

Nick Herbert speech to Oxford Farming Conference 5th January 2010

Good morning ladies and gentlemen

Thank you very much indeed for having me here to speak at the Oxford Farming Conference.

I didn't know there was a university here. And so it's a huge pleasure to discover that there is.

As Heather explained, I read Land Economy - allegedly - at the real Magdalene College, Cambridge. I studied with somebody called Rob Andrew.

He was, in effect, studying rugby; I was studying racing. One of us isn't doing quite as well as we should be at the moment - I'll leave you to judge who that is.

We know what the key challenge is.

There's no dispute about that now.

We know that there is a fundamental issue that confronts not just us as a country, but the world - which is the challenge of ensuring food security, the growing world population matched by the pressure of climate change, food supplies become scarce in a very short space of time, food availability for many parts of the world - as the Secretary of State rightly reminded us - already in scarce supply.

And I welcome the fact the Government has - I'm afraid belatedly - recognised the importance of increasing food production in this country.

I'm not going to depart from that note of consensus without observing that over the past decade British food production has actually fallen. And indeed it was the explicit position of the Government up until recently that it didn't matter where our food came from, that it could be simply sourced from abroad and indeed to be in denial about the issue of food security.

It's incredibly important that we have an understanding and a debate about these issues now - about the importance of production both internationally and domestic and increasing production - and that we don't sweep these issues under the carpet in the way that the energy security debate was swept under the carpet by politicians for far too long.

I want to talk about two challenges which are components of this food security challenge.

1. The fiscal challenge

The first is one that doesn't feature that highly in the Government document published today. It is that we face a resources challenge which is in part a

fiscal challenge. That's the unmentioned thing, which is not in the document.

The reality of the economic situation in this country today ...

The fact that the country has been brought close to the edge of bankruptcy.

That other EU Member States face similar pressures on their budgets.

And that that will inform the next round of CAP negotiations in the run up to 2013.

- Pressure on the EU Budget ...
- Pressure on domestic financing ...
- Pressure on departmental budgets ...

We have to understand that reality.

And it's therefore clear that when we talk about boosting production, what we're not talking about is increasing Government spending.

What we're not talking about is the return to the days of intervention, or floor prices.

The direction of travel of CAP reform will be maintained.

And that means that we have to think carefully about what we all actually do understand about Government support for agriculture if boosting production is the agreed aim.

What does that Government support actually mean?

And I think that we need to look at this under two key headings.

A fair market

The first is the importance of ensuring a fair market that works in everybody's interest.

I'm a believer in free markets, but where there is market failure, I believe that it is the duty of governments to act.

We need to ensure in the market in which agriculture in this country operates - within the CAP - that we have a level playing field.

And the ongoing process of reform will mean that we will need to ensure that it remains a level playing field, and that attempts at government support through the back door by Member States that would distort that market, and distort that playing field, are resisted.

But here at home we also need to ensure that the market is operating properly in response to the needs of the consumer.

That's why I've said today that we agree with the Competition Commission about the importance of ensuring that the Code of Practice in relation to Grocery Supply can be enforced and needs to be enforced by the creation of an Ombudsman.

Indeed the Competition Commission was clear that the absence of proper enforcement or an effective code could mean less investment and

innovation by producers and that would be to the detriment of consumers in the longer-term.

So here's an example of a practical policy that a Government can and should introduce, can do so very quickly at relatively low cost.

We would site the Ombudsman within the existing Office of Fair Trading to ensure that we weren't creating another quango.

A practical policy to ensure that the market can operate fairly, and one that will be in the interests of producers, too.

Honest labelling

Similarly we need to ensure that the consumer really is king.

And to be king, the consumer requires real information. And that information isn't being given to consumers at the moment who are being misled by produce - meat for instance - that can be imported from other countries, falsely labelled, and passed off as British.

That let's down our producers. It means that the relatively high animal welfare standards in this country are undermined. We've seen the effect on our pig production.

That's why honest labelling is so important.

But it's not enough to talk in some vague way about the importance of honest labelling. It's not enough to say that there are negotiations going on in the EU - particularly when we discover that actually officials who are involved in those negotiations are vetoing the very compulsory labelling that the Government claims it wants to introduce.

We actually need action.

Just as we need action in relation to the supermarkets and the Code of Practice, so we need action in relation to honest labelling.

And I'm delighted that the major supermarkets have responded to our Honest Food campaign, and have agreed to re-label many of their products. That's a step in the right direction.

But if they won't agree and there are recalcitrants, then Government must be ready to act, to make the case forcefully in the EU, and if necessary to introduce domestic legislation.

Local food is increasingly important. It's a feature now of the modern agricultural industry.

The growing interest in food is a very good thing for British producers.

Sustainable government procurement

We can do so much more to help to promote that. And Government itself can use its own influence and lead by example.

That's why I think that Government departments should be made to procure food sustainably.

