



Horticulture Sector Committee

Corrected oral evidence: Development of the horticultural sector.

Thursday 30 March 2023

11.30 am

Watch the meeting

Members present: Lord Redesdale (The Chair); Baroness Buscombe; Lord Carter of Coles; Lord Colgrain; Lord Curry of Kirkharle; Baroness Fookes; Lord Sahota; Baroness Walmsley; Lord Watson of Wyre Forest; Baroness Willis of Summertown.

Evidence Session No. 6

Heard in Public

Questions 76 - 82

Witnesses

I: Matthew Appleby, Editor, Horticulture Week; Clare Mike, Director of Business Development, LEAF (Linking Environment and Farming).

Examination of witnesses

Matthew Appleby and Clare Mike.

Q76 **The Chair:** Thank you for joining us. As an introduction, could you give some background on the work you are undertaking?

Clare Mike: Thank you very much for having us. I am from LEAF, which stands for Linking Environment and Farming. We are a sustainable farming charity, although we have dropped the word “sustainable” because that implies that the status quo is good enough and we know that the status quo is not good enough. We work with a range of stakeholders, but first and foremost with farmers. We help them on the journey that we are talking about right now. We do that through a range of different services: training, peer-to-peer learning and knowledge exchange. We also do it through the LEAF marque standard, through which we work with a range of different stakeholders, some of which we are talking about today such as the retailers and brands.

I have been working at LEAF for four years. My previous experience was in the food supply chain, so that gives LEAF a really good advantage—a different understanding from just pure agriculture. We sit here today as the voice of farmers and farming.

Matthew Appleby: I am Matthew Appleby. I am editor at *Horticulture Week*, which is the industry trade magazine covering all sectors of the industry, including botanic gardens and garden centres, growers—both edible and ornamental—arborists and parks. I have been there for nearly 20 years.

The reason I am here specifically is that 18 months ago I wrote a report on net zero for the Royal Agricultural Society of England. In that report, I discovered that many businesses in the industry are doing a lot, but it is under the radar; they do not boast about it and they possibly have no formal policies in place. It is quite an early stage for the industry to be talking about it. A lot of people in the industry and a lot of businesses tell me they have so many pressures on them at the moment that they find it hard to spend the time and have the expertise to put energy into writing formal policies on net zero.

The Chair: Looking at the role of the horticultural sector in meeting the environmental and net-zero targets, we have had some discussion about exactly what net-zero targets mean. Do you want to follow on from that a bit?

Matthew Appleby: The horticulture industry grows plants, and plants sequester carbon dioxide emissions. As someone described them to me yesterday, they are nature’s machine for getting rid of carbon dioxide. Fundamentally, the bottom line is that the horticulture industry grows plants and trees that work well at getting rid of carbon dioxide emissions. The horticulture industry is fundamentally a net-zero industry. It can do lots of other things as well. It can use its land to generate power through

solar panels or a number of other measures. There are wind turbines on some growers' land, for instance, so they can put green energy back into the grid. The UK horticulture industry can cut food and plant miles by growing more here, closer to the market. The UK horticulture industry has a big role to play in meeting government environmental targets.

Clare Mike: The horticulture sector accounts for less than 2% of farmed land in the UK, but it accounts for approximately 20% of the farm-gate value of the produce that we eat here. It produces vegetables, fruit and flowers worth over £4 billion annually, so it is really significant in that context. Reducing emissions in the horticulture sector will not be as easy as for other sectors. It is quite different from the other sectors too in terms of the greenhouse gases that we are talking about. It is quite dominant in carbon, whereas in other sectors there are different greenhouse gases.

There is no one-size-fits-all approach because horticulture is so diverse. You have field veg. You have lowland peat growing. You have protected growing with different substrates: peat, soil and novel substance. You have polytunnels, glass, vertical farming and watercress beds. It is such a diverse range. As we heard earlier, it is a complex piece. There is a role for technology and most of the technology probably already exists. The greater role is for collaboration and support in the entire supply chain.

We have to bear in mind that the engagement with SFI and ELMS, as we heard about earlier, has not been there because horticulture has historically not engaged with the BPS as much. We are working with a different mindset from other types of farming sector. We have to understand the perceptions and the engagement as well as whether the levers are right. It is about drawing farmers to the right levers to meet the net-zero targets. The space is very noisy. It is confusing. We at LEAF are very confused. How are farmers expected to respond?

