



# **UK horticulture growth strategy**



# DELIVERING GROWTH FOR THE UK HORTICULTURE SECTOR

## NFU'S 10 BUILDING BLOCKS FOR GROWING SUCCESS

With the government as a champion for UK horticulture, the sector is ready to meet its challenge to expand the national production of fruit, vegetables, plants and flowers. To help achieve this, the NFU has identified ten critical building blocks that will be necessary for growers to develop and grow the industry:

- 1. Access to labour:**  
A minimum five-year rolling seasonal worker scheme, with suitable length visas, no wage differential from the National Living Wage or unrealistic cap on worker numbers.
- 2. Access to affordable and sustainable energy supplies:**  
Urgent recognition of energy-intensive horticulture sectors within the Energy and Trade Intensive Industries (ETII) scheme, and expansion of grid infrastructure to support investment in renewables.
- 3. Access to crop protection:**  
An enabling crop protection policy which ensures the UK is not disadvantaged against its global competitors, plus security of the EAMU programme beyond March 2023, previously funded by horticulture levies and run by AHDB.
- 4. Access to water:**  
As the sector is vulnerable to drought and the challenges from reductions / revocations of abstraction licences, greater investment is needed in infrastructure to collect, store and distribute water both on farms and within and between regions.
- 5. Access to sustainable growing media:**  
A ban on the use of peat in commercial production is not the right approach. There is need for industry/ government collaboration to move towards peat-free in an environmentally and commercially sustainable way.
- 6. Productivity investment:**  
It is critical that a replacement to the EU Fruit and Veg Aid Scheme is finalised as soon as possible, which is more inclusive than the previous EU scheme, and that there are no further delays in its development.
- 7. Enabling import controls for plants and plant products:**  
Minimising the barriers and costs for importing plants and plant materials – the foundations of all horticultural production – while maintaining biosecurity.
- 8. Fairness in the supply chain:**  
It is critical that growers can have open discussions and fair negotiations on cost price inflation with their customers.
- 9. Access to environmental funding schemes:**  
Better recognition of horticulture is required in ELMS and Countryside Stewardship that reflects the variety of growing systems across the sector.
- 10. An enabling planning policy:**  
Greater consistency is needed in planning decisions to support – not restrict – horticultural businesses' ability to grow. This includes the provision of high quality, short-term accommodation for seasonal workers.

# INTRODUCTION

Published in June 2022, the Government Food Strategy commits to developing a 'world-leading horticulture strategy for England' with the aim to boost production in UK horticulture, create skilled job opportunities, and future-proof the sector in the face of climate change. The NFU believes there are significant opportunities across the entire sector to deliver improvements in productivity, environmental outputs and global competitiveness. The government must turn these sentiments into actions and become a champion for UK horticulture by delivering the right political and legal frameworks and the right investment to deliver growth.

Growth of UK horticulture has been a long term ambition of the NFU, but one which has been undermined significantly by national and global events (Brexit transition, the Covid pandemic, and Ukraine conflict) alongside aggressive supply chain policies which demand world-leading standards from UK suppliers while at the same time putting downward pressure on farmgate price.

**"GROWTH IN THIS SECTOR WOULD: BOOST HOME-GROWN FRUIT AND VEGETABLE PRODUCTION, HELP TO FUTURE-PROOF THE SECTOR IN A WARMING CLIMATE, AND CREATE NEW SKILLED JOB OPPORTUNITIES ACROSS THE COUNTRY."**



Government Food Strategy, June 2022

UK horticulture and potatoes accounts for less than 2% of farmed land but delivers nearly 20% of the farmgate value. It produces fruit, vegetables, plants and flowers worth over £4bn annually, although self sufficiency has declined over many years and stands at around 50% for vegetables and 15% for fruit. Recent challenges around production costs and labour availability have driven production down further, with many businesses cutting back by as much as 20-30% since 2020.

Recent global events have brought sharply into focus the importance of food security. Historically, successive UK governments have considered the UK as 'secure' due to its ability to import foods that the UK does not produce itself, and the relative economic strength of the UK. But this is shifting, and there is increasing

realisation that the UK could, and should, be more self-sustaining.

With the government becoming the champion for UK horticulture, sector growth can be set upon a strong foundation, and policies which are enabling, rather than restricting. There are numerous building blocks which underpin the production of UK grown fruit, veg, plants and flowers, without which no business can realistically operate. The government policies which impact on these building blocks may not always be farming-specific, and are impacted by wider economic and political influences. It remains critical, however, that homegrown production is prioritised and given full consideration in future decision making. If these policies are not right, sector growth will be prevented before it can even begin.

