

## **Oxford Farming Conference speech, January 6<sup>th</sup>, 2016**

Thank you. 2015 was a tough year in farming—ending with a very tough time indeed in Cumbria, Lancashire and Yorkshire. People had been getting ready to celebrate Christmas, but found themselves instead cleaning out their homes, clearing debris off fields and disposing of dead livestock. Our immediate effort has been focused on the emergency and on restoring infrastructure and communications and we have made available grants of up to £20 000 for farmers. In the longer term we are working to build resilience and farmers have a key role to play.

### **Global challenges**

The flooding we have had to confront is one of a whole set of interlinked challenges in the environment, food and farming that face Britain and the world. They are of strategic importance.

In this room today, we have many of the people with the bold and ambitious vision to tackle those challenges and seize the opportunities they bring.

There are going to be well over 9 billion people in the world by 2050, needing 50% more food and water than today.

We will have to meet this demand while reducing the impact on the environment, and while extreme weather becomes more frequent.

The shape of the global economy is in flux, bringing ever-more intense competition and price volatility —and new economic superpowers. Our relations with China are entering a golden era. Last year, I led our biggest-ever delegation of food businesses to what is now the world's most valuable food market.

The growth in world trade and prosperity will bring huge opportunities to sell our high-value, superb quality food and drink as long as we are at our most productive and competitive.

The people who reap full advantage will be the ones with the skills, the innovation, the investment—and the ambition.

## **Re-making Defra**

Defra is reshaping itself to step up to this new level of challenge and opportunity, helping Britain be a global leader in farming.

We have secured £2.7bn to invest in capital—12% more than in the previous five years. That includes a doubling of investment in our world class capabilities in science and animal and plant health.

We will invest in technology, digital systems, growing our exports, world-leading science, protection against animal health and plant disease—and of course flood defences.

This will enable us to modernise Defra and turn it into a trailblazer for government.

In the past Defra and its agencies have been accused of operating in silos.

One bit of the network would be looking at flood protection, another at farming, another the environment, without linking up all the challenges.

And we have been criticised for taking too much decision-making out of local hands. We have duplicated functions like human resources and IT, meaning we have not always provided best value for money. While it is right that we manage major national risks, we should not seek to micro-manage everything.

This is changing. Defra and its organisations like the Environment Agency, APHA, the RPA and Natural England will in the future be more integrated, operating towards clear shared goals. And from July, the Environment Agency and Natural England will be using the same boundaries and the same plan.

There will be one back office so we can put more resources into the front line, helping us save 15% from our running costs, improving the value we provide to the taxpayer.

Under the leadership of James Bevan and James Cross, these organisations will be more pragmatic, responsive to local communities and better value.

The need for a joined-up, bold vision is what has inspired the 25-year plans we will publish in the next few months for Food and Farming and for the Environment.

We will decentralise decision-making. That's the approach we are taking with the Somerset Rivers Authority and the Cumbrian Floods Partnership— I am glad the Communities Secretary has given the Authority the power to raise a Shadow Precept from this April on the way to long-term local funding.

Subject to parliamentary approval, we will also allow farmers across the country to maintain ditches up to 1.5km long from April, so they can dredge and clear debris and manage the land to stop it getting waterlogged. This follows the successful pilots we started two years ago.

We will also soon announce proposals to give internal drainage boards and other groups more power to maintain local watercourses.

Our reforms will also help farmers by getting rid of unnecessary red tape. It will become simpler to apply for permits. We will cut thousands more inspections with the Single Farm Inspection Task Force.

And we are improving the way the RPA operates under Mark Grimshaw's leadership. 2015 was a very challenging year – with a complex new CAP and tough international markets. Despite the majority of payments being made by December 31<sup>st</sup>, as we pledged, I recognise cashflow is an issue for many. That's why I am making sure the RPA has all the resources it needs to make sure payments go out as soon as possible.

## **--Brussels**

If our food and farming industry is to power ahead, it is vital that Brussels becomes more flexible, more competitive and cuts the red tape.

That is why I am fighting for reforms like getting rid of the three-crop rule, reforming the over-the-top audit and controls regime and the absurd requirement for farmers to put up ugly posters in the countryside to publicise EU funding.

I fully support the Prime Minister's renegotiation of our relationship with the EU. I have seen how hard he is fighting to get a better deal for Britain.

Of course it is difficult – negotiating with 27 countries will never be easy. But front and centre of our mind is Britain's economic and national security.

Let me give you one example: improving Europe's competitiveness is a key plank of our reforms, and I can see what it would mean for our farmers and food producers.