At LEAF, we have a standard—the LEAF marque standard. There are metrics—national metrics and global metrics. They are all great and really critical. They look at the reward for farmers meeting those metrics, but we are not considering how we get them on the journey. The more important piece of the whole investment and support narrative is getting farmers on the journey.

We have early adopters who are already there and they are brilliant. They are advocates for sustainable farming and regenerative practices. We all watch them and we love them. They are there and they are doing what they do. They have the capability and the finance to do that, but we have a middle ground now—a very large group of farmers we have to mobilise very quickly to reach the targets that we are setting them. How do we get them on that journey? That is important and it is the challenge for the horticulture sector and any farming in the UK.

Q77 **Baroness Walmsley:** Matthew, could I take you back to your comment about plants being a carbon dioxide sequestering machine? You also said that the industry is not perfect. Which aspects of the horticulture

production, processing and supply chain present the greatest challenges and risks to the environment?

Matthew Appleby: It is an industry. Industries use power, heating, lighting, transport and water. Water is a big issue in the industry and the Government could help with water. Britain has a maritime climate and it is great for growing plants, but some areas of Britain do not have enough water and some areas have too much. As the previous panel said, the Government could help with planning for reservoirs. Many growers have reservoirs, but they do not find it easy to build new reservoirs because of the expense and the planning issues. All growers realise that water is expensive and becoming more expensive and they collect as much water as they can. They collect it from the roofs of their glasshouses and they collect rainwater in reservoirs, but they would like help to be able to do that. Water is a massive issue.

Peat is another massive issue. We reported the other day that the Government are bringing in a peat ban at the end of 2026. I think the industry supports that, although it would like more time. The Government have been very poor at supporting R&D in peat replacement. Basically, they have done very little. They have let the industry sort it out for itself and then brought in the ban. The industry would like more support from the Government on peat replacement and it needs that soon because the ban has been brought forward two years, as some people say, and four years, as other people say.

Another area of risk is transport, but bringing more growing closer to the market helps with cutting food and plant miles. If you grow vegetables close to cities, you do not have to import as many vegetables or fruits. There are many vegetables and fruits that you cannot grow in Britain, or you cannot grow in Britain at certain times of the year. It is somewhat naive to expect people to eat turnips all year, for instance. People want to eat oranges and you cannot grow oranges in Britain.

I was interested in what the previous panel said about growing vegetables. The more vegetables we grow, the better. Vegetables are good for our health. Using land for growing vegetables instead of using it for animals is good for the environment. Replacing meat, dairy and eggs in our diet with fruit and veg is a moral issue. There are three areas: environment, health and a moral issue where eating more fruit and veg is better for you.

We all remember BSE 30-odd years ago, and the beefburger. That probably made more people go vegetarian than anything else at that time. We remember foot and mouth after that, and very recently and very clearly we remember Covid, which is a zoonotic disease caused by intensive animal farming. We need to grow more fruit and vegetables closer to home.

Baroness Walmsley: I have a question for both of you. How easy is it for individual farmers and growers to measure their environmental impact? Is it desirable that they get help with some aspects of that? I

know there is a system in Scotland because I know a croft that did it and it responded very well to the results, but how easy is it in England and Wales?

Clare Mike: Speaking for the farmers we work with, there is great range and diversity, so the answer is not “very easy” or “not easy at all”; it is somewhere in between. One of the key things that I can relate to in the approach that we advocate at LEAF—the integrated farm management approach—is that farmers tend to know about soil, water management and its challenges, and biodiversity, but one of the aspects they struggle with is organisation and planning. I suppose that could come down to a skills shortage in the industry.

Farmers know that things need to be measured and managed, but they need the skills internally to do that, to know which metrics to use and, possibly even more important, to know what to do with the information. That is a part of the conversation that we are not having enough. We keep talking about collecting data, but we have a lot of data in the industry. What we do not have is the know-how, at farm level at least, to know what to do with that data. I am going to circle back to the fact that we need to focus on support and where key support is needed.

The answer is that it is diverse. The Dysons of the world will be creating their own platforms, but so many farmers in horticulture right now are what I call one-man bands. They do not have the skill set, the resource or the time and, to be honest with you, in many cases they do not have the inclination. They are at the edge now.

Baroness Walmsley: Would an advisory service help?

Clare Mike: An advisory service would help and there are advisory services out there, but they all come at a cost. The role of advice is critical, but we need to unpack a bit more what that looks like.