<sup>1</sup> Government food strategy – GOV.UK ([www.gov.uk](http://www.gov.uk))

<sup>2</sup> AUK2020\_22feb22.pdf ([publishing.service.gov.uk](http://publishing.service.gov.uk))





# LABOUR

## ACCESS TO A MOTIVATED AND SKILLED WORKFORCE

Accessing competent, motivated and skilled workers in the horticulture sector has been increasingly challenging over the last ten years, following the removal of the Seasonal Agricultural Workers Scheme in 2013 and the ending of freedom of movement following EU exit in 2020. Further restrictions on the movement of people as a result of the Covid pandemic and Ukraine conflict have led to many businesses cutting back production, or ceasing altogether, due to the inability to secure sufficient numbers of workers.

While most of the focus in recent years has been on seasonal workers, increasingly there are shortages across all roles (permanent and seasonal) as UK unemployment rates have been at record lows, and due to the inability to retain seasonal workers, who come through the new Seasonal Worker Scheme, in permanent roles.

### SEASONAL LABOUR

The expansion of the Seasonal Workers Scheme to 45,000 visas in 2023, with a potential uplift to 55,000 provides a certain level of relief for the horticulture sector.

As highlighted in the Defra Automation Review , the industry invests significantly in automation and robotics, but for the most labour intensive roles, technological solutions are still many years away from commercial realisation.

The Seasonal Worker Scheme requires businesses to advertise seasonal roles locally. The NFU has worked with DWP since 2021 to identify ways to attract domestic workers into seasonal roles with limited success. For the foreseeable future, and until automation can replace the most labour-intensive roles, the reliance on the Seasonal Worker Scheme will continue to increase.

### PERMANENT LABOUR

Increasingly so, over the last four to five years, growers have reported difficulty recruiting workers into permanent roles. This is across all disciplines, whether administrative, financial, technical or managerial.

A comprehensive review of labour challenges across the entire food and farming sector was conducted in the summer of 2021 (Establishing the labour availability issues of the UK Food and Drink Sector ) and cited location and rurality as a key constraint. The same report highlighted a large number of initiatives across the industry to attract domestic workers, ranging from wage incentives, social media campaigns, engaging with schools and colleges, referral schemes, sponsoring events, and more.

In the horticulture sector, specifically, a key constraint is the inability to offer seasonal workers (those that are recruited through the Seasonal Worker Scheme) permanent positions within the business.

### SECTOR REQUIREMENTS:

- **Minimum of a five-year rolling SWS programme with the number of visas committed to during that period.**
- **Visas extended from six to nine months to support those business that have longer term requirements, and to give workers greater earning potential.**
- **Reduce the ‘cooling off’ period from six to three months to give greater flexibility for experienced returnees.**
- **Expand the Shortage Occupation List to better recognise critical roles in agriculture and horticulture.**
- **Expansion of the Youth Mobility Scheme to cover EU countries.**

<sup>3</sup> Defra led review of automation in horticulture – GOV.UK (www.gov.uk)

# ENERGY

## ACCESSING AFFORDABLE, RELIABLE ENERGY SUPPLIES

The UK horticulture sector is incredibly diverse but no part of the industry is protected from the impacts of rising energy costs, whether that is in heating glasshouses, running cold storage, the knock-on cost and availability of fertilisers, running machinery, transport and lighting. Glasshouses and cold stores are most acutely impacted and in 2022, production of tomatoes, cucumbers and peppers fell by as much as 30%, alongside significant challenges storing apples, onions and potatoes, to name just a few.

To deliver greater energy independence, many businesses have invested in renewables, such as combined heat and power plants, wind and solar. However, investments have often stalled, in part due to the high capital investments required, and limited grid capacity to be able to return electricity back to the grid.

UK horticulture can contribute to UK energy security if grid infrastructure was developed and if there were fiscal policies to enable greater levels of investment. Moving to renewables also delivers environmental benefits through using less fossil fuels.

### GOVERNMENT’S ENERGY SUPPORT SCHEMES

The government’s Energy Bill Relief Scheme was broadly welcomed across the food and farming industry but for the most energy intensive crops was neither big enough nor long enough to have prevented further contraction.

