

**NFU Conference 2015 – President Meurig Raymond’s Speech**  
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Good morning fellow delegates, Secretary of State, Commissioner, Distinguished guests.

Welcome to the NFU’s Conference 2015.

As usual we have a fantastic line up of speakers and a record audience.

I am really looking forward to this Conference and I hope you will all find it useful, stimulating and enjoyable.

We stand here today in the shadow of a coming general election, now only 72 days away.

I do not exaggerate when I say that for farming this is shaping up to be one of the most important elections we have ever faced.

If the opinion polls are to be believed the chances of any single party having an outright majority are small.

A coalition seems inevitable, which means that the farming and rural policies of all the parties, big and small, may be crucial.

The theme of this Conference is “Backing British farming in a volatile world”.

And, I hope you will all have seen the NFU’s campaign in all the papers “Great British Food gets my vote”.

I want to link these two key messages together.

Because there is no doubt that British food and farming DOES get the vote of the British consumer.

We, the NFU, commissioned the independent organisation YouGov to carry out a survey which shows that 85% of British people want to see supermarkets sell more British food.

The same survey shows that nearly 8 out of ten people believe the government should do more to ensure a secure and affordable supply of British food.

This is not just us saying that, this is the general public.

That clear message from British people must be taken on board by the next government.

The answer to the question “who cares about British food?” is, overwhelmingly, “the British public cares about British food.”

So my question today is “How can a future government back British farmers?”

I’m not asking what farming wants.

I’m asking what the country needs.

In fact, I'm saying what the public expects.

Simply, voters expect a British government to back its own farmers and food producers.

The challenge has never been more pressing.

In 1984 we produced more than 80% of what we consumed in this country.

If you like to look at it this way, our national cupboard lasted us until well into autumn.

By 2013 the cupboard was bare by August 7.

If we go on like this by 2045 we will run out by mid-summer.

Who would want to lead the country down a path where we produce less than half the food we eat?

This will be totally unacceptable to the British public and in no way in the national interest.

*I have sometimes been accused of urging farmers to blindly produce more.*

*This is not true.*

*I would never tell any farmer how to run their business, much less to expand their production without a sound business case.*

But my point is this, the British population is growing faster than any other large European country- we will be 70 million people in 20 years' time.

At the same time, our self-sufficiency is falling.

The British consumer wants- indeed expects- to be able to source British food.

Yet, if nothing is done, it will be far more difficult to achieve.

We will become ever more reliant on the rest of the world to produce our food.

And when you look at global volatility at the moment you have to ask is that what we want?

Is that what is best for Britain?

The answer is clearly NO.

I believe we, governments, farmers, the food chain- have a duty to address that problem.

In other words this is about Backing British Farming in a Volatile World.

*In the last 10 years British farmers have become much more exposed to world markets.*

*This is the consequence of decisions taken at international, European and national level.*

*In the world two huge blocks of production and consumption are roughly in balance.*

*But any small change one way or the other has big consequences: the price spikes that we saw in 2007 and 2011; the low prices we are now seeing in some sectors, particularly milk.*

*In a word: volatility.*

*The mechanisms we used to see to ensure stability have been dismantled: quotas for milk end this year and for sugar in 2017.*

*Tariffs have come down and there are an unprecedented number of trade deals on the table that will expose European producers to further competition.*

*Export refunds are no longer used,  
Intervention where it exists, is at a minimal level.*

*So, we need to find other ways to manage price volatility.*

*Everyone knows that a boom and bust rollercoaster ride is the worst environment for the long-term planning and investment that will be essential if we are to grow our sector and meet our consumer expectations.*

So, what can politicians do to help?

Make sure the food chain works fairly.

We applaud the fact that the Grocery Code Adjudicator has now been given the power to impose fines.

We want the next government to extend the remit further down the chain.

Commissioner Hogan - I welcome the fact that you are willing to take further action at European level.

We need it.

Our experience in this country is that voluntary measures in the food chain do not necessarily work, and in those cases you must be courageous enough to impose compulsory measures.

We need unhindered access to futures markets.

They are an essential part of risk management.

Commissioner - there's a view in parts of Europe that futures markets are just for speculators and should be curbed.

Your colleague Lord Hill is in charge of this area, but I hope you'll give a clear view of their importance in our sector.

We want to extend futures markets into new areas like milk products and fertilisers, not strangle them with misguided regulation.

We need longer periods for tax averaging.

Dairy farmers had a reasonable year last year, things are bad now but farmers are now faced with big tax bills.

Our direct competitors the Irish farmers can average their tax over 5 years.

And I ask you - why can't we have the same?

We need better labelling regulation – it is entirely unacceptable that country of origin labelling is not extended to cover milk products.

We need to remove the barriers to diversification in both production and marketing.

Don't allow NIMBYs to capture the planning system to stop poultry sheds being built, or stop appropriate alternative energy projects.

And, yes we need to export more.

I very much welcome Liz Truss's commitment here, but don't let's pretend exporting will be a panacea.

There are also things the supply chain must do to make our production base more resilient – which surely must be in the interest of everyone- primary producers, manufacturers and retailers.

It is time that retailers deliver on their corporate/social responsibility plans and put aside the bad practices of the past.

Retailers must commit to longer term contracts and longer term relationships.

And we all need to better promote the values of British farming and British food.

The public and consumers have been brilliant in the current dairy crisis.

We must all work to retain their support and trust and give them reason to choose British products.

But it's more than that.

We need more investment in processing.

And we need to be more resilient.

We're often told that if we want our businesses to be more resilient we need to make sure we're as efficient as we can be.