Baroness Walmsley: Matthew, do you want to add anything?

Matthew Appleby: I have a long list of challenges that stop farmers and growers adopting more environmentally friendly growing practices: inflation, the war in Ukraine, high energy prices, adverse market conditions, low wholesale prices, salad shortages, food security, weather extremes and labour shortages. They all make things difficult for farmers and growers to concentrate on net zero, which they have put on the back burner.

Q78 **Baroness Willis of Summertown:** That was the question I was going to ask, but that is absolutely fine. I really liked the report that you wrote on net zero. I thought it also had some positive things. It is very easy to get negative about net zero and not achieving it. I thought there were some good things in there.

What do you think the biggest challenge is? How quickly can we shift this on, rather than always having to focus on what the problems are? Where do you think we are going to get some quick wins? What are the things

you think will be much more difficult to overcome?

Matthew Appleby: There are some great case studies in that report. I am thinking particularly of Haygrove, where they talk about the triple bottom line. That includes how it is okay to import fruit from South Africa because you are supporting poor people in South Africa, for instance. Some people would say that is not part of net zero, but Angus Davison at Haygrove would say it is. That is broader thinking. The bottom line is that growers and farmers do not really know how to measure it. They do not have the time, the resources or the expertise.

As the previous panel said, if there was a system where there was a benchmark and a baseline, and it was free and it was easy, everyone could benchmark against the same level about what their carbon footprint is, and then, as the previous panel said, they could progress from there, but at the moment it is the wild west. The industry bodies recommend companies that come in and charge you per year to do some sort of audit that is not related to other people's audits. Then you find out something. You know something about what you do, and then you carry on doing what you were going to do anyway. Then they come in the next year and say, "Well done", and you pay them another cheque.

Baroness Willis of Summertown: In your view, is there a benchmark for something that has nothing to do with net zero but works like that and works well?

Matthew Appleby: Crikey, I do not know.

Baroness Willis of Summertown: Is the problem that we are trying to do something where no one has a benchmark for anything?

Matthew Appleby: They said it was complicated to find a benchmark, and it obviously is. It is beyond my expertise to find a net zero—

Baroness Willis of Summertown: Is there any other benchmark that the industry uses?

Clare Mike: Traffic lighting in nutrition and things like that. I wonder whether we overfocus on the concept of trying to find harmonised metrics. We are getting stuck on, "Oh, let's find these metrics". We know what the metrics are, or we have a rough idea of what the metrics are. The challenge is how we mobilise people and get them on the journey. There are two aspects of that question about challenge. There are two perspectives. Is it a challenge to adopt more environmentally friendly practices, or is it a challenge to tell us about what you are doing so that we can measure them? There are two different lenses.

We could look at the Netherlands for solutions. I am not suggesting that the Netherlands has got it right, particularly not at the moment, but it has a triple helix approach where it is uniting research, industry and government to work together, and it is critical that we adopt something similar here. The truth is that if I have to persuade 200,000 farms in the UK to do the right thing, it is going to take me too long. By engaging with

the industry and ensuring that supply chains are requiring their growers, farmers and suppliers in horticulture and beyond to do the right thing and supporting them on that journey, we will get there a lot quicker. Adopting a triple helix approach is probably the quickest route to getting this done.

Lord Sahota: On measuring the environmental impact, I do not mean to be cynical about farmers, but is it not a bit like them marking their own homework? Is there an independent body that looks at their environmental contribution and says, "Yes, farm A has done something", or do the farmers just say, "We are the most environmentally friendly farm there is"? Is there some kind of body somewhere that can look at it?

Clare Mike: That is an excellent question; thank you for asking it. Yes, there is a lot of self-assessed reporting in the UK—too much. Most reporting in the UK is self-reported data, and we are culpable too. But there are standards out there as well. Our LEAF marque standard is independently audited by a third-party auditor. There is the ability to do that verification, but, as I said, that is not the data; that is verification of practices, plans and what you see on the day. Generally speaking, we do not gather the data that we act on from those sources; we gather it from self-assessed data. In LEAF, we are looking at a brand-new system where we can verify the self-reported data. You are right: we are in huge danger of greenwashing, or patting ourselves on the back thinking, "Everything's been done, this is brilliant", when we have made no real change whatever.