Its successor, the EBDS (Energy Bills Discount Scheme) leaves many farmers and growers in a vulnerable position with farm level sectors left out of additional support.

A pre-defined selection of industries, including botanical gardens, are eligible for additional support under the ETII (Energy and Trade Intensive Industries) scheme, however some of farming’s most energy dependent sectors, in particular horticulture, have not been included in this. Many businesses fixed at high prices in the autumn at the advice of government, and now cannot benefit from recent falls in gas prices. The lack of recognition under the ETII is, therefore, a double whammy.

### CASE STUDIES

**Cucumbers:** Typically (with gas at circa 50 pence per therm), the cost of embedded gas in a cucumber is estimated at 3p or circa 4% of the retail price. At the current gas price (just over 300 pence per therm), the embedded gas cost rises to an estimated 18p or 26% of the current retail price.

**Apples:** Based on a 3,300 tonne store consuming almost 800,000KWh of electricity, the March 2020 contract would see the business paying the equivalent of £28 per tonne on electricity. For October 2022 (integrating the benefit of EBRS), the business would be paying £108 per tonne and projections for April 2023 put this at £200 per tonne.

### SECTOR REQUIREMENTS:

- **Government to recognise energy intensive horticulture subsectors within the Energy and Trade Intensive Industries scheme, and for future energy price support packages.**
- **Development of national grid capacity and network to enable growers to supply higher energy inputs.**
- **The new energy supply taskforce to develop a plan that supports a functioning domestic energy market and provides stability for British farm businesses, rewards those producing renewable energy and enables the continued production of sustainable and affordable British food. Some horticulture production systems can use low grade waste heat from other industrial processes.**
- **A mechanism to support businesses who were forced to fix energy contracts at the point of peak prices.**

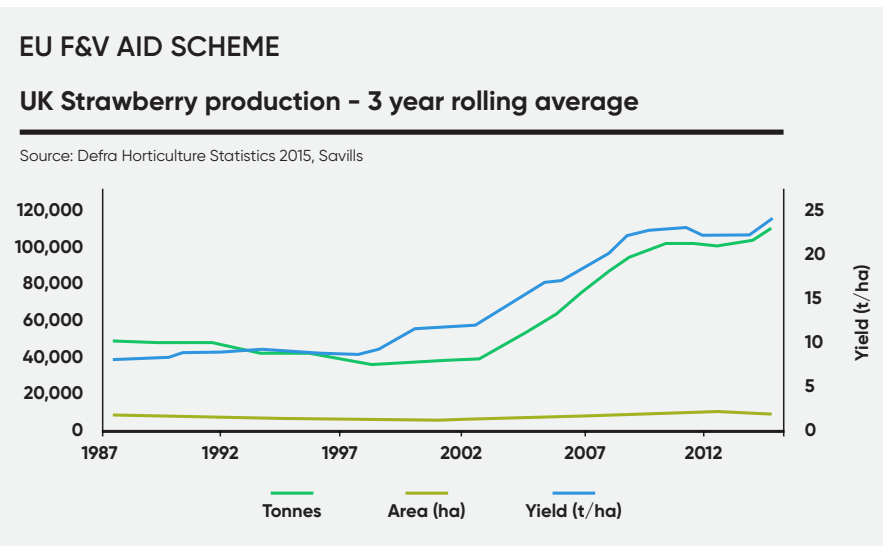


# PRODUCTIVITY

## PRODUCTIVITY INVESTMENT

Horticulture continues to be the lowest subsidised farming sector, with businesses receiving on average only £3,900 in basic payments, compared to an all-farm type average of £28,400. Many horticultural enterprises receive no form of basic payment. However, some growers in the horticulture sector have been able to benefit from the EU Fresh Fruit and Vegetable Aid Scheme, working collaboratively through Producer Organisations to invest in productivity and efficiency across the sector. The EU Fresh Fruit and Vegetable Aid Scheme has helped enable sector growth in a number of edible horticulture sectors. The scheme is not open to the ornamentals sector, nor viticulture, hops, or potatoes.

Defra’s commitment to develop a replacement to the EU Fruit and Veg Aid Scheme is welcome, but delays caused by Brexit and Covid mean that non-PO growers continue to miss out on matched funded investments. Horticultural businesses are long-term investors, planning multiple years in



advance. These businesses need certainty in order to plan for the future. It is critical that a new scheme is developed as soon as possible and that there are no further delays in its development.

