

**Caroline Spelman**  
**Oxford Farming Conference**  
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I've been really looking forward to the Oxford Farming Conference. It's my first as Secretary of State and allows me to set out my stall as we approach a new year in the agricultural calendar and the start of serious negotiations.

I'm a lucky lady because years ago as a commodity secretary of the NFU I would look to this event to set the framework for the industry to operate in. And now I'm here helping to set it.

As the Coalition we now have a credible negotiating mandate and the right to be a positive participant in Europe. A participant that will be looking to get the best deal for farmers, taxpayers, consumers and the environment alike.

It helps to speak other's languages of course. But more than the words it's the fact the UK is a real player at the negotiating table that we are more likely to achieve our aims.

Aims which include the reform of the Common Agriculture Policy.

We need to address the tendency to protectionism in other Member States which undercuts producers in developing countries, because this is morally wrong. Favouring protectionism over liberalisation will actually hold back European farmers in the long run.

To continue as we are threatens to prevent out the transition we need towards a market that can sustain EU agriculture in the future. And there has to be change, because the new member states will demand a fairer allocation – with which I have considerable sympathy. There won't be a deal, frankly, without this.

We now need to make the new CAP fundamentally different. Its strategic approach must change; as well as its detail. It must be re-positioned so that we can tackle the new challenges of achieving global food security and tackling and adapting to a changing climate.

The Commission recently published its plans for CAP reform. Although they set out the challenges for the sector they did little to create a dynamic strategy that would usefully contribute to President Barroso's 2020 vision. So, while I welcome their proposals for further moves towards market orientation and international competitiveness I believe we can be more ambitious.

We can be more positive. More confident. Now is the time to make very significant progress towards reducing our reliance on direct payments – it's certainly something the farmers I know want to see happen. Rising global demand for food and rising food prices make it possible to reduce subsidies and plan for their abolition.

Furthermore we should encourage innovation in the industry. Provide help with environmental measures and combating climate change. Our taxpayers have every right to expect other public goods for the subsidies they pay. I'm wary of the proposal to 'green' Pillar 1. What is proposed is nothing like as ambitious as British farmers have shown themselves to be. That's why we want to see Pillar 2 taking a greater share of limited resources.

We are prepared to work hard to achieve this vision. As a coalition we have a positive relationship with the EU. With fellow Members States. With all EU institutions. We are forming alliances with those who share our vision of a competitive industry. Who share our desire to see it deliver on public goods. Who want to see a level playing field in the CAP. This is the only way we can achieve our goals.

We can do it. We've already seen it work. It may not be what you expected a Conservative Secretary of State to say, but it's true. Recent negotiations on whaling, on forestry and at the December Fisheries Council all succeeded because we built partnerships.

The relationships we build will pay off. At the end of last year – in Nagoya - we saw an international agreement on a new global framework for protecting biodiversity.

In the year of its Presidency of the G20, France has boldly and wisely proposed a meeting of Agriculture Ministers to improve the functioning of world markets.

A timely decision as the global demand for food rises. As international food markets open up and the risk increases of a wrong-headed, protectionism. In some cases this has already happened – we just have to cast our minds back to late summer and the ban on Russian and Ukrainian grain exports.

I would therefore like to work with France to seek an end to export bans – one of the most restrictive practices found in the world market.

This challenge is the clear focus of the Foresight Report which will be published at the end of this month.

Of course our vision for the future and the goals we set ourselves must be tempered by the current fiscal climate.

There's a need for a reality check. It's astonishing that the Commission's initial views on the CAP barely acknowledge the hard times currently facing Europe.

It's hard for us here too.

We've been in office for just over 6 months. It's been a challenging time. But, as the PM said, Britain can become one of the international success stories of the new decade. But first we must deal with the economic problems we inherited. Our overriding goal has been to set in motion measures to tackle those problems. This began with an emergency budget swiftly followed by the comprehensive spending review.

But this hasn't stopped us spending in excess of £2 billion of taxpayers money in pursuit of our objectives. Of greening the economy. Of enhancing the environment and biodiversity.

Of supporting the British food and farming industry and helping it develop.

That is a theme that runs right through our business plan. Particularly the role the food sector plays in our economy. And the contribution made by farmers in managing the land.

Over the coming years we need to increase the competitiveness of the whole UK food chain. To help secure an environmentally sustainable and healthy supply of food.

Underlying all of this is the power shift from the centre towards local organisations - putting local people back in charge – a classic example of what we mean by *Big Society*.

This shift will change the way the department works. We want to see a greater degree of trust and collaboration when developing and delivering policy. This will allow you as an industry to shape your own destiny.

I think this last point is of paramount importance. I see my job as helping you to become more profitable, innovative and competitive. By creating the right conditions for the industry

to raise productivity. To be entrepreneurial. To continue to develop strong connections with your markets and customers and establish robust links throughout the food chain. I'm really keen to do my bit but it will require you as an industry to step up and seize these opportunities. Sustainable intensification being an example. Where fewer agricultural inputs results in less cost to you and the environment. A win-win situation all round.

The whole industry must strive to be as good as its best operators and in turn the best need to keep raising the bar.

This is crucial - as a nation we've never been so interested in where food comes from, how it's produced and animal welfare. As a result corporate values can easily be damaged by food scare stories. Public opinion and the media can bring great pressure to bear. Those in the industry who are good at their business understand this and are more responsive to the market's changing demands as a result.

We want farming to enjoy a better image. We want more young people to enter the industry. We need to convince them that it offers good prospects. That's why the work of the Agri-Skills Forum is so important, putting in place the infrastructure for lifelong learning through continuous professional development.