And that will in most cases mean local food.

We have a very variable performance across Government departments at the moment. Why not make it mandatory that Government departments procure their food in a sustainable manner and then drive that policy out across the public sector?

A sector that spends in total £2 billion a year on food procurement.

It would make a huge difference to producers in this country and to our goal of boosting production if we were to have government with a small "g" leading by example and using its own spending power to back local production.

I visited a farm near Taunton just before Christmas. The farmer was supplying one of his local hospitals with milk. The other hospital did not source from him. Interestingly, he was supplying at a lower price than the other hospital was actually paying.

Local food procurement does not necessarily mean higher prices. Indeed it can mean lower prices. And it can certainly mean better quality and a boost for the local economy.

So here, then, are practical measures we can take to ensure this first key principle: the operation of a fair market if what we want to do is boost domestic production.

A competitive industry

The second thing we need to ensure is that we have a competitive industry. And again it is not good enough to talk in vague terms about ensuring a competitive industry unless we are willing to take the tough measures to ensure that British producers can compete in the market. And one of the first responsibilities of Government is to ensure that we have a system of animal health that enables our producers to survive and indeed flourish.

It is necessary for instance to take action on Bovine TB. Yes, with a badger cull if necessary, because we cannot funk that decision.

We cannot ignore the impact on our producers ...

...the cost to the Exchequer

...or the implications for animal welfare

... if we simply sweep these issues under the carpet.

There will - in my view - have to be cost and responsibility sharing in relation to animal health going forward.

But that must be on the basis of true responsibility sharing, not imposition by the Government.

Effective regulation

Similarly, if we're serious about ensuring a competitive industry, then we need to act in relation to regulation and be serious about a de-regulatory agenda.

We have seen the imposition of regulation on British farming, much of it driven by the EU and much of it, by our own Government's estimation, unjustified and imposing cost.

We can't take farmers close to the market and keep this as a central ambition and at the same time tie farmers' hands behind their back.

That's why I think that we need to be making the case in the EU, as I sought to do at the end of last year, for proper cost benefit analysis of regulation before it is introduced.

So that things like EID, the Pesticides Directive - regulations which actually we do not believe in our country are proportionate, justified or necessary - can be challenged.

And we must ensure that when we are introducing regulation in our own country that we are not gold-plating.

We must move to a system where we are measuring performance much more on outcomes rather than on process.

- Whether I visit a farm ...
- Whether I visit a GP in his surgery ...
- Whether I visit a local police officer ...
- Whether I visit a head teacher ...

They all say the same thing to me.

'Will you please stop telling us how to do our job?'

'We are professionals and we know how to do the job.'

We need to move to a system where, yes, we are specifying the outcomes - we don't give up on the high outcomes that we want, whether it's in relation to protecting the environment or ensuring safety - but we need to try move to a system where we are much more interested in the outcome and less interested in dictating the process.

Because that dictat of process not only undermines the morale of the professional - ties that person up in endless form-filling and bureaucracy - it's also immensely costly.

And if we're serious about the agenda of delivering more from less, of reducing the burden of government, then we're going to have to find serious ways of freeing people from that burden.

Research & Development

Thirdly, if we want to ensure a competitive industry, then we're going to have to focus more on research and development

Both on the science which is going to be so important to drive up productivity and boost production in the future to prepare for a world where there's increasing pressure on natural resources

But also to ensure that our farmers are properly equipped with the skills that they need to adapt to increasingly tough competition in the marketplace.

Increasingly, I think we will see funding through the CAP directed through the Second Pillar.

This presents an opportunity to secure the kind of investment that I'm talking about.

And we must be led by the science.

We must have a rational debate about the future of new technologies, including GM.

It's important that we don't turn our back on the potential for progress.

2. The natural resources challenge

The second resources challenge is equally important.

I started by talking about the resources challenge of fiscal resources and pressure on the public finances - that's pressure across the EU.

But the environmental challenge is of course fundamental.

We need to ensure that as we boost production, we do so in a sustainable manner.

I read a letter in the Farmers Weekly in the autumn, written by a farmer from the West of England.

It said that protecting the environment was incompatible with increasing food production

That agriculture should be left with its own Ministry and that environment should be taken off somewhere else.

I fundamentally disagree with that.

If there's one thing that we have learnt over the last year, it is that you cannot live beyond your means.

Individuals cannot live beyond their means.

Businesses cannot live beyond their means - no businessman actually needs reminding of that.

Governments cannot live beyond their means.

And just as you cannot live beyond your economic means, so you cannot live beyond your environmental means.

We cannot turn the clock back

Boosting domestic production cannot mean ushering in a new decade of intensification regardless of the environmental impact.

We have to find a way of boosting production sustainably, and conserving natural resources.

Science is going to be immensely important.

But production and protection cannot be alternatives.