The criticality of this policy cannot be understated. With government citing automation and robotics as a solution to labour shortages, and the

Government Food Strategy having a strong focus on technology and automation, growers need the financial support to drive this forward. Other productivity gains can be achieved through new growing systems, incorporation of renewable energy, alternative packaging, water capture, treatment, and irrigation systems and much more.

## UK SCHEMES

In addition to a UK horticulture scheme, it is important that the Farming Investment Fund and ELMs reflect the diversity of growing systems across horticulture and provide genuine access to funds for all growers.

## SECTOR REQUIREMENTS:

For a horticulture productivity scheme to be successful in delivering increased productivity, sustainability and an improved market position, it must include the following principles:

- **Increased level of financial support:** multiple times the small funding currently allocated to the POs.
- **Scheme eligibility should be sector-wide:** to include all horticulture and potatoes sectors.
- **Autonomy over investments covering a wide scope of outcomes:** A scheme set against principles, not strict eligibility criteria.
- **Open to a range of collaborative groups, joint ventures and individual businesses.**
- **Multi-annual funding cycles and long-term commitment:** to deliver long term confidence.
- **Exemption from competition legislation:** For eligible collaborative groups, including POs, this exemption must continue, as allowed for by provisions in the Agriculture Act.

4 Data from Farm Business Income by type of farm, England, 2020/21 – GOV.UK (www.gov.uk)

# CROP PROTECTION

## ACCESS TO CROP PROTECTION PRODUCTS (A LEVEL PLAYING FIELD)

Pesticides are an essential, yet often misunderstood, part of current farming practice and crop production. Growers recognise their use may involve risks and proactively take steps to ensure their careful and appropriate use. Having left the EU, the UK pesticides regulation, which governs access to and availability of these crop protection products, needs to be fit for purpose – protecting the environment and the public, while effectively supporting productive and competitive horticulture and agriculture.

A new holistic approach to regulation with clear, credible and consistent science-based risk assessment, maintaining or improving current measures, is essential. This policy and regulatory approach needs to ensure availability of necessary plant protection tools and promote innovation in plant protection technology, to make available safer, more effective and lower risk pesticides and crop protection techniques. In doing so, we should be able to maintain and enhance UK food and plant security and improve competitiveness in the UK.

GB growers are also facing a new situation where the cost of a standalone GB regulatory process could prevent companies from bringing new plant protection products to GB, or renewing authorisations for existing products, because it is not commercially viable to do so given the size of the GB market. Add to this the impact of the loss of the parallel import process, and the concern is that GB growers could find themselves in situation where availability of crop protection tools is decreasing and the cost of those still available is increasing.

To fully realise the opportunities of improved GB regulation, the experts and regulatory specialists, across government departments, agencies and executive non-departmental public bodies, such as HSE, who have been following the EU approach for 20 years, need a clear mandate for change from the Minister – to adopt a more effective pesticides regulation tailored to GB’s needs, and shift from risk to hazard-based approaches.

Taking a more proactive and strategic approach: horizon scanning and identifying critical gaps in pest control practices for particular crops. This approach has already delivered some success with the collaborative proactive action taken in response to the threat of Spotted Wing Drosophila by UK researchers, industry, AHDB and plant health authorities and agencies. As a result, a national pest monitoring scheme was established a year before this new pest started damaging fruit crops and, when crop damage did occur, new pesticide approvals were granted to aid control where absolutely necessary.

## SECTOR REQUIREMENTS:

- **Clear legislation and a simple authorisation and renewal process.**  
**A hazard-based approach with faster and more pragmatic decision-making than the EU, underpinned with service level agreements.**
- **Working with other global authorities to enable use of each other’s regulatory assessments.**
- **Proper consideration of impact assessments and the effectiveness of the regulatory system,** taking account of socio-economic benefits, and proportionality in the decision-making approach.
- **An adaptable regulation, open to new technology,** supported by government-funded research.
- **Good provision for horticultural ‘minor uses’ and speciality crops.** All new actives should include consideration of minor use and speciality crops as part of the initial dossier planning.
- **Simplifying the regulatory assessment for minor uses, biopesticides and low risk products.**
- **An emergency approvals/essential uses system for tackling unforeseen problems, quarantine pests and diseases, and to support resistance management strategies.**





# WATER

## ACCESS, STORAGE AND TREATMENT OF WATER SUPPLIES

The horticulture and potatoes sector is incredibly innovative and invests significant sums into water management to ensure water is used as efficiently as possible, with rainwater collection and harvesting, on-farm reservoirs, and trickle irrigation systems commonplace. But the sector is vulnerable to drought. 2022 was the driest year in the last three decades and the Environment Agency warns we are one dry spell away from a 2023 drought. There are also regional challenges. In 2018 the North West region, typically one of the wettest parts of the country and therefore with less irrigation infrastructure, became one of the driest.

