



Secretary of State's speech to Oxford Farming Conference 2018

Michael Gove has delivered an impressive and comprehensive speech on his vision for the future of British farming to the delegates of the Oxford Farming Conference, titled "Farming for the next Generation". His speech can be read in full [here](#)

Over the course of nearly 45 minutes, the Secretary of State gave a taster of what we can expect to see within the Government's Command Paper on the future of farming, to be published later this Spring.

Summary

He set out 4 areas where he wants to drive change for farming, with subsequent plans;

- To develop a coherent policy on food - integrating the needs of agriculture businesses, other enterprises, consumers, public health and the environment.
- To give farmers and land managers time and the tools to adapt to the future, so as to avoid a precipitate cliff edge but also prepare properly for the changes which are coming.
- To develop a new method of providing financial support for farmers which moves away from "subsidies for inefficiency" to public money for public goods.
- To ensure that natural capital thinking is built into the government's approach towards land use and management so as develop a truly sustainable future for our countryside

In a direct call for action from farming industry leaders he says that there are "*huge opportunities*" for those in agriculture to play the leading role in shaping the future strategy. He goes on to warn that "*Rather than devoting intellectual energy and political capital to campaigning for policy interventions designed to insulate farming from change, agriculture's leaders can respond to growing public interest in debates about food, animal welfare, the environment, health and economic justice by demonstrating, as so many are doing, how their innovative and dynamic approaches are enhancing the environment, safeguarding animal welfare, producing food of the highest quality, improving public health and contributing to a fairer society.*"

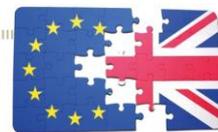
This is exactly what the NFU has done in presenting its "Framework for Success" document last autumn and there is a great deal of alignment between the SoS's vision and the proposals set out in that document. Together we share a commitment for a coherent national food policy and recognition that food production is "*at the heart of all farming businesses*". We also very much welcome his pledge to champion high quality British food at home and abroad.

A strategy for food in the round

Gove wants to develop policy which looks at the food-chain as a whole, from farm to fork and that despite "*hugely energetic efforts by his predecessors*" he believes that more can be done to improve the procurement of British food across the public sector. He name checks his colleague Greg Clark, the Business Secretary for the creation of a Food and Drink Sector Council in his recent Industrial Strategy White Paper.

He says that it would be "*foolish for us to lower animal welfare or environmental standards in any trade deal, and in so doing undercut our own reputation for quality. We will succeed in the global market place because we are competing at the top of the value chain not trying to win a race to the bottom*". He praises his colleague Liam Fox for his intentions of boosting our trade in food and drink as a central priority for 2018, maintaining that "*the best way to ensure consumers have the full choice of quality food they want is not to try to satisfy every need with home produce, but to pursue comparative advantage.*"

He sets out plans to develop new approaches to food labelling. Essentially "*creating a gold-standard metric for food and farming quality*" i.e. a "*single, scaled, measure of how a farmer or food producer*



performs against a sensible basket of indicators, taking into account such things as soil health, control of pollution, contribution to water quality as well as animal welfare.”

Taking back control

Gove maintains his view that the CAP is *“still a fundamentally flawed design. Paying land owners for the amount of agricultural land they have is unjust, inefficient and drives perverse outcomes. It gives the most from the public purse to those who have the most private wealth. It bids up the price of land, distorting the market, creating a barrier to entry for innovative new farmers and entrenching lower productivity.”* He sets out a reform agenda that *“begins at home.”* He says Defra *“will seize opportunities to develop a different regulatory culture once we have left the European Union”*. He wants to develop a much more responsive and efficient model and *“change our approach to inspection”*. He plans to look at how Defra can reduce the number of inspections overall, make them more genuinely risk-based and have them focus on those, limited, areas where standards are not where they should be.

Public money for Public Goods

Michael Gove specifically talked in his speech about the need to invest in technology, skills and rural resilience - all of which he says are public goods and fit within the NFU’s cornerstones for future policy.

The NFU is up for the challenge of working in partnership with government in reframing agricultural policy for the post-Brexit world. With adequate time to prepare, we can ensure that the introduction of an ambitious new policy framework, one that is suited to the needs of the farming industry and the expectations of the UK public, is managed properly and delivered successfully.

More detail will follow in the Government’s Command paper later this year, but during his OFC 2018 speech he has given a strong flavour of the direction of travel that he thinks should be taken in delivering his vision.

