

# Plans for future greener farming

Thank you very much Minette and I very much appreciate all the work that you have done for farmers and also all of the insights you have provided us within Defra over these last two years.

I would also like to thank all of you for arriving so early and for accommodating a change to your programme enabling me to speak today. I understand Minette gave you all a lecture about staying out too late at the Walkabout pub last night and thank you for being here this morning. I am afraid the recent storms and consequential floods have given me a particularly difficult and busy start to this new role, and that meant that I had to attend a meeting of the Cabinet yesterday – so I am particularly glad to have been able to come here to Conference today.

Now it is also a great honour to have been recently appointed by the Prime Minister to the role of Secretary of State in Defra. As many of you will know, I first joined this Department in 2013, almost seven years ago. Indeed, you might say that I have been on a seven year transition to the top job. I know that there have been representations from some quarters that a seven-year transition to a new agriculture policy is a bit quick, but I have to say in my particular role, seven years feels quite a long time!

Now as many of you will know, I also grew up on a farm and my family have farmed in West Cornwall for six generations. The names of different fields were passed from generation to generation. We knew our land and every field on each farm and we also knew how best to manage it. Our pedigree South Devon Cattle and British Lop Pigs were almost part of the family since they had been such an integral part of our family story from the beginning.

So I understand the responsibility and commitment that a farmer feels to the hard work and toil of previous generations. I understand the enormous social capital that exists in our farming community and that farmers will often be the ones to step in to help their community at times of crisis. I also understand the burden of expectation that can exist to loyally continue the family tradition and how this sometimes stands in the way of change. And I understand the pain and trauma of being wrenched from land that has been in the family for generations.

However, I also know that sometimes a fresh perspective can make a world of difference; the farmer's son or daughter who leaves the business to work in a different industry for a while and then returns armed with fresh thinking and new knowledge to take things to a new tot level; or those who never had any connection with farming, made a career elsewhere but always yearned to set up their own farming and food business and are finally able to get back to the countryside with their family. New entrants are the life blood of any vibrant industry and farming is no exception.

So, as I contemplate the biggest change in agricultural policy in half a century, I want to design one that is not only right for the farmers of today

but which is also right for the farmers of tomorrow. The farmers we do not yet know. Who are not in this room. Those who yearn to go farming but cannot get access to land. The farm managers who want to set out on their own and maybe those who left the family farm twenty years ago but wish they could find a way to return.

It is because we are designing a policy for tomorrow's farmers as well as today's, that there can be no reprieve for arbitrary area-based subsidy payments. Direct Payments subsidise land ownership and tenure and that is irrational. The largest subsidy payments go to the wealthiest land owners. Direct Payments artificially inflate land rents and stand in the way of new entrants. They encourage some farmers to coast, to take no risks and simply remain in occupation of land in order to collect the subsidy. Area payments are useless as a risk management tool because across farming some of the greatest risks are taken by intensive horticultural enterprises like top fruit for whom the BPS payment is generally an irrelevance. Nor do I believe area payments really support the incomes of our most vulnerable sectors. Indeed some evidence suggests that around 30 per cent of sheep farmers don't even get the BPS payment because they are forced to rely on temporary grazing or are in some form of contract farm agreement and do not qualify for the payment. And I meet these young farmers, who are in this position.

So in this moment of flux, where, for the first time in fifty years, we have a chance to do things differently, to think through from first principles what a coherent policy actually looks like, let's not cling to the railings of a sinking ship that is the Common Agricultural Policy. Let's not counsel for dither or delay. We have some of the most innovative farmers in the world. We can do this, so let's begin it now.

Yesterday we published further details of our current thinking on future policy. It sets out how we intend to use the powers in the Agriculture Bill, currently going through parliament, in the years ahead.

In 2021, just next year, we will begin reducing the BPS payment, but in a progressive way so that the largest land owners will take the largest reduction. We will also use the powers in the Bill to simplify the legacy BPS scheme and we will be looking closely at issues like the Crop Diversification Rule.

We are also giving consideration to the development of an exit scheme to help older farmers retire with dignity by providing the option for them to take several years BPS payment in one final settlement in return for them either surrendering their tenancy or selling or renting their farm to create an opportunity for a new entrant.

We may simplify the existing Countryside Stewardship Scheme even further so that it can become a stepping stone to help farmers gradually move towards the future policy.

By the end of 2024 we will roll out our new policy which will be open to all. We envisage three components to Environmental Land Management. Firstly, there will be a sustainable farming incentive which will be open to any farmer and

will incentivise participation in farm level measures such as integrated pest management, sensitive hedgerow management and soil health. Secondly, there will be a local environment tier which will incentivise interventions including the creation of habitats, improving biodiversity, tree planting, and natural flood management. And finally, there will be a landscape scale tier which will support woodland creation, peatland restoration and other potential land use changes.