Favourable climate and soils in the South East and East of England regions, and areas such as the Vale of Evesham, make them ideal for growing fruit and vegetables. Low or irregular levels of rainfall mean that irrigation is crucial, especially during drier periods. Where crops are irrigated, constraints can be imposed on abstractions from boreholes and surface waters, restricting growers from accessing the water they need. The challenge ahead for the irrigated sector will be reduced water availability. More water is needed to be left to protect the environment and coupled with climate change and population growth there are significant pressures on the water supply and demand for the horticulture sector.

The Environment Agency will be reviewing abstraction licences to support environmental needs and this could result in many businesses having licences reduced or revoked. The Environment Act 2021 extended powers for the Secretary of State to vary or revoke abstraction licences without payment of compensation from 2028 where there is a risk of damage to the environment. Currently, these powers apply only where there is a risk of “serious damage” to the environment. A licence may also be varied without compensation in order to remove excess headroom. These changes are only applicable to abstraction licences.

The NFU’s Integrated Water Management Strategy seeks to drive integration and collaboration for the future security of water for food production and for water for food to be recognised as an essential use.

### SECTOR REQUIREMENTS:

- **Government investment to fast track adoption of water storage, recycling, and treatment on farm.**
- **Regional water plans must take full account of horticultural demand when creating schemes for the bulk transfer of water from areas of surplus to areas of scarcity or when creating strategic resource options.**
- **The regulation of abstraction must be improved so that it is more agile in permitting growers to utilise surplus water before it runs out to sea and by, for example, encouraging the sharing and trading of water among users.**

The NFU has three key asks to support the horticulture sector through the challenges of changes proposed to abstraction licences and thus access to water:

1. **Communication / Engagement:** Abstractors need to be engaged with at the start of any programme looking to change/ vary abstraction licences.
2. **Data:** It is important that the sector understands data source and modelling undertaken and accepts the information being presented for its sector.
3. **Time:** It is important that the sector has the time to respond and react to any proposed water availability reductions.

<sup>5</sup> One hot, dry spell away from drought returning this summer, National Drought Group warns – GOV.UK (www.gov.uk)  
<sup>6</sup> archive (nfuonline.com)

# GROWING MEDIA

## SUPPLIES OF SUSTAINABLE GROWING MEDIA

As an environmentally responsible sector, British growers have a long history of embedding world leading sustainability and environmental standards within their business operations, with a strong focus on producing in a climate friendly and environmentally sustainable way. The Growing Media Taskforce, of which the NFU is a member, has set ambitious targets to remove peat use voluntarily, without need for legislation.

### EVIDENCE

Growing Media Monitor Report 2021, supported by growing media manufacturers, AHDB, Defra and the HTA shows a significant decline in peat growing media. With both levy money and from private businesses, funding has been invested into finding more sustainable alternatives to peat. Much of this research will need to continue in order to bring new products to market, as well as overcome any technical challenges associated with embedding new growing media.

### TECHNICAL CHALLENGES: EXAMPLE

In young plug and plant production, the size of the cell/cube in which plants are produced presents difficulties in getting the growing media to bind. Lettuce propagators using the peat block system depend on a very specific type of peat which binds together into a firm cube when it is wetted and compressed. There is only one peat bog in the UK which produces this type of peat. No alternatives on the market have this binding property, despite attempts to replicate using polymers or other binding materials. Trials have shown that peat use can be reduced by approx. 20% using other binding materials, though the mechanical properties of the peat block are lost; becoming too loose and crumbly to be transplanted into the field using automated machinery.

A ban on the retail sale of peat by 2024 will have knock on impacts to the availability of alternative materials for the professional sector. Defra must consider the unintended consequences to the availability of raw materials and the environmental footprint of alternative materials. These are not yet fully understood at scale. For example, there are knock-on impacts where peat free materials are requiring more water usage and fertiliser application. Government has a responsibility to ensure balanced scientific due diligence.

