

My contribution to the Statement on UK Shellfish Exports, 8 February 2020

John Redwood (Wokingham) (Con): Will the Secretary of State work with fish and general food retailers to promote and sell more of our great fish and other food products to domestic consumers? Will that in mind, will he urgently make grants available to expand cleansing facilities for shellfish, because we will need them for the domestic market?

The Secretary of State for Environment, Food and Rural Affairs

(George Eustice): I very much agree with my right hon. Friend. It is important that we build domestic demand. Indeed, many fish processors say that demand in the European Union is flat anyway because of the coronavirus and the lockdown, while UK retail demand remains quite buoyant for some species, although sadly not for all—in particular, the shellfish sector is quite reliant on export trade.

He is right that we should do more to promote fish, and we are working on a project with Seafish that the Government will co-fund to help build demand in exactly the way he outlines.

More home food production

Yesterday there was an Urgent Question on the EU ban on exports of bi valve molluscs from the UK to the EU. The Defra Secretary told us he had prior assurance from the EU confirming the legality of this trade post Brexit, but the EU have now changed their mind. The UK has been supplying continental restaurants and food shops with some shellfish. The English fishermen supply them straight from the sea, with continental processors cleansing them for sale with their own depuration facilities. He promised to seek urgent reversal of the decision, understanding the damage it is doing to small fishing businesses. It affects oysters, muscles and clams, not the larger trade in lobsters and crabs. Demand on the continent is down anyway given the widespread closure of restaurants.

I urged him to make help available to the UK industry so we can process the shellfish here. Then they could be exported as food products. It would also mean we could sell them through our own fishmongers and food stores. The EU is being unreasonable over various food trade issues. It is high time the UK government took tougher action to enforce our UK internal market and ensure the smooth passage of food into and out of Northern Ireland, and time to be firm over fish. I did get a more encouraging reply to a recent written question on growing more of our own food.

The Department for Environment, Food and Rural Affairs has provided the following answer to your written parliamentary question (144914):

Question:

To ask the Secretary of State for Environment, Food and Rural Affairs, what steps he is taking to promote and support more protected growing of vegetables and salad crops to extend the UK growing season. (144914)

Tabled on: 28 January 2021

This question was grouped with the following question(s) for answer:

1. To ask the Secretary of State for Environment, Food and Rural Affairs, what assessment he has made of the potential to extend the UK fruit growing season; and what support his Department provides to growers to extend their season. (144915)

Tabled on: 28 January 2021

Answer:

Victoria Prentis:

We have the ideal climate and landscape to enable us to produce a wide range of fruit, vegetables and salad crops throughout the year. Innovation such as the development of new plant varieties and growing systems has already allowed growers to extend the domestic growing season for products such as strawberries.

We will continue to encourage and support our growers to produce more high-quality home-grown fruits and vegetables, ensuring a reliable and sustainable supply of top quality and healthy home-grown fresh fruit and vegetables throughout the year, all produced to high environmental standards.

Growers of protected and salad crops are currently able to apply for financial support to help them improve their productivity via the Fruit and Vegetable Aid Scheme, and looking ahead the Agriculture Act will provide powers to offer financial support to anyone starting, or improving the productivity, of an agricultural or horticultural activity.

Later this year, growers will have the opportunity to apply for support to invest in equipment, technology and infrastructure via the new Farming Investment Fund. This will help them to boost their productivity whilst also reducing impact on the environment.

The answer was submitted on 08 Feb 2021 at 14:57.

Tax rises would hinder recovery

There was some strange briefing in the Sunday papers, purporting to come from unnamed people in the Treasury. The argument went that the budget deficit has ballooned to £400 bn so the budget would need tax rises to cut it. Various ideas of new taxes and tax rate increases were discussed, usually to raise relatively small amounts compared to £400bn. The individual proposals typically would cut the deficit by 1-5% only on the figures given.

The truth is the huge deficit is not sustainable, and needs to be brought down by getting the economy back to work. It will be recovery that makes huge cuts to the deficit, not tax rate rises. The deficit will tumble as soon as the controls are removed from social distancing so hospitality, travel, leisure and entertainment can flourish again. Let us hope vaccination and the decline of the virus allows the government to let this happen soon. There is a double benefit for the deficit. Spending will fall sharply as furlough ends, special help to small businesses and the self employed ends and the extra money for health reduces with the job of vaccination done. At the same time tax revenues rise rapidly from low levels, as people spend money again, as businesses pay their rents again, as incomes of individuals and companies pick up from recovery.