It would make Europe more flexible, outward-looking and dynamic, and we could see faster progress on a China Free Trade agreement. That will mean our dairy producers no longer paying 15 percent tariffs. And it could make a real difference to companies like Cranswick in Yorkshire, who employ 5,000 people and have contributed to the doubling of our food trade with China over the past 5 years. There is a huge prize at stake and one worth fighting for.

In the end, the British people, will decide. Because we made a promise and kept it – to deliver an in-out referendum.

### **Productivity and competitiveness**

This country already has some of the best farmers in the world. Many of them are in this room. And I am proud that our food is produced to world-leading standards of quality, safety, traceability and animal welfare.

To make the most of this talent and quality, we need to work with farmers to raise our productivity and close the gap with some of our leading competitors.

That means supporting businesses to increase investment, improve skills across the sector, grasp innovation opportunities and make the most of one of our most precious assets, the Great British Brand.

## **--investment**

Farming businesses have invested strongly in recent years and we need to drive that forward.

We need more capital going into the right investments to improve productivity in farming and throughout the food chain. That includes foreign investment—in 2014, foreign companies invested more in British food and drink than in all other manufacturing put together.

We are providing support with our reforms to tax averaging and investment allowances that will help farmers plan capital spending for the long term.

The best managers in farming are putting money into skills, innovation and the right technology to boost productivity and profits. I would like to see this best practice spread right across the industry.

## **--innovation and skills**

Britain has some of the most visionary scientists in the world at places like Rothamsted and John Innes. We have world-famous colleges and universities like Cirencester and Harper Adams, who are training a new generation of farmers.

In addition, the government is putting £80m into centres for livestock, crop health, precision engineering and data. We are developing the Food Innovation Network, announced by the Prime Minister last summer to make sure ambitious entrepreneurs are linked up to the latest scientific knowledge. And we will be raising skill levels across the workforce by trebling the number of apprentices in food and farming.

## **--British brand**

2016 will be the Year of GREAT British Food, opening a long-term campaign. We are going to have a calendar of trade missions and events in the UK that showcase businesses big and small.

Our farmers are intensely proud of British produce and for years they have wanted to get the message out. I am pleased that the beef, lamb and pork levy boards as part of the AHDB will be involved in the campaign and celebrating the British origin of their produce in everything they do.

And people will know meat will be British, thanks to the new rules on country of origin labelling for pork, lamb and chicken that came into force last April.

The new Great British Food Unit, which we promised in our manifesto, started work this week, bringing practical help and expertise, particularly for producers breaking into new markets. We have already made improvements, bringing in a 24-hour turnaround time for export health certificates.

## **Resilience**

We have to sharpen our competitiveness and productivity and look outwards; and we have to build up our resilience to the growing risk of shocks and events from the changing climate and increased global trade.

### **--floods**

There is no single answer to improve our resilience to flooding. Dredging, tree planting, improved defences, all have a role to play.

For the first time we have put in place a 6-year programme for flood defences of £2.3bn – a real terms increase in investment. More than half our best-quality land is on plains where there is a potential risk. And over this decade we will be protecting an additional million acres—580,000 in the last parliament and a further 420,000 by 2021.

The new Natural Capital Committee led by Dieter Helm will, as part of its remit, look at catchment management and upstream solutions to flooding, learning from innovative programmes like Slowing the Flow in Pickering, which work with nature to reduce risk.

And our National Flood Resilience review, which will report in the summer, is stress-testing the way we assess risk to make sure we build the right defences in the right places in the light of the latest science on climate change.

### **--animal disease**

We are also improving our resilience to animal disease by investing around £65m in new capital. This will bring us state of the art laboratories and fund the upgrade of our bio-containment facilities at Weybridge, securing our ability to fight diseases like swine fever and avian flu.

I am absolutely committed to eradicate TB. We are making good progress against what is the gravest animal disease threat facing Britain with half of England due to be declared TB free by 2020.

Our approach of tackling the disease both in cattle and wildlife has worked in Australia and is working in Ireland and New Zealand.

Thanks to the efforts and dedication of local farmers, all 3 areas: Somerset, Gloucestershire and Dorset, hit their target in 2015. The Chief Veterinary Officer is clear this policy needs to be followed over a wider area to secure full disease control benefits.

That's why I announced, in line with his advice, I want to see culling in more areas this year.

New cases of TB are levelling off, but we still have the highest rate in Europe. I will do whatever it takes to get rid of this terrible disease.

### **Conclusion**

We have a long-term plan to improve competitiveness and build Britain's resilience.

The global challenges we face bring huge opportunities for new prosperity, jobs, environmental progress and global leadership.

This will require bold ambition and bold solutions from government and from industry. Britain is well placed to succeed, we have a proud heritage and I believe an even prouder future.

Together we can make sure our food producers will take the lead in feeding the world. Thank you.

**End**