Care must be taken by government to ensure no regulatory divergence impacts the UKs ability to remain competitive. Being competitive with our EU and global neighbours is vital to the success of UK horticulture.

### SECTOR REQUIREMENTS:

- **Remove policy barriers to allow for sufficient and affordable access to consistent and reliable alternative growing media, such as working with growing media manufacturers on the End of Waste Regulations.**
- **Unlock waste streams, specifically AD fibres, ground up timber residues including chipboard, wool and filter deposits from water treatment plants for stable water to replace the 1.7 million cubic metres of peat.**
- **Allow the industry sufficient time to transition away from peat and allow exemptions where alternatives are not commercially available.**
- **Provide support such as capital grants and R&D funding into commercially viable alternative materials, adoption of non-peat-based production systems, and business adaption across the industry. Alternatives to peat can require a complete overhaul of apparatus and infrastructure e.g., irrigation and handling equipment. This is a huge business investment.**
- **Ensure a level playing field and that imports meet the same standards as domestic production.**

<sup>7</sup> <https://hta.org.uk/news-events-current-issues/sustainability/growing-media>





# IMPORT CONTROLS

## PRAGMATIC APPROACH TO IMPORT CONTROLS FOR PLANTS

Plant health is a top priority for UK growers. It is a shared ambition between growers and government to ensure we take biosecurity seriously at our borders, especially when importing young plants and plant material. UK growers have developed their skills and expertise over many years trading with the EU and the rest of the world and have implemented robust procedures to identify pests and diseases to minimise any potential outbreak.

There are significant industry concerns that implementing plant health controls at Border Control Posts (BCPs) risks our shared endeavour to maintain high biosecurity.

The current regime where inspections take place at the Place of Destination has worked well for growers, with checks conducted within an appropriate environment and in a timely fashion. The new Target Operating Model (TOM) proposes checks moving to BCPs and raises concerns for the industry as this holds its own biosecurity risks. There is significant concern from growers that moving consignments via a BCP risks supply chain disruption, has the potential to add significant cost and potentially catastrophic delays, not all of which have yet been communicated to the industry, and has the potential to pose more risk to our biosecurity if inspections are not conducted effectively.

Inspection regimes must mitigate any risk of cross contamination between consignments, maintain crop vitality, and prevent crops from deteriorating or being damaged while undergoing inspections.

The NFU wants to see government introduce an Authorised Operator Model, to enable checks to be carried out at the premises by qualified staff within the business. While businesses are already able to apply to become a Control Point, the alternative costs and processes for going through a BCP are still unknown and therefore commercial decisions are difficulty to take. A pilot of the Authorised Operator Model must take place before the compulsory use of BCPs become effective.

### SECTOR REQUIREMENTS:

- **Develop Control Points and an Authorised operator Model for imports to offer an alternative to BCPs for eligible businesses and products.**
- **To adopt a risk-based inspection regime adopted across all importers, whether primary producers or retailers, reviewed regularly and based on data and science around the probability of a pest or disease being found from a certain country.**
- **In the case of disease outbreaks, robust procedures should be in place and a pragmatic and risk-based approach to inspections by inspectors.**
- **Government must recognise industry best practice and ensure future policy inspection regimes do not add biosecurity risks and additional cost burdens on UK businesses.**
- **Clear communication with traders including the handling fees and inspection charges of using BCPs as well as regular and real time updates as consignments move through ports.**

# SUPPLY CHAIN

## FAIRNESS IN THE SUPPLY CHAIN

The government’s “growth” agenda must be twinned with reform in the marketplace that levels up the balance of power within agri-food supply chains and delivers a fair and functioning supply chain. British growers want to deliver on the government’s vision for climate-friendly, sustainable land management, but there is significant risk to our shared endeavour if we do not address market risk in parallel. Only profitable businesses can be sustainable and can continue to invest in productivity and environmental outcomes.

A report commissioned by the NFU and published by Promar International in November 2022 paints the stark reality of the challenges facing the sector. It shows growers were experiencing increases in production costs of up to 27%. The main drivers being energy, labour and fertiliser. Although some producers have secured some increases from their customers to offset these, it has often not been at a rate required to keep pace with their costs of production, and many growers are seeing no increases at all.

Production is falling as a result, with some subsectors seeing drops of 20–30% and some growers ceasing trading altogether.

It is critical that retailers support the horticulture sector to be sustainable, achieve meaningful environmental gains, and support investment in new innovation and technologies. Food producers should have an equal stake in the value chain, with food processors and retailers sharing risk, sharing data on performance, and sharing value gain.

