

# Speech: NFU Conference 2018

Ladies and Gentlemen,

It's great to be with you today. Thank you for inviting me.

It is a great honour to be here for the first time at a National Farmers Union (NFU) Conference.

As someone who has known all my life that farming is foundational not just to our economy, but to our country, it is a particular privilege to be here.

Providing the food and drink we live on and stewarding the countryside that is so much part of our national and local identity means there is no more essential industry.

As Guy said, I was born and raised in the food and drink business with my father and grandfather's retail dairy delivery round supplying our neighbours in Middlesbrough with fresh Yorkshire milk seven days a week.

When I talk about agriculture as an 'industry' that's not to ignore the fact that farming and growing is more than just a sector of the economy. It's a life. And its all-consuming.

I was glancing through Farmers Weekly before Christmas and there was an interview with a young farmer from Wales called Tom Parry.

The journalist asked him: "If you won the lottery... what's the first thing you would spend the money on?"

His reply? "More sheep." But food and farming is an industry nonetheless and as Guy alluded to before, it's one of our greatest.

The agricultural sector is the biggest manufacturing sector in the UK. Employing almost four million people and larger than the automotive and aerospace sectors combined.

And what that means in my view is that it deserves the same seriousness of engagement with all parts of government about the future that other successful industries like aerospace, automotive can count on, like life sciences and financial services expect to get with government.

And for your unique role in stewardship and in feeding the nation, like any industry, you need to be profitable and we need to help make sure the right conditions exist right for investment in the future.

Now, of course, you have a government department dedicated to farming and rural affairs and it is headed by one of the most innovative and effective Secretaries of State in government.

But I'm determined, with Michael, that you should participate fully just as

other industries do in the work that is being done by the whole of government.

Including my department, the Business Department, as we work together to make Britain more prosperous in the future.

I think we need to do a better job in emphasising the centrality of agriculture to our economy and to our economic future.

If proof were needed of that, it can be found in the most recent agricultural exhibition in the London Science Museum.

This started off with farming in the Iron Age and ended somewhere around 1952. 1952?

That's 15 years before I was even born. Imagine if the space exhibition ended in 1952. You'd miss all the good stuff.

No moon landings. No space shuttle. No International Space Station. It's the same with farming.

So it's fantastic that the Science Museum is planning a new £3 million exhibition to show the real face of modern British agriculture to the whole country and especially to the rising generation of people who may not have the knowledge or experience of agriculture, which should open later this year.

I don't know who farming's Tim Peake is but it's very important that the place of this industry at the forefront of innovation should be there.

Because this is one of the most innovative of our industries and we need to ensure that the next generation need to see the opportunities for earning and advancement there are in a career in food and farming.

And I think it is also important that other industries need to see that agriculture is a source of ideas that can drive new ways of working and using technology in their own sectors.

There is a great translation and diffusion of learning across adjacent industrial sectors and I think we underplay the opportunities from the innovations that you have made into other industrial sectors.

That's why I was determined to place food and farming at the heart of our [Industrial Strategy](#), both for this sector and because of the relevance to sectors across the economy.

And why I'm so thrilled with the contribution and enthusiasm of so many people in this room. Of course the NFU, to the Country Land and Business Association (CLA), the Food and Drink Federation and so many others.

The challenge for our Industrial Strategy is the same challenge for this sector. How can we become more productive and so more prosperous.

I want to commend the excellent work that Tom Hind of the Agriculture and Horticulture Development Board (AHDB) has been carrying out on productivity in this sector. It has uncovered that since the mid-1990s productivity growth in agriculture and horticulture has fallen behind our principal competitors.

In fact, it has grown at just one-third of the rate enjoyed by the Netherlands and the USA. Relatively slow growth in productivity in recent years has characterised much of the British economy.

The Industrial Strategy set out a number of ways in which with a sustained national effort we can improve productivity.

It seems to me they are relevant to this industry as much as others.

The first is innovation.