Seeing first-hand the communities that have suffered flooding in recent weeks following Storms Ciara and Dennis – and communities that have suffered repeated flooding events in recent years – has highlighted to me the importance of making nature's power part of the solutions we urgently need to tackle the challenge of flooding.

Our new, independent agricultural system will give farmers a big part to play, by encouraging land management that supports flood management – releasing the pressure on lowland and urban areas by keeping water in the soil in upland catchments to slow the flow of water through the landscape. Protecting homes and communities from flooding is a public good and is one of the objectives set out in our Agriculture Bill. As you all know, this is the second attempt that we have made to introduce the Agriculture Bill. It was first published in the last parliament.

I am conscious that when we last published it, the NFU and others criticised it for not having enough about food. We have listened. There will now be a legal obligation on the Government to produce an assessment of our food security every five years. There will be a new obligation on government when designing any future scheme to consider the importance of food production, and that it is produced in a sustainable way.

And we know you need certainty for your businesses. So in our manifesto we committed to guarantee the current annual budget in each and every year of the current Parliament. There will be a new requirement for a multi-annual plan, the first of which will cover all seven years of the agricultural transition and there will be five-yearly plans after that. These plans will set out exactly how we intend to use the powers in the Bill to deliver success for our farmers.

Soil health is critical both for our environment and for farm productivity so that is added as an objective and the often underappreciated value of our rare and native breeds is recognised at last. Genetic diversity is what gives life itself resilience and we should protect and safeguard the genetic resource that exists in our fabulous native breeds.

I am determined that there will be a prosperous future for British agriculture so we will also introduce new powers to improve fairness and transparency in the supply chain so that farmers get a fair share of the cake and we will introduce grants to help farmers add value to their produce and to reduce costs so they can become more prosperous and improve their productivity.

I recognise that change will take time. We have set a realistic timescale of

seven years to complete this journey from the legacy EU scheme to the new policy. We will not undertake change in the chaotic way that New Zealand found itself having to. We want this to be an orderly transition from the old policy to the new. We will pay close attention to the sequencing of different interventions and changes to make sure that we get this right.

And while we are on the subject of getting things right, let's have no more jangling nerves about our ability to compete on the international stage. Let's not get spooked by some New Zealand Haka performance on the global trading environment. We have in this country some of the most efficient and innovative farmers in the world and we need to get on the pitch and compete.

In the UK, we have built a very special market for food based on provenance with particular attention to food safety and animal welfare standards and we will not jeopardise that through trade deals in the future. I have always been very clear about that – and now we are seeing the whole nation tuning in to this conversation. And little wonder, since one in eight of us earn our livelihood from the food industry, and as a nation we have always cared about the welfare of animals, including our farm animals.

And Minette you are absolutely right; food unites us. The entire nation eats the food we produce, and when the NFU speaks up on standards up you are speaking for everyone. And plenty of plenty of people around the world are keen on the way we do things in this country and many want to learn from our new approach.

We will publish our mandate for trade negotiations with EU in the coming days – and the first round of negotiations will begin in Brussels on Monday.

Of course I cannot say much more about our trade negotiations at this stage – but I would like to thank the NFU for taking part in discussions around our tariff consultation.

We will be keeping you updated throughout the course of this year so you can be ready for life outside the customs union and the single market, as we put in place a new free trade agreement.

So, we have a busy year ahead– developing our farming policy, and securing the right kind of agreement on free trade with the European Union and of course many other issues besides: bovine TB being chief among them in my mind.

We have made big progress in recent years but I understand that the huge burden of coping with bovine TB and the stress and trauma that this causes farmers. I'm confident that we can turn the tide on this terrible disease, and the steps we have taken so far are beginning to show results. We will shortly be publishing our response Sir Charles Godfray's review of our 25-Year bovine TB strategy.

So in conclusion, our ambition is to use our new-found freedom to embark on a journey to a better future for farming. We want to innovate and develop the policies of the future.

So this year more than ever we'll need to work together, and I think that if we do then we will make the most of this huge opportunity to write a new, independent chapter for our country together.

I know that the NFU will never be shy about making farmers' voices heard.

And I know we have some of the best farmers in the world. A decade from now I want the rest of the world to be coming here to the UK to see how it is done.

So thank you for inviting me this morning, thank for turning up at such an early hour, – and I wish you the very best for the remainder of your conference.