We want everyone to see the potential in UK farming. It's an industry that – with the food sector - enjoys an 85 billion pound income. It has succeeded in growing even through recession. People are always going to need food. It has the potential to become a dynamic and progressive industry with an image to match. Where professionalism and high skills are ably demonstrated. Where farmers are enterprising business people looking to make the most of their experience. Always looking for new business opportunities.

I was impressed by Lincolnshire farmers innovation during the recent freeze and their efforts to slow the thawing of cauliflowers to avoid the waste of last year.

For the industry to innovate like this we need to allow it to operate in an environment where there is a greater degree of trust.

This approach marks a departure from the old way of doing business. The paternal approach of Government telling industry what to do and industry complying.

We want a system which recognises most people try to do the right thing.

So what we now need is a greater degree of collaboration. We've already seen this at work through the new voluntary food labelling code. The Task Force for Farming Regulation is another example.

A clear priority for this Government, and one that must underpin the Commission's approach will be to reduce the unnecessary red tape for farmers. We want to be in the vanguard in Europe in pursuing this further. Our aim is to develop an industry fit for an exciting future. A future which is innovative, competitive and profitable. We will not achieve that by burdening farmers or Governments with more regulations.

Through the Task Force we want to see how and where, we can reduce the cost of compliance. We hope the group will be able to offer advice on how to reduce the regulatory burden and identify examples of gold-plating and overly complex implementation.

We know they've asked for your input and that they are looking at a number of areas of concern. Particularly around arrangements for livestock movement and identification. For cross compliance and nitrate vulnerable zones. As well as inspections. An issue that affects a lot of you. Currently, you might be visited by an official agency inspector, by the local authority and by a private sector assurance auditor, all looking at the same thing for different

reasons. We look forward to the Task Force's recommendations for a simpler, risk-based way of doing things.

We're looking to the Task Force to make clear strategic recommendations on how we use regulations. They'll report back in April.

Elsewhere we're looking at how responsibility for dealing with animal disease can be shared with animal keepers which will demand trust on both sides. We know sharing responsibility makes for better decisions. Blue Tongue being a case in point.

Our overriding goal here is to reduce the universal risk and costs of disease to industry, government and the wider economy. While at the same time increasing the effectiveness of investment in disease prevention and management.

The recommendations from the independent Advisory Group were released just before Christmas. We're busy looking at what was said and will respond in due course.

The issue of trust plays out in initiatives set up by the department. Particularly the Campaign for the Farmed Environment. Here we believe it gives the industry the opportunity to show everyone that the farming community is best placed to deliver the required environmental outcomes from their land. We know farmers are the stewards of the countryside this is your opportunity to show that. We have put our money where our mouth is by backing both environmental schemes. Increasing the higher level by 80%.

The key tool we use to enable farmers to deliver on our strategic priorities for natural resource protection.

While walking the fields on John Plumb's Warwickshire farm I saw for myself how he sows a mixture of seeds on the headlands to attract pollinators and farmland birds. Currently we're working with Natural England and others to make all strands of Environmental Stewardship more effective and better targeted. The aim here is to ensure that the scheme is more focused on results.

All of this will ensure that agri-environment outcomes delivered to date are protected and maintain our commitment to making Environmental Stewardship available to all farmers.

This work dovetails neatly with the ideals and goals behind the publication of our White Paper on the Natural Environment.

A document that looks to make the natural environment's real value count.

The first of its kind for twenty years. The white paper gives us an unmissable opportunity to make a real difference and ensure the health of our natural environment and our economy go hand in hand.

The farming community has a role to play here. You are the stewards of the countryside. You conserve and promote a vibrant natural environment. We're now looking to build on this and get the balance right between the public's demands for affordable and plentiful food while meeting their demands for a healthy natural environment.

This generation should be the one that reverses the loss of species. A generation which secures a healthy natural world for the future and one which properly values and protects the benefits that nature gives us.

I enjoyed a preview of the research on the value and viability of UK Farming prepared for this conference. I hope that what I have said today has demonstrated the collaborative approach it calls for. The importance of farming to the UK economy is recognised by the priority we have given it in Defra's business plan, providing the kind of leadership you call for.

This should help to address the concern in the research community that the UK government understands agriculture less well than our competitors. With all four ministers at Defra having agricultural credentials we defended Government research in the spending review.

The priority we give to farming and the food industry will also help to improve the image and profile of a sector which has suffered for too long from a less sympathetic government.

### Close

Today I've tried to lay out my ambitions, goals and vision for the food and farming community of this country. I believe the whole industry has a lot to contribute to a healthy economy, environment and society. As Secretary of State I fully intend to maintain this dialogue and help create a competitive and sustainable industry that is successful because it gives customers what they want.

An industry that embraces risk and manages risk. An industry that wants to deliver public environmental goods. That takes greater responsibility for animal health and welfare standards. And an industry that underpins the quality of rural life.

Conferences like Oxford are so important for exchanging and developing ideas. I'm very keen to keep the lines of communication open. Very keen to build on the good work already undertaken these last few months.

Work that includes –

Setting up a task force to look at ways of reducing the regulatory burden placed on the industry.

Gloucester old spot pork becoming a protected food name.

Working with the major food producers, manufacturers and retailers, who all signed up in November to voluntary guidelines on Country of Origin Labelling. We've also made good progress in negotiations on EU rules

We have focused ruthlessly on improving the performance of the Rural Payments Agency – matching speed of payment with accuracy

Our commitment to establish a Grocery Code Adjudicator in the Office of Fair Trading

The decision to abolish the Agricultural Wages Board

New safeguards for chicken welfare.

All of which further develops the levels of trust needed for us to move forward. What I can do is provide the framework for you to succeed. You are the entrepreneurs. You make it happen.

Thank you.

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