## UPSKILLING GROWERS

The NFU has been facilitating a series of training sessions for members to increase negotiation and CPI skills. The workshops cover effective preparation, understanding buyer tactics and staying in control of the conversation.

Many members who have attended the courses have reported success in their requests to pass on CPI. However, reports of poor buyer behaviour have increased significantly in the last couple of years and growers continue to face a David vs Goliath challenge.

Legislative measures must be assessed to address the imbalance of power.

### SECTOR REQUIREMENTS:

- **A joint industry/government plan, under the provisions afforded within the Agriculture Act (2020) to address unfair trading practices, improve transparency in the supply chain and improve and make accessible contract terms that work for both producers and first purchasers equitably, including building on GSCOP principles to protect primary producers.**
- **Buyers to:**
  - **be fully equipped with in-depth understanding of the sector and awareness the current challenges faced by growers.**
  - **respond to supplier CPI requests in a fair and timely manner; acknowledge receipt of a CPI request within 48 hours and commitment to meet with the supplier within one week.**
  - **give longer-term commitments and certainty to UK grower-suppliers to allow robust business planning and confidence to secure the supply they need from future growing cycles.**



# ENVIRONMENT

## ACCESSING ENVIRONMENTAL FUNDING SCHEMES

As well as a horticulture productivity scheme – to replace the EU Fruit and Veg Aid Scheme – future government support for the horticulture sector must be included within Environmental Land Management schemes (ELMS) to enable further investment in environmental enhancements, efficiency and business resilience. The forthcoming Land Use Framework must also recognise the valuable contribution the UK horticulture sector makes to the economy, the environment, and to consumer health.

Participation of the horticultural sector in previous agri-environment schemes has been low for several reasons, such as many businesses (i.e. glasshouse production) not being compatible with land area-based schemes. Field vegetable growers have had low engagement due to low payment rates offering little incentive to take land out of the production of high value horticultural crops. Additionally, there remains barriers for entry by tenant farmers and growers. Furthermore, many land-based crops are not able to utilise the field-scale options available; for example orchards are not able to benefit from arable options such as the use of pollen and nectar mixes between trees.

The SFI pilot has not been designed to be inclusive of the horticultural sector. The limited numbers of standards have been targeted primarily at larger field-based crops. Many land-based horticultural crops are grown on highly productive land, providing a valuable supply of UK-grown produce; the UK grower share of the UK market for vegetables is around 50% and only 15% for fruit.

Much of previous and proposed agricultural environmental schemes are based on taking land out of production. However, taking highly productive land out of horticultural production does not align with government’s ambition to increase public consumption of fruit and vegetables. From a business perspective, taking such land out of production has not been financially justifiable through previous funding support schemes. Furthermore, previous and proposed future funding support schemes offer no entryway for indoor and non-soil based horticultural sectors.

It is still not clear whether all horticultural sectors will be able to engage with current and future ELMs standards. Intensive horticulture is one of those sectors. The government risks turning away the horticultural sector from helping to develop a horticulture standard as confidence is low that it will ever be effective.

### SECTOR REQUIREMENTS:

**Investment in an ELMs offer that is inclusive of horticulture can deliver improved environmental outputs and reduce carbon emissions, as well as maintaining and improving productivity; they should not be mutually exclusive.**

**To better serve the horticulture sector, the ELMs offer needs to:**

- Recognise the environmental opportunities offered by different growing systems within horticulture, rather than be a one-size-fits-all approach that is land/soil based.
- Offer appropriate financial rewards to incentivise grower engagement, particularly for a sector which produces high value crops.
- Recognise and incentivise best practise within the sector, not simply seek to take out productive land.
- Be simple to understand and apply for.



# PLANNING

## AN ENABLING PLANNING POLICY

Planning is a major consideration for horticulture and potato growers, whether they are looking to expand, modernise, or increase resilience for their business.

Business development and expansion can require new buildings or glasshouses, more/improved worker accommodation and facilities, water capture and storage such as reservoirs, and energy capture and generation. In each case there is an environmental, worker welfare, or productivity benefit to these developments.

Securing planning permission is often a frustrating process for growers, with it being time consuming, resource intensive, and costly, and without any guarantee of success. Growers regularly report that planning applications can run into tens of thousands of pounds, taking many months or even years to conclude, and require significant staff resource. Many businesses are reluctant to go through the process due to a lack of confidence that the permission can be achieved.