Baroness Fookes: Before I turn to my own question, can I ask the "idiot" question? Is there any merit in just looking at an individual farmer you know about, and seeing whether he could be persuaded to carry out—or is already carrying out—something very simple, such as allowing some part of his land to be grown for wild flowers, which will provide pollinators? It could be something really simple, as opposed to the awesome system of measuring this and that.

Clare Mike: Yes. At LEAF, we adopt that approach. We use peer-to-peer learning. It would be pointless our standing in a pulpit preaching to farmers how they should be farming. The most effective tool we have is peer-to-peer learning, letting other farmers demonstrate what they are doing on their farms. At LEAF, we adopt the approach of continuous improvement and small incremental changes. It is brilliant if someone can put in a solar field, but it is about small, incremental changes. It is a game of inches for most farmers in the group that we need to mobilise.

Taking farmers on to a farm to see what they are doing with their wild flowers, integrated pest management and reservoirs is a far more effective way of learning and mobilising the change than our preaching what should be done on each and every farm. Every farm is different. At LEAF, we use a plan-based approach rather than a binary approach. Organic is brilliant but it is binary; you are either organic or you are not, and that will put farmers off. A plan-based approach that takes farmers on a journey and is completely unique to their farm is far more desirable. Farmers can engage with that a lot better.

Q79 **Baroness Fookes:** Matthew, what are the risks and benefits to the environment of future innovations in the sector? I am thinking particularly of vertical farming methods or double farming, where you have solar panels and what you put underneath them.

Matthew Appleby: There is a high set of costs for areas such as automation and vertical farming. With vertical farming, limited crops can be produced. I noticed that Minette Batters from the NFU was quite sceptical about vertical farming in front of this committee the other day. She talked about how field-grown crops are the way forward and vertical farming has a limited role.

Baroness Fookes: Soft fruit?

Matthew Appleby: Yes, I think vertical farming has a bigger role, but there has been market failure in that area recently. Again, it is probably about more government funding for R&D and more government backing because it brings the produce closer to the end-user. It cuts a lot of miles and a lot of land footprint.

You mentioned solar panels. A lot of growers have a lot of space to put in solar panels, but they have planning issues and nimby issues; people do not want solar panels on land near where they live. There is a bit of a dichotomy. Do we want farmers to generate their own electricity? Yes. How will they do that? With their own solar panels, or with wind turbines or ground-source heat pumps. They can generate their own electricity, but they cannot necessarily do so all year round with solar panels. They will need it from overseas or the North Sea, but the more support they get to put solar panels in fields, the better.

Baroness Fookes: I am particularly interested to know whether you can use the land double—for solar panels and something underneath them. Otherwise, there is an argument that you could be growing food crops, but you do not because you have the solar panels. I am looking for both/and.

Matthew Appleby: Some research has been done on growing crops in between solar panels, but, as I said earlier, huge areas of the country are used for grazing that could be used for growing vegetables. We could replace our protein and calories by using a lot less land a lot more cleverly.

Clare Mike: I agree. There is a lot of potential for enterprise stacking, as you were insinuating, where you use more intelligently the space that you have. More can be done. It is quite a novel concept; there are plenty of farmers already doing it and probably not calling it that, but there could now be a really good steer on how we help farmers with enterprise stacking.

There are already new technologies; we are not short of technologies. When we talk about innovation, we could perhaps turn it a bit and talk about innovative approaches, as opposed to new technologies, and look at how we approach our work with agriculture and food producers and

the approaches that they take, rather than needing new technologies. Horticulture is a high-tech sector already; we are at the cutting edge of the world. We lead the world in technology but we need to look at our approaches—one of which is enterprise stacking—to help the business element as well as the growing element.

Q80 Lord Carter of Coles: My question is a bit more narrowly focused on horticultural retailers and the challenges they face in moving forward in an environmentally friendly way. Matthew, you said that there were great examples of good practice, but do they exist in the retail sector? Possibly because it is more corporate, would you expect the rate of dissemination of best practice to be faster than on individual farms?

Matthew Appleby: I agree with that. The retail sector is taking big steps in that direction; for instance, peat, which is the biggest thing they can do, will be banned at the end of 2024, and bagged peat that you buy in the garden centre is being phased out very quickly.

Plastic is a massive issue. We need some circularity in plastic recycling. A number of years ago, we surveyed over 100 councils and found that most of them do not recycle plastic plant pots. What Lord Deben said about plant pots was a bit ridiculous because plastic plant pots are brilliant for housing plants. Many years ago, people used terracotta pots, which are heavy and break; they are not practical. Plastic plant pots are really good, but you need to use them lots of times, although not necessarily at home; you need either to send them back to the garden centre or to have the council recycle them.