A transition period

He laid out plans (all to be consulted on) for a transition period allowing farmers time to prepare properly for the introduction of a new agricultural policy. This will be a transition from the current system of subsidy to a new approach of public money for public goods over time. He reiterated that in cash terms the amount of farming support will be protected right up until the end of this Parliament in 2022. Such a transition period will ensure that a full assessment can be made of the impact of Brexit on UK farming – on trade, on farm business’ access to a competent and reliable workforce, and on the regulatory environment in which they operate.

He wants to continue support for Countryside Stewardship agreements entered into before we leave the EU and will ensure that no one in an existing scheme is unfairly disadvantaged when we transition to new arrangements. Again this is something the NFU has been campaigning for.

Mr Gove says that Government will pay the 2019 BPS scheme on the same basis as now – a welcome assurance for farmers making planting and animal rearing decisions that will long traverse Brexit talks.

Post BPS 2019 he envisages guaranteeing that BPS payments continue for a transition period in England, which could last a number of years beyond the 2 year implementation period that the Prime Minister talks about in terms of Brexit. How long such a transition would last, will be subject to consultation, but during the press conference Mr Gove suggested that five years post Brexit was a reasonable time frame. During this transition period he is proposing to first reduce the largest BPS payments in England – either through a straight cap at a maximum level or through a sliding scale of reductions, to the largest payments first – a term that is not yet defined. The capping of payments to active farmers during this transition period is something that the NFU will look at very closely when the



Command paper is released to understand the impact and to ensure that any money generated if capping of the BPS is introduced, is not lost to the industry.

Once the Brexit negotiations free the UK of the rules of the CAP, Mr Gove believes that this transitional payment could be paid to the recipient *“without the need to comply with all the onerous existing cross-compliance rules and procedures. Inspections would continue but in the streamlined and risk-based fashion”* and *“provided our own animal welfare, environmental and other laws were observed the payment would be guaranteed”*.

Such an approach would guarantee that every existing farmer who receives BPS payments would receive a guaranteed income over this extended transition period (he just doesn't say to what level or for how long). This guaranteed income is seen as a means to provide time for farmers *“to change their business model if necessary, help to make the investment necessary for any adjustments and prepare for the future.”* He also says he will look at ways to support farmers who may choose to leave the industry. After that transition period the BPS will be replaced with a system of public money for public goods.

Environmental direction

Mr Gove says that the principal public good the government will invest in is *“environmental enhancement.”* He recognises and stresses that *“there is no inherent tension between productive farming and care for the natural world”*. He wants to support the provision of ecosystem services and, by building on previous countryside stewardship and agri-environment schemes, Defra will design a scheme *“accessible to almost any land owner or manager who wishes to enhance the natural environment by planting woodland, providing new habitats for wildlife, increasing biodiversity, contributing to improved water quality and returning cultivated land to wildflower meadows or other more natural states”*. Additional money will be available for those who collaborate at the landscape scale.

In addition to investing in the environment, he also calls for investment in technology and skills alongside infrastructure, public access and rural resilience.

Investing in technology

On technology, Mr Gove wants to see investment in automation and machine learning, including precision kit and sensor technology. With regard to research, he wants to better integrate the work being undertaken by research institutions with the ongoing training those working on the land should receive. He gives a further nod to the Government's communications infrastructure efforts and says that he will do whatever he can to help ensure rural areas get the digital infrastructure they need

With respect to rural resilience he outlines his support for a number of *“smaller farm and rural businesses which help keep communities coherent and ensure the culture in agriculture is kept healthy. Whether it's upland farmers in Wales or Cumbria, crofters in Scotland or small livestock farmers in Northern Ireland, we need to ensure support is there for those who keep rural life vital.”*

It's recognised that the list of public goods identified in his speech is not exhaustive, (for example there is no mention of measures within a future policy that would help farmers manage volatility), but he says he looks forward to consulting on these priorities.

Labour

He made a reference in his speech to *“industries which come to rely on importing cheap labour run the risk of failing to invest in innovation required to become genuinely more productive”* and that thought must be given to how *“the labour market works effectively”*..... *“that means not just a flexible migration policy overall but as we leave the EU, ensuring access to agricultural labour”*



Conclusion

Today's speech has given us a very clear indication that the Secretary of State expects change within the farming industry. He sees the opportunity for a bold and ambitious future that places a coherent food production agenda at the heart of Government thinking. It is a bold vision shared by the NFU. We look forward to the consultation on the detail later this Spring and will continue to engage with Government and stakeholders on our vision for the future of agricultural policy.