It is most important that tax and benefit policy does everything possible to restore the lost 10% of national output and income the anti pandemic policies have taken away. Tax rises will deter investment, deter spending, reduce taxable profits and generally get in the way of recovery. They sap confidence and can even result in lower revenues if they hit transactions and activity. The country can afford the one off hit of a bad year with a massive deficit which everyone understands was a one off related to health policy. It is now important for confidence that there is a good prospect of early and sustained recovery to bring the deficit down by the reverse of how it rose. It went up because activity suffered such a bad hit, not because the tax rates were too low.

Keeping the lights on

The government's ambitious plans to move to net zero require the widespread adoption of electric cars, electric heating and much else that will need more power to be generated. It will also of course require most if not all of this electricity to be generated from renewables. The current starting position includes around one fifth of our power coming from nuclear power stations. Most of these are scheduled to close for old age this decade. We also often import around 5% of our power from the continent at some cost to ourselves and the balance of payments. We need to regard this as an

unreliable source given the problems with continental capacity and their present reliance on Russian gas and some coal. A substantial but variable portion of our present electricity comes from gas fired stations, depending on how strongly the wind is blowing and how many sunshine hours there are for the renewables.

Germany is becoming more dependent on renewables and has had some outage problems on cold calm days with little sunshine. California has power cuts from her dependence on renewables, despite having a usually favourable climate for wind and sun. As the UK plans its way to net zero it needs to promote getting sufficient electricity capacity higher up the list of priorities.

The UK used to seek guaranteed supply and relatively low cost from its electricity policy. Privatisation in the 1980s drove down costs by replacing old and inefficient coal stations with much more fuel efficient modern gas combined cycle stations. The merit order meant the cheapest power was delivered on base load, only to be topped up by the more marginal dearer power. Environmental requirements were added as a third aim of policy. Privatisation did reduce CO2 output substantially by closing so many coal stations from market forces. Prices of power fell.

As policy has come to be dominated more and more by greenhouse gas considerations, the price of power has gone up and the margin of spare capacity has fallen. Indeed, capacity has become a difficult thing to estimate or measure. The more renewable power on the system the more variable the capacity is, varying from minute to minute depending on weather conditions. The system managers have a more difficult task than before. They are turning to interruptible contracts, to get industry to switch off if the wind stops blowing. They are calling for battery parks to offer stand by capacity, seeking people with stand by diesel generators for difficult times and wanting to flex tariffs to encourage off peak use. All of these methods can help, but they cannot be substituted for having enough capacity with a decent margin to allow for variability of supply from renewables.

There are some approved renewables or green methods of generating power that are always available or available to a predictable pattern. Biomass or wood burning is as good as coal or gas as reliable power, there when you need it. Certain designs of water power are there on stand by or available for regular times depending on tides, pump systems, and reservoir controls. Reviving water wheels from the past alongside windmills would have given more reliability. The UK has only one main pump storage system. It could do with some more to give the flexibility the system managers will need.

The scale of the task is immense. If the government is serious about ending new diesel and petrol cars from 2030, and serious about the widespread adoption of electric heating, the demand will greatly magnified from today. Yet today we are close to power cuts every time we have a cold day with little wind or sun. I will ask our latest Business Secretary to do something about our future capacity, as I have asked his predecessors.

The long road to net zero

We will soon hear of the Earth Summit in April to be set up by the USA. It will be followed by the Petersberg Group on climate change in May and the G7 in June, leading inexorably to the big global UN conference, COP 26 in Scotland in November. The aim of each of these meetings is to establish firm pledges from countries on how quickly they will bring down the carbon dioxide and wider greenhouse gas output of their countries. The world establishment now wants shorter term targets and tough realistic pledges on the long road to net zero by the middle of the century.

Some of my readers welcome this, and others are sceptical about various aspects of the climate change movement. I am writing this accepting the twin facts that governments believe there is a serious manmade climate problem created by greenhouse gas production, and intend to do many things to control and reduce the output of these gases. There are no mainstream political parties with a reasonable number of MPs taking a different view in Europe and the UK, and it is likely the Republicans after Trump will move closer to the Democrat position. International bodies and civil services are enthusiasts for this theory, and welcome the radical policies it ushers in. We are in for many more bans, rules, controls, and taxes to wean us off fossil fuel based goods and services, and for more subsidies and state sponsored investments to build the new green economy. Costs and charges of various products and supplies will be pushed up to discourage use. As the UK Climate Change Committee proposes, they want change in how we travel, in how we heat and cool our homes and workplaces, how we generate our electricity, how many products are produced in factories and in what we eat. They wish to see a reduction in meat and dairy products.

I would be interested to hear your reactions to this, and to know how you will change your conduct if at all in the light of the likely changes to come.