Councils do not recycle them for many reasons, but they should; there is no real excuse. At one stage they said that it was because they were black and the infrared recycling machines could not see them, then they said it was because they were dirty and then it was because the plastic was too thick. Councils should be made to recycle plastic plant pots in the same way that they recycle plastic everything else. That would go some way to solving that problem.

Peat comes in plastic bags, because plastic is the best way to carry peat around. You can go to one or two garden centres, such as Edibleculture in Kent, where you can fill up your bag of peat-free compost from a hopper, which is great, but hardly anyone does that and it will never be a particularly popular solution. Some garden centres are bringing in plastic bag recycling schemes. You bring your bag, stick it in the bin and then it gets made into garden furniture or whatever. That is another bit of circularity, which is a move forward from garden centres.

Garden centres are doing many things, even as individual companies. For instance, Southern Trident has net-zero compost; it offsets its carbon footprint. Individual garden centres have their own policies. The sector is pretty unconsolidated; it is made up mostly of SMEs, which, as I have said a couple of times, do not have the expertise or the resources to draw up their own policies, so they need help, a benchmark and someone to do it for them—but cheaply.

Lord Carter of Coles: That is an interesting point. Could somebody let us know about consolidation in retail? That is important.

Matthew Appleby: I can write.

Lord Carter of Coles: Thank you.

Clare Mike: Grocery retailers will have to report very soon on their scope 3 emissions and they cannot do that without really understanding what their supply chains, farmers and growers are doing. One of the biggest challenges is that they need to get verified, reliable data. It is a challenge for them, but it is great news for us collectively as a society that they have to do that.

Some great organisations, such as WWF, WRAP and similar, are putting on the pressure or pulling levers to draw retailers towards that, but they do not deliver on the ground, so at the moment we are adopting a collaborative approach in the industry. For example, LEAF is working alongside WWF. It has the leverage and we work with farmers. We present a solution to the retailers, who then need to report. That greater collaboration and those relationships are critical.

The issue of plastic has been mentioned. We absolutely do not need the amount of plastic there is in the system. However, I have one small caveat. There are a few exclusions to that, where you would see an increase in food waste, thereby creating another problem, if the plastic was not there, but that does not account for the vast majority of the plastic in the system.

We have talked about the balance between domestic versus international produce. You need to break it down a little further. When we talk about importing, we jump to air freight, but there are methods of sea freighting that are very low footprint. If we need to look overseas to bring products in, we need to consider whether it could be sea freighted as opposed to air freighted. Then we could have the avocados that we were talking about earlier.

On accountability, there is a debate about eco-labelling and its role. We all know that consumers do not spend an awful lot of time reading labels, but the role of eco-labelling is also partly about holding grocers and brands accountable. They do not want those red areas on their labelling and packaging, so that works well as a mechanism.

There is a role for consumer education, but we have to do it in a different way; we have to be cleverer. Retailers and grocers will play a role in that because we know that they have very engaging conversations. We also know that consumers make their choices by aligning with brands that they recognise as sharing their values. They might not spend an awful lot of time looking at each and every purchase they make, but they are deciding, "This retailer shares my values". Retailers know that too. They are held to account in those spaces and know that their customers will shop with them only if they believe that their values remain aligned.

There is a range of challenges, but a lot of the solution lies with the retailers and grocery brands, and the supply chains around them.

Baroness Fookes: I have on occasion bought plants in biodegradable pots. You just plant the whole thing. It seems to me that there could be much greater focus on that, but I suppose I shall be told that it is too expensive.

Matthew Appleby: You are right: they are too expensive—far more expensive. Again, government R&D money could go into researching alternative materials, as in so many different areas.

Baroness Fookes: That is a bit depressing. Could you not be more positive?

Matthew Appleby: There are many schemes. Consumer pressure means that retailers are innovative. Some retailers take the plant out of the pot, stick it in a cardboard pot and give it to you. But if you have a cardboard pot in a plant area it will rot pretty quickly and no one will buy the plant.

Lord Colgrain: I have a question that will demonstrate my ignorance, I am afraid. When you drive round the country you sometimes see vegetables being forced underneath film so that the field looks as though it is covered in glass or water. Is that film biodegradable plastic? If not, is there anything else that can be used other than plastic to create the same effect?

