisations offering apprenticeships in agriculture, farming, and food technology.

But I also know how important seasonal labour from the EU is, to the everyday running of your businesses.

I've heard this loud and clear around the country, whether in Herefordshire, Sussex, or Northamptonshire -

And I want to pay tribute to the many workers from Europe who contribute so much to our farming industry and rural communities.

Access to labour is very much an important part of our current discussions –

and we're committed to working with you to make sure you have the right people with the right skills.

A strong, skilled workforce will allow you to focus on how the latest technology can transform your business.

Agri-tech is where the future of food and farming lies –

And I've seen for myself how smart innovations can cut costs for farmers and help the environment.

In order to get more innovative projects up and running –

the government has allocated £160 million to a dedicated agri-tech strategy.

This includes funding for agri-tech catalysts and four Centres for Agricultural Innovation.

From driverless tractors, to climate-controlled storage, and sustainable initiatives like PepsiCo's 50 in 5 -

These are the sorts of innovations that will enable us to compete in global markets.

And as I've made very clear –

One of my key priorities as we leave the EU is to see more Great British food grown, sold, and consumed around the world.

Food exports are up 8% this year –

And the Great British Brand begins life on *your* farms.

Whether its bestselling brands like Tyrells crisps, Snowdonia cheese, and Walkers shortbread –

Or primary products like barley, beef or dairy–

There's a big market out there for the provenance of British food and drink.

Our high standards underpin the entire food chain –

And it's why the Union flag, and marques such as the Red Tractor and LEAF, instil such confidence in our products.

I saw this for myself in China – where there's a growing appetite for British food and drink.

We now have our biggest export team based there, and the past year has seen a huge rise in UK exports to China – up over 50% on 2015.

China is just one of the nine priority markets we identified in our international action plan, with markets in the US, Australia, India and the UAE offering big opportunities, too.

So, I'm confident, that with the quality and reputation of the food you produce, we can get more businesses exporting, and build on the growth we saw in 2016.

Conclusion

So, to conclude –

I have no doubt that our best days as a food and farming nation lie ahead of us.

In leaving the EU, we've been handed a once in a generation opportunity to take Britain forward; a real opportunity to thrive.

We can design, from first principles, an agricultural system that works for us –

We can go even further to care for our stunning habitats and landscapes -

And we can export more of our world-class food and drink.

I am committed to securing the best possible deal for British farmers –

And I look forward to working with all of you, to secure the future of this great industry.

Thank you very much.