

Environment Secretary George Eustice speaks at Cereals 2021

For those of us whose job it is to do these events, we've spent a lot of time on Zoom meetings – I think we've learned a lot from those Zoom meetings, there are elements of them that we will probably want to retain as it's easier to do meetings with people across the country. But also I'm glad to be rid of it as well. This is the second proper show that I've done – I was out last week at Groundswell and I've got the Devon County Show later this week. It's great to be back out again because farming is real, it happens outdoors, we want to meet and it's important that you've got actual demonstration projects that you can see in the ground so it's great to see these events returning.

I would also say that the last 18 months with the pandemic have been incredibly difficult, challenging times. It has taken up huge bandwidth within government but the food industry I think has shown its phenomenal ability to respond to that challenge. At the beginning of the pandemic, we had that panic-buying episode, there was a 50% spike in demand for food, billions of pounds worth of food being ordered by people and in that period we really saw the entire food supply chain step up, from farmers producing the food, right through to the food manufacturers who cranked up the lines and churned out more, right through to supermarkets and the staff in supermarkets who were on the front line.

It was a phenomenal response from the food industry. There aren't many silver linings to come out of the pandemic, but I hope that out of this there will be a renewed appreciation among the public of the importance of our food industry, the resilience of our food industry and that that resilience actually depends on domestic food production. That domestic food production is a critical part of our food security.

I'm also aware that last year was also a particularly challenging and difficult year for the arable food sector. We had some of the worst winter floods on record in early 2020. It's now a regular feature for us to say this – it caused damage to winter crops, and we then had a dry spell which led to a really patchy harvest last year. Some areas, including around the East Midlands, were particularly badly affected.

Now this year it was also a difficult start, a very cold spring, a very dry spring. I know there has been a lot of anxiety, I was told this morning that things were looking better – nature has an ability sometimes to catch up. After a difficult and anxious start, we're seeing some of those crops, indeed ones I saw on the train coming up this morning, starting to look much better. Now we know that the risk of the weather is par for the course in farming and it was ever thus, but I think the fact that we are seeing more frequent extreme weather events – we have always had extreme weather events but we are seeing them more frequently – does show the impact of climate change and does show that farming is affected by that climate change as much as the rest of

society.

I think that there is huge opportunity for our land and our soil to be part of the answer to that. Because we know that how we manage our soil can provide a great opportunity to store more carbon, for us to reduce our use of fertilisers – around 55% of farming's carbon emissions come from fertiliser use – and we can reduce our emissions, improve our water quality and, of course, improve biodiversity as well.

In recent years, we've seen a renewed interest in an ancient knowledge – the knowledge around what makes healthy, fertile soil. Farmers instinctively understand this – we know that soil is more than a growing medium to hold, we know that soils are alive, and farmers know that the extent to which they have humus and organic matters in the soil is key to plant health.

We know that the mycorrhizal activity which comes that humus and from the connection between beneficial bacteria, fungi and the plant route is one of the absolute keys to soil fertility. That is why we want to ensure that as we move forward, we can support improved soil health through new agriculture policies. We're seeing, for instance, an increased interest in no-till or low tillage systems – some of you will be trying that. We're also seeing – I visited a vegetable grower recently who is experimenting with strip tilling and what they found is that in the three years that they had adopted strip-tilling their earthworm count in that soil had increased threefold, and that's a sign of just how quickly we can see the turnaround in our soil health if we get these things right. That is why we want our future policies to support this movement and that is why today we are announcing more details on our Sustainable Farming Incentive.

It's going to start with soils, a better understanding of our soils and incentivising farmers to be custodians of their soils. We want the Sustainable Farming Incentive to incentivise all sorts of things we're going to do the first instalment, which we're announcing today, in 2022. There's going to be four different soil health standards: one on arable and horticultural soil, one on improved grassland soil, a third on moorland and rough grazing, a fourth and final one which is probably less relevant to those of you in the room, but it's the beginning of our animal health and welfare pathway where we are going to pay farmers to have a vet to do an annual review of their herd and come up with a management plan to try to manage down diseases and the overall health of their herd, thus promoting profitability as well.

As we develop the Sustainable Farming Incentive in future years, we're going to add additional modules. We're going to enable farmers to increase their ambition within those standards but also add additional ones. Initially we'll be looking at nutrient analysis. I'm also interested in whether we can do more to incentivise the use of green fertilisers, whether there can be more on min and no-till systems and also whether more can be done on companion crops which can assist in tackling diseases to lose more and more pesticides. And whether we can look at options to incentivise fallow crop options as well.

Now we've looked very carefully at the payment rates for these new schemes. I've always been clear that the quid pro quo for moving away from an arbitrary area-based payment system is that we should also depart from the income forgone payment methodology the European Union previously used for agri-environmental schemes. We need to start to have payment rates attached to the Sustainable Farming Incentive that better reflect the cost associated with those options which are set at a rate which genuinely creates an incentive for farmers to take part. So the payment rates that we are publishing for those three new soil standards later this year roughly equate to a 30% uplift in what would have been the case had the old EU methodology been applied. I know that that's going to be a really powerful incentive for farmers to get involved in these schemes.

We're starting with soils because farmers understand the importance of their soils and soils health. If they get these things right it will improve their profitability. It will also improve water quality and biodiversity – we're setting these rates in this way to maximise the uptake.

In conclusion, farmers know the value of good rotation and good soil management. We want the Sustainable Farming Incentive to support that and that's why we are starting in this place. I know that when you go through a period of change, as we are embarking on through this seven-year transition from the old to the new, people are bound to be apprehensive and they are bound to have questions. I've always been clear that this will be an evolution, not a revolution. We will progressively make changes to the BPS payment, whilst simultaneously rolling out attractive new schemes that we want people to engage with and we want to work with farmers to co-design these future schemes.

Now, the cereals sector in the UK is one of the most innovative sectors that we have in agriculture. It's globally competitive, highly innovative. I'd also like to commend the work that AGB do in this area – some of the research, innovation and development is second to none and has helped put the arable and cereals industry in the position that it's in.

I know that last year was a difficult year, I very much hope that the optimism I've seen from some today translates into a good crop when you start that harvest a little bit later this summer. Thank you very much.