Clare Mike: To my knowledge, it is generally not biodegradable, partly because some of the biodegradable substrates cannot tolerate water, rain, elements and so on, and plastic can. There are uses for plastic, and that is what the covering is. There is an element of forcing, but most of it is protection from hail or different weather. I am sure that research and development is being carried out on a better alternative, but at the moment I do not think there is one. Matthew might know better.

Q81 **Lord Curry of Kirkharle:** Clare, you mentioned earlier, correctly, that the horticulture sector has not benefited from direct support, and we are proud that it does not rely on government subsidies. Do you see horticultural growers being able to participate in the new ELM schemes that are being designed? Do you see an important role for government support to help them?

Clare Mike: Anecdotally, not so much. I come back to what I said earlier about the diversity of horticulture. Some field veg growers who also grow arable crops in rotation and so on will engage with the SFI and ELMS, but I do not think that glasshouse growers and other types of horticulture will engage. We need to consider what other support they might need.

Again, we need to turn it on its head a bit. There is reward for what growers are doing, and in a way SFI and ELMS are a reward, but should the investment not be getting them on a journey to reaching those rather than just rewarding them? You will have a diminishing number of new

farmers getting to that point because they do not have the capability to get to the reward yet.

Lord Curry of Kirkharle: Are you suggesting that there should be a tailored scheme to help horticulture growers to do that?

Clare Mike: Possibly, yes, and not just horticulture growers but, for the sake of the discussion today, absolutely. If I was designing it, I might reconsider where the investment should be. Reward is important but it is not the main driver for growers because most growers across the whole of the UK sector are not rewarded in the sense of getting paid a premium for being LEAF marque-certified, for example. Organic is slightly different. The decision as to whether you are going to comply and measure comes predominantly from your supply chain, particularly in horticulture at the moment. It comes from your customer of choice telling you, "You need to do this", rather than support from the Government.

Lord Curry of Kirkharle: Do you have a view, Matthew?

Matthew Appleby: No, I will leave that one to Clare.

Lord Curry of Kirkharle: Finally, from your broader experience, Clare, in LEAF, are you finding that farmers have difficulty addressing the whole application process? Is it complicated? Is it as simple as Defra claims?

Clare Mike: I do not think it is complicated but, generally speaking, there is an audit and paperwork burden on farmers. Anything else that comes along, even if there is a reward at the end of it, has to compete with all the different forms and platforms that farmers have to use right now. I do not think the difficulty is the barrier but the sheer amount that farmers have to do—not farming.

Lord Curry of Kirkharle: A lot of that is time.

Clare Mike: Correct.

Baroness Buscombe: My question moves away a little from that. Correct me if I am wrong, Clare, but right at the beginning you said that horticulture is 2% of land use but 20% of farm-gate value. Would an economist not ask why everybody is not in horticulture? It is worth thinking about the basics around that.

Clare Mike: It is true. As you alluded to earlier, in glasshouse growing or protected growing, the initial investment will be a barrier for a great many growers. It is similar for soft fruits. That is probably a barrier to entry. When we talk about the value at the farm gate, it does not necessarily mean that the margins for the growers and the farmers are reflected in that. I am not suggesting that horticulture is any worse than any of the other sectors, because none of them is good enough, but when it comes down to the bottom line of farm businesses, farmers are no better off.

The Chair: As we have been trying to get the supermarkets in, to what

extent are they helping or causing the problem?

Clare Mike: The context is a bit of a race to the bottom. The discounters came into the market, and Tesco and so on are trying to keep up with the discounters, so we know that they have eroded margins themselves. Part of the challenge is re-education in how you can impact your bottom line. You could get paid a premium or get paid more, but you can be helped and supported to reduce costs in your business. You can be helped and supported by having paid-for advice.

I cannot speak for how retailers pay their supply chains, but I notice more and more that there is recognition in supply chains that they have to do more to support their growers to build resilience. Otherwise, they will not be here in the future either. They are doing that not by paying premiums but by paying for expert advice or helping farmers on the journey in different ways, such as paying me, paying LEAF, to help farmers. That is how they are investing; it is not in actual prices. If you ask a farmer what they would prefer, of course they will say, "I'd just rather get paid more for what I send in". That is a tension that needs to be resolved.