This is one of the most innovative sectors of our economy and the advantages of bringing together our best scientists with our most forward-thinking producers, is clear.

I think most people would agree that the agri-tech strategy which launched five years ago has proved a success.

The Catalyst, for example has helped fund projects fighting diseases in pigs, rearing lobsters off the Cornish coast and improving the efficiency of Strawberry production, to name but a few.

But there is great potential for much more and so the Industrial Strategy commits to the biggest ever increase in public research and development investment. An extra £3 billion a year by 2021.

It brings in a focus on [four Grand Challenges](#), technological changes sweeping across the world in which Britain has a leading position.

I am committed to making sure that agriculture plays a big role in many of these.

One of these is Artificial Intelligence and the analysis of big data.

Intelligent algorithms using data on atmospheric conditions and soil moisture has the real potential to dramatically reduce, for example the water needed for agriculture.

Michael Gove and I have agreed that agricultural technology will be one of the priority sectors for the new Office of Artificial Intelligence announced in our Industrial Strategy.

Through our Grand Challenges on the future of mobility, we know right around the world the way we are transporting ourselves, the way vehicles are powered and how we are connecting ourselves is changing, and we want to make Britain the go-to place in the world for the development of new autonomous vehicles.

I am determined this won't just be the vehicles you see on our road, and that

agriculture will be a big part of that.

Through the Hands-Free Hectare project Harper Adams University and York-based company Precision Decisions are planting, tending and harvesting crops using only autonomous vehicles and drones.

This project was funded through Innovate UK and was the first in the world to farm a crop in this way.

So I have insisted that our Connected and Autonomous Vehicles programme is making funding available to off-road driverless innovation, with a particular application to agriculture.

And yet another challenge – in this country – we've often been better at the invention and discovery of new ways of doing things than the implementation of them.

The AHDB was right in saying we need to put an increased emphasis on the 'D' in R&D, the development half of research and development.

As part of the Industrial Strategy, we announced a Transforming Food Production Challenge. And I'm delighted to announce today that the government will invest £90 million to make this challenge a reality.

It will include the creation of 'Translation Hubs' bringing together farmers and growers, businesses, scientists, and Centres for Agricultural Innovation, to apply the latest research to farming practice.

It should be a big boost to the knowledge exchange that already takes place across food and farming. And with the technological revolution that is happening the skills of the farming workforce need to keep pace.

New technologies require new abilities. Today's modern British farmer is a Swiss-Army-Knife of skills.

An engineer, an environmentalist, a data scientist, a biochemist, often an energy producer, a tourism entrepreneur, and always an investor too. All of these skills are essential to the jobs that you do.

Yet at the moment, we under-invest in skills and training relative to many of our competitor countries.

And if we are to take advantage of the productivity improvements that technology offers we need to have tailored programmes of skills, education and training to meet the needs of sectors, as well as more farmer-to-farmer learning, to demonstrate what works in practice.

The Industrial Strategy emphasises new T-Levels which will provide an important opportunity for a new generation to start their careers in agriculture with relevant skills and we will work closely with the NFU to make them effective.

Apprenticeships will be a crucial part of this. And our reforms to

apprenticeships are intended to present high quality opportunities for individuals and employers alike.

These reforms are some of the most substantial the government has ever made. But they are still young, and we are listening to feedback as the programme develops.

I also hear loud and clear, the challenges you are experiencing in your workforce currently.

As a West Kent MP, the Hoppers huts that can still be found in the fields around our coasts are a reminder that agriculture has always relied on seasonal workers whether from home or abroad.

In particular, two-thirds of your workers born outside of the UK come from the EU. This is an absolutely crucial component that I know Michael Gove touched on yesterday.

And as we move to a new relationship with the EU it is essential that you can get the workers you need.

'A secure supply of skilled and seasonal labour', is one of eight priority areas for our new Food and Drink Sector Council that has been created as part of our Industrial Strategy.

That clear focus and commitment to make sure you get what you need to do the important job that you have, is vital. And the purpose of forming the Council is to not just talk about the issues, but to act on its advice.