It's a fair point.

But, I say to policy-makers, how can we be efficient and competitive when we're hampered by disastrously poor regulation?

Poor regulation that, to take one example, threatens to ban hundreds of crop protection products through a misguided use of precautionary principles.

Most of all we need future governments to back British farming across the board.

Food and farming is massively important to Britain and to British people.

For every dairy farm at least five other businesses are dependant.

Future governments need to recognise that and commit to championing and backing Great British Food.

Why?

Well, price volatility is not going to go away.

But if we could get government and the supply chain working together, I am convinced we will be much better placed to ride out future storms, and take advantage of better times when they come along.

I can't leave the subject of volatility without saying something about the CAP.

The NFU's position is that we don't want to be dependent on direct payments.

We'd rather receive our income from the market place.

If we can get a fairer supply chain we'd accept direct payments being reduced- provided of course this is done evenly across Europe and the rest of the world.

But at the moment the market isn't working

As we stand today, direct payments are vital to many farmers.

Direct payments are a crucial lifeline against volatility.

In 2013 more than half of the average farm's net income was received via the Single Farm Payment..

Two things flow from that.

First- turning to you- Secretary of State- we have a new payments system this year.

We all have to apply by May 15- just 8 days after the election- or we risk penalties; in the worst case-no payment.

There have already been teething problems with the new system.

It's not your fault, Secretary of State, but many here are haunted by the disaster of 2005.

Huge delays.

Muddles that took years to unravel- if they ever were.

£600m of fines.

We're relying on you, and the RPA, to guarantee we have no repeat of that.

Now, turning to you, Commissioner.

We said from the start that the last CAP Reform was a dog's breakfast.

It gives me no pleasure whatsoever to say we were right.

Instead of a reform which would have helped European farmers become more globally competitive we got a short-sighted attempt to defend a budget which has heaped costs and conditions on farmers with little or no obvious benefit to anyone.

Again, Commissioner, none of this is your fault.

But we are looking to you to sort out the mess.

We urge you to simplify the policy wherever you can.

Make sure farmers are not penalised for not following rules that no one has yet explained to them.

Above all, make a start as soon as you can in putting the CAP back on a proper course.

End the nonsense that has come with greening.

Like the so called 3 crop rule.

I know from the time I have spent in Brussels and Strasbourg this will not be easy.

But we're counting on you Commissioner and in return you will have our support.

So coming back to the General Election.

Tomorrow you will have an excellent opportunity to quiz the political parties on their plans for agriculture.

It's your session, but let me briefly mention two issues that are bound to come up.

First Bovine TB.

We've been calling for a policy to eradicate this disease at this Conference for years.

Latest figures in England show that at least things haven't been getting worse recently.

But let's be clear, that still means 28,000 cattle were slaughtered in England last year.

So "not getting worse" is not good enough for those many farmers suffering the consequences of the disease.

It's not good enough for those in the areas where it is still spreading.

And it's nowhere near good enough if we are to going to beat it.

I know at first hand, as many of you here do, the human misery as well as the financial consequences when a farm is under TB restrictions.

What's new this year is that we now have a comprehensive strategy in England to eradicate TB.

It's based on keeping TB out of the low risk area, beating it in the High Risk Area and stopping its spread in the edge area in between.

This policy has got the approval of the European Commission and the EU is contributing significantly to its cost.

Eradicating TB won't be easy.

Not for government and not for farmers.

But this strategy does have the support of farmers precisely because it is comprehensive.

It addresses all aspects.

Sadly there aren't easy solutions.

*But I want to stress that in the two pilot areas in Somerset and Gloucestershire we are already seeing that TB incidence on farms has declined.*

*Not just by a small amount either – in the Somerset pilot area TB incidence on farm has decreased from 34% to 11% compared with two years ago.*

*In Gloucestershire, vets are also reporting a reduction in TB in cattle too.*

*And just two days ago, one of our Gloucestershire members was given the fantastic news that his farm is now clear of TB – for the first time in 11 years!!!*

*He is very clear that the only thing that's changed on his farm is that we are now doing something to control the disease in wildlife.*

Let me make a heartfelt plea to all political parties.

Don't make this a party political issue.

Don't be tempted to tear up this strategy.

Don't be tempted to commit only to the politically easy bits.

Don't give up on eradication

I was bitterly disappointed when the main opposition party seemed to have committed to doing just that- flying directly in the face of official veterinary advice.

I urge that party to think again.

Because, whichever government is in power, it will need a strategy.

It will need European approval and most importantly it will need farmer support.

Trying to tackle this disease without farmer support will make a difficult job impossible.

The other burning issue is our membership of the European Union- in or out.

The European Union is important to us as farmers.

It gives us access to the single European market, where 75% of our exports go.

It gives us access to labour, particularly from the new member states.

And it gives us the CAP.

And yes, there are pros and cons to all these.

But what we don't know is what life would be like outside the EU, because, none of the main political parties have given us any hint of what kind of agricultural policy they would pursue.

If there's going to be a referendum, there's going to be the prospect that we'll leave the EU, whether the government of the day wants that or not.

It's not a hypothetical question.

That's why we need more clarity for everyone so we can make up our minds on this one in full knowledge of the facts.

And finally...

As I said at the beginning, this election is critical.

In the NFU we have a clear vision of where we want to go.

A vibrant, productive, profitable and competitive industry supplying the lion's share of the food that our consumers expect and demand.

I am sure politicians would love to receive the approval rating British farming receives, and we must all get out and ensure British food does get our vote.

We now look to all political parties to join us in Backing British Farming.

THANK YOU