Reservoirs are often cited as particularly troublesome for gaining planning permission, despite the critical need to capture, store and treat water on farms and to reduce abstraction from watercourses.

Businesses also seek to improve worker accommodation and, where possible, reduce the occupancy rates of caravans. The sector’s reliance on seasonal workers needs to be recognised within local planning frameworks.

The sector has fully embraced renewable energy and there is a strong appetite to increase this. Planning and grid connection issues have been identified as some of the single biggest barriers to increasing this uptake and helping move the sector towards net zero.

## GROWER CASE STUDIES

### Protected crops, North West

Glasshouse expansion. On top of application fees and surveys, the success of the application ultimately hung on a newt survey which, on its own, took 18 months and cost £30k. The application was eventually approved.

### PLANT NURSERY, SOUTH EAST

Application to extend one glasshouse and increase worker accommodation. Application cost and 12 surveys totalled around £35k. The application was rejected on grounds of there being an insufficient case to support. The local authority is described as ‘notoriously’ difficult to get planning permission from.

### SECTOR REQUIREMENTS:

- Local governments to recognise the ambitions laid out in the Government Food Strategy, so that they offer appropriate support and guidance for horticultural businesses that are looking to expand.
- Consistency of approach to planning applications across the country with, perhaps, guidance from national government on the importance of the horticulture sector.
- Recognition of the need for seasonal worker accommodation in horticultural businesses and that the worker population has a limited impact on local resources.
- A more streamlined process, reducing costs, time, and resource needed.

## FURTHER CONSIDERATIONS

The range of policies that impact on the ability for UK horticulture growers to invest and grow is wide, varied, and yet interconnected. These areas are also important to consider in the round.

## LEVEL PLAYING FIELD FOR PRODUCTION STANDARDS:

With the UK importing half the veg and around 85% of the fruit we consume, it is critical that growers are not undermined and outcompeted by lower standard products. Importing foods simply because they can be produced at lower cost elsewhere would see us offshoring our environmental and water footprint to other places at precisely the time we are trying to halt the degradation of important habitats across the world. It also removes our management of labour markets and risks moving production to countries where modern slavery risks are higher.

## MEETING THE NET ZERO AMBITION:

Horticulture and potato growers continue to move towards net zero, primarily through increased productivity, reduced inputs, and widespread use of renewable energy. The diverse nature of the sector poses a particular challenge for measuring the progress, and helping set benchmarks and targets to keep moving forward. Unlike many other sectors, there is a lack of Lifecycle Assessment (LCA) data, without which it is difficult to create meaningful methods of carrying out Carbon Footprinting (CF) exercises and to establish baseline emissions data. Current CF tools are largely based around the livestock and arable sectors and do not translate well to the diverse nature of horticulture.

**WASTE AND PACKAGING:**

The Extended Producer Responsibility requires producers to be responsible for the packaging they produce, though it is unclear to what extent farmers and growers are impacted. Growers also continue to seek to minimise food waste on farm. This requires significant investment, but also a collaborative approach across the supply chain to utilise as much of the crop as possible.

**SKILLS AND TRAINING PROVISION:**

Estimates suggest that almost a third of the food supply chain workforce is set to reach retirement age by 2033-35. Add to this the limited profile the sector gets from careers advisers and through the national curriculum, and the sector has a significant challenge to attract the right talent. It is important for industry and government to get behind initiatives such as The Institute for Agriculture & Horticulture to provide a path for training within the sector.

**PUBLIC PROCUREMENT:**

Government has a responsibility to ensure public procurement contracts uphold the same standards and obligations as required by UK food producers. There is also an opportunity to ensure fruit and veg features more prominently in public food catering.

### ENVIRONMENTAL BENEFITS:

The UK Ornamental Horticulture sector can play a vital role in delivering government priorities of tackling climate change and improving the health of the nation. The UK's countryside, urban green spaces, gardens and landscaped parks support and contribute to significant parts of the British economy such as the tourism industries and the health service. The Ornamental Horticulture Roundtable Group's "Growing a Green Economy" report lays out the increasing body of evidence showing that plants, trees, and green spaces have a huge part to play in reversing the climate and biodiversity crisis as well as contributing to human mental health and wellbeing.

## NOTES



# UK HORTICULTURE GROWTH STRATEGY

NATIONAL FARMERS UNION (NFU) 2023

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