Finding strategies to conserve water - and I have proposed, for instance, the re-regulation of the water industry to ensure that we value water properly

Finding ways to ensure soil quality ...

All of these will be immensely important.

And part of that sustainability agenda also presents an opportunity for farming in the need to reduce waste.

The opportunity of using farm waste to generate energy. A massively underexploited technology in this country as we search for new ways to produce energy through renewables.

These are challenges, yes, for farming, but also potential opportunities.

Climate change

But as we seek to lower the carbon footprint of agriculture - as we must - we must have a sensible debate about the means to do that.

I do not regard campaigns which are jumping on the bandwagon of the crucial issue of ensuring action against dangerous climate change, campaigns which are seeking to reduce our meat consumption, as a sensible contribution to that debate.

And it's important that Government makes up its mind about what it thinks about this crucial issue.

You cannot have one Government department saying it wants to boost production, and another Government department - as happened just before Christmas - producing a report saying that it wants to cut livestock production by a third.

Which is it?

What we need to do is ensure that there is the investment in the science and research to reduce methane emissions from livestock.

And I've called for Britain to sign up to the Global Alliance pioneered by New Zealand to ensure that research in that vital area is pooled.

Because we have a shared interest with many other countries in ensuring that.

We need to have a sensible debate about the role of farming in the lower carbon world - not one that is driven by pressure groups or fads.

And the last thing that I want to say about the environmental challenge that farming faces is that the natural environment and protecting the natural environment will remain a core concern of any government.

And we have to remember the vital role of farming in delivering that protection. Where 70 per cent of the land area is farmed. That's why the Campaign for the Farmed Environment is so important.

That's why the future of agri-environment schemes - covering some two thirds of farms - is important.

That's why we must be focussed on the outcomes of those schemes to ensure that they are delivering as much bang for buck as possible.

Because reversing biodiversity decline cannot happen without that very important input from the people who actually manage most of our land.

So those are the first two key challenges.

The resources challenge fiscally, and the resources challenge environmentally.

3. An international agenda

But there is a third and last key challenge. Because when we talk about food security we are actually talking about a global challenge: the need to boost food production on an international scale.

Britain can and should increase production of the food we can grow ourselves.

That helps to improve our own security.

It makes environmental sense

It makes sense in supporting our local economy.

But Britain cannot produce its way out of this global problem.

We need to see a global increase in production of a serious scale, if we are to meet the challenge of demand in a very short space of time.

That requires, in my view, a new focus on reducing trade barriers and lowering tariff barriers as a contribution to boosting production.

And that is something we have lost focus on when so much attention has rightly been on Copenhagen and the need to secure an international climate deal.

And it also means looking again at the way we are helping underdeveloped and developing countries boost their agriculture.

I was in Zambia at the end of last year, talking to the Minister of Agriculture about his desire to increase production. A potentially fertile country which could grow a lot more - adjacent to Zimbabwe which we all know used to be the breadbasket of Africa.

Actually when you look at what has been done in that country in order to try and support the development of their agriculture, it is relatively little.

If the world community is serious about increasing production, then we have to be serious about an international agenda that is going to facilitate that.

About supplying the skills, the knowledge and the co-operation that is going to enable these countries to rise to this challenge.

Conclusion

I want to end by saying this.

We're moving, it seems to me, to a new era in relation to agricultural policy.

If we had been sitting here twenty years ago, I suspect we would have been talking about food surpluses.

Politicians were.

It was wine lakes and food mountains.

Farming was seen not as the solution, but as a problem.

The despoiler of the environment

A cost on the public purse.

The goal was to reduce those costs and minimise the environmental damage.

And there is a danger, of course, that we lost sight of the importance of this primary industry.

This industry which puts food on our tables.

This industry which is essential for life.

There is always a danger in politics of over-reaction.

And it seems to me that the formal policy that said that it didn't matter where our food came from was wrong.

And the devaluation of our farming industry was wrong.

We need to move forwards not backwards.

But that does mean being serious about an agenda of supporting agriculture.

If you want a 20-year plan and believe in Soviet-style plans, then that's fine.

But it's no good just talking about food labelling unless you're willing to deliver it.

It's no good just talking about a fair market unless you're willing to deliver that.

It's no good just talking about competitiveness unless you're willing to ensure that farmers really can be competitive and are equipped to be so.

I believe we are entering a new age of agriculture.

And that, actually, there is an enormous amount for us to be optimistic about.

This isn't an age any longer where farming is seen as a problem.

This isn't an age where the value of farming can any longer be discounted.

This is an age where everybody is starting to see the importance of food production, of feeding the world.

And so as we enter this new decade, I think we can be optimistic about the future of farming.

Government has a vital role to play to ensure that our farming industry can rise to the very real challenges that it faces, as we move through this period of adjustment.

But I think, collectively, we can look forward to an era where farming is truly valued again.

Thank you very much.