Upgrading our infrastructure is another way in which we can help improve productivity and as Guy mentioned earlier, I cannot recall an occasion on which I met the NFU branch in which the need for considerably better broadband and mobile coverage was not top of the list of improvements required.

Michael was emphatic on it yesterday and I completely share his view. The imperative becomes even more pressing because many of the technologies that can transform agricultural productivity and things like Artificial Intelligence rely on the fast transformation of large quantities of data. It is becoming more important than ever.

The Industrial Strategy commits an extra £200 million of investment in the Local Full-Fibre Networks Programme. As Michael said yesterday, 95% of the UK population can now access superfast broadband, a target which was reached last December.

As is evidence, there is much further to go, including making super fast high-speed broadband a legal right to everyone.

There is perhaps no industry in Britain in which local industry and the distinctiveness that one place has from another is as intrinsic as in farming.

My longstanding view is that government policy has been too uniform in failing to take opportunities to recognise that what is needed for a northern city or a place like Birmingham to maximise its potential will be very different for a rural county.

And around the world, we see that one of the most successful ways in which productivity grows is through clusters of adjacent businesses with particular local relevance each reinforcing the other.

We see it all, from life sciences in Cambridge to elite motor manufacturing in Northamptonshire. Successful clusters attract ambitious followers creating expertise and jobs.

Through institutes such as FERA outside York, which I know very well, to the Wellcome Trust's Sanger Institute outside Cambridge, I think there are huge opportunities to gather businesses that can make the most of the proximity of our resources.

A big part of our Industrial Strategy is to do what I know virtually everyone in this room does, and be leaders and participants in their local economies and to give more power to invest locally in other sectors and other industries, helping make the most of local opportunities.

Finally, strengthening relationships are vital if we are to capitalise on the individual strengths of the sector.

Food and farming has always been a diverse and some would say fragmented, sector. But that is not to say that the opportunities that come from working together don't exist. In fact I think they are more plentiful in this sector than many others.

The supply chain from farm to fork and indeed into farms is a crucial source of quality competitiveness and innovation.

Fragmentation compared to other sectors simply emphasises the need to make a deliberate effort to come together effectively.

That's why I'm delighted that the new Food and Drink Sector Council met for the first time last month. I know Michael Gove spoke about this yesterday.

It brings together government departments, farmers and growers, food and drink manufacturers the logistics industry, hospitality industry, retailers and others with a stake in a flourishing sector.

I'd like to thank Sir Peter Kendall for representing the voice of farmers on the Council and its working groups.

One of the Council's early tasks is to propose a Sector Deal to drive forward each aspect of the Industrial Strategy as it reflects food and drink: innovation, skills, infrastructure investment, building up local strengths and getting the right business environment for start-ups and for growing businesses. Each one of these pillars of our Industrial Strategy, I'm absolutely determined will apply to the food and drink sector and should be

represented in a strong and ambitious Sector Deal.

I take it personally. Michael Gove and I will jointly lead for the government on negotiating this deal. I want this to be a totemic deal that shows to sectors that perhaps have not considered food and farming and agriculture to be part of the economic future of our country, in the way that it so clearly is.

And I hope it will be a beacon to the British industry and the rest of the world that British agriculture is mustering its considerable strength to seize the opportunities before us.

So ladies and gentlemen, Thank you for inviting me to be with you today.

When I first set to thinking about the Industrial Strategy I had a clear vision that this strategy must be for the whole of our economy and for the whole of Britain. And so agriculture one of our largest and most innovation-rich industries had to be at the heart of it.

I am so thrilled at the positive response that it has received from farmers, growers and those engaged in food production.

And whether it is spreading innovation or building a workforce with the skills of the future. These are vital steps. Not all these steps can be taken all of them overnight.

A short term strategy, after all, is a contradiction in terms.

But I strongly believe that by acting deliberately now we can act together to create the future of farming.

Thank you very much indeed.