The Chair: We had some evidence that supermarkets would rather leave empty shelves than pay more. Fulfilment contracts have also been discussed. Is that something that farmers are facing?

Clare Mike: We have seen it happen, absolutely. The truth is that they would see that rather than paying premiums.

Baroness Buscombe: One often hears that supermarkets will accept only the perfect carrot or whatever vegetable or fruit. Is that really the case? As consumers, are we really so concerned about the shape of our vegetables and fruit? Is there a lot of waste and loss to the grower attached to that?

Clare Mike: Specifications have loosened over the years, for sure. Retailers recognise their role in not producing farm waste and that is one of their main measures. Aside from the scope 1, 2 and 3 emissions, one of the metrics we are using against retail is waste. That has filtered through in specifications not being quite so strict.

We have to break waste down. We talk about waste a lot, but we aggregate it, and waste cannot be aggregated that easily. When we talk about farm waste, we assume that everything that does not go to Tesco gets put in a skip. It does not. It either goes back into the soil or to processing—the apples go to a juicer. We have to understand that farmers are intelligent businesspeople, and when we talk about waste we have to be very careful what exactly we mean by that.

There are lots of different outlets now, but that opens a different can of worms. Processing and putting stir-fry vegetables into a bag is a whole different area in terms of whether it is a good or a bad thing. It is getting better.

Baroness Willis of Summertown: May I follow up quickly on that? WWF released a report recently about the large amount of emissions from food waste from farms. Leading on from that, on the whole question of becoming more environmentally sustainable, you said, rightly, that the ELMS is not rewarding people for doing the right things but is helping them on the way. What sort of funding would you see as useful to help people? Is it capital infrastructure, technology or science? What are the specifics that would really get people to adopt a more environmentally sustainable way of working?

Clare Mike: Expert advice is the biggest thing missing in the industry at the moment to support farmers and growers. We need to be upskilling. We have a huge issue in attracting talent into the industry; we are not doing a good enough job of that. Looking at the average age of a farmer and producer in the UK at the moment, we have a huge problem on our hands in terms of what comes next that we are not even thinking about right now. If I was to put investment in two areas, it would be expert advice and upskilling the sector.

Q82 **The Chair:** Moving to the final wish-list question, if there was one thing you could get by asking the Government or other organisations, what would it be?

Matthew Appleby: As I have talked about a couple of times, I would end the wild west consulting on environmental reporting. We need one standard environmental reporting system with one benchmark. In that you would include a lot of elements, such as animal and human rights, product sustainability in the supply chain, palm oil, food plant miles, life cycle analysis and carbon analysis. There are so many elements you could include. It is much too hard for individual businesses in an unconsolidated industry that does not have that expertise. That is what I recommended in the RASE report 18 months ago and I do not think anything has changed.

Clare Mike: The only way that we can effect quickly enough the meaningful, measurable change that we need is by working collectively with supply chains, integrating verified data, as we talked about, and adopting more collaborative and harmonised approaches to support farmers. Again, I come back to the triple helix. It is critical that the Government and industry work together on that research so that we do not end up in a situation of greenwashing, which we are hugely in danger of, and not making any real progress towards net zero at all. It is about investing in support as much as rewarding the outcomes.

Lord Colgrain: Do either of you see a role for the carbon credit market in the horticultural sector? Will it be a method of motivating growers to reduce to net zero, or however one would term it?

Clare Mike: The very real danger is that farmers race straight to the carbon credits; they do not necessarily look first at carbon reduction on their own farm, then at insetting, and then at offsetting their own carbon footprint, but race straight to the credits. It is a very real risk for the

industry. I am not saying that there is no role for it at all, but we have to be very careful that we ensure that farmers tick off those first two stages before they offset easyJet's carbon footprint.

Matthew Appleby: I am quite positive about carbon credits, offsetting overseas and tree planting. As long as it is done in the right way, it could be a benefit all round, particularly with farmers themselves using parts of their farm for planting more trees, as long as they get money to do that where they cannot produce crops that they can sell immediately.

Lord Colgrain: I find it quite interesting that the two of you cannot agree on something that is in essence quite a straightforward instrument that could be used.

Clare Mike: It is reflective of the narrative right now.

Lord Colgrain: Indeed it is; I agree completely. Thank you.

The Chair: To go back to my list of interests, I am director of an offsetting company, and I quite agree. It is almost impossible to make offsetting work financially in this country.

As there are no more questions, thank you very much for a very interesting session.