

International Trade Select Committee inquiry into Trade and the Environment

Response from the Horticultural Trades Association February 2022

About the Horticultural Trades Association (HTA)

1. The HTA is the trade association for the gardening industry supply chain in the United Kingdom, representing growers of plants and trees; garden centres and other retailers; landscapers and suppliers to the industry. This inquiry response focuses on those areas in the call to evidence that is of most direct relevance to our members and that, as an Association, we have experience with.
2. The horticulture sector is a green industry at its core and fully supports government ambitions to improve the environment and improve sustainability. Why our industry is significant in this pursuit:
 - a. The total ornamental horticulture industry for the UK accounted for over 674,000 jobs in 2019 and is projected to reach 763,000 in 2030. [*Unlocking Green Growth, OHRG*] HTA membership covers a significant proportion of this amount.
 - b. £29bn of total GDP for the industry in 2019, potentially rising to £42bn in 2030.
 - c. Over £6.3bn in tax revenues per year are generated.
 - d. During lockdowns, 3 million new people took up gardening.
 - e. Gardening improves both physical and mental health and is cross-generational.
3. We welcome the opportunity to respond to this inquiry and are happy to offer any follow up information and discussions with the committee.

Executive Summary

4. Exports and growth potential –

With global population growth comes the opportunity for environmental-based solutions that mitigate the effects of climate change. As a UK industry, we have the chance to develop and increase our export market (£68 million for exports in 2020), both to EU countries and the wider world. Whilst we are exporting some iconic and classic British plants like roses, we can go much further through a joined-up and collaborative international growth programme. We can make the most of British success stories like breeders' rights and seeds, plant health technical services, landscape architecture, and garden design services for large scale civil engineering and urban developments. However, the value of exports as a whole in 2021, and in particular to the EU, is significantly down on the previous year – a reduction of 30%. **Action needs to be taken now to realise the potential of exports from the horticulture industry.**

5. Imports are vital to our industry –

96% of British plant and tree growers rely on importing. Much of what we import is because our climate isn't suited to producing here in the UK. Therefore barriers to trade have a significant financial and operational impact on tree and plant growers across our country.

6. Ornamental Horticulture is the original 'green sector' of the economy –

The industry substantially underwrites the Government's own 25 Year Environment Plan. 50% of the plan is not achievable without the industry; including on clean air (particularly in urban areas), thriving plant life and wildlife, enhanced beauty of the natural environment, access to green spaces enhancing bio-security and mitigating climate change. We want to see a greater cross-government focus on horticulture to 'green our economy' and put a much greater focus on 'green trade'.

Call for Evidence

What opportunities are there for the Government to innovate to create more opportunities for "green" goods and services to export, to decarbonise and green supply chains?

7. The UK leaving the EU has created an opportunity for this country to set out its own trading strategy. Our sector wants to work with the government to maximise the chance to contribute to a Brexit growth premium. We support the UK setting its own plant health and biosecurity regime, as well as research and development capabilities, but this should not be an either/or in terms of trade. We rely on imports, not only to provide a wide range of plant genetic diversity that builds up resistance to pests and diseases, but because some plants and plant material cannot be produced here. That is everything from the smallest cuttings and young plug plants, through to exotic species. These imports are worth approximately £410 million a year to the British industry. Post-Brexit, we have been subject to some of the most restrictive and stringent trade measures of any sector. The industry is being hampered in achieving its full potential: an HTA survey shows that companies are facing £25-£50 million in additional costs to trade.
8. We need a collaborative approach from government that acknowledges the high standards which the industry holds itself to and the significant research and development that goes into control and management strategies to underpin responsible trade in plants and trees. This will benefit UK-based producers, as well as the UK economy. With global population growth comes the opportunity for environmental-based solutions that mitigate the effects of climate change.
9. As a UK industry, we have the chance to develop and increase our export market (£68 million for exports in 2020), both to EU countries and the wider world. There is a significant opportunity to export our iconic knowledge and expertise of gardens and landscaping. Whilst we are exporting some iconic and classic British plants like roses, we can go much further through a joined-up and collaborative international growth programme. We can make the most of British success stories like breeders' rights and seeds, plant health technical services, landscape architecture, and garden design services for large scale civil engineering and urban developments.
10. However, export value to the EU is decreasing, from £31m in 2020 to £21.6m in 2021. Conversely exports to the rest of the world has increased from £7m in 2020 to £9.6m in 2021.
11. UK horticulture exports potential can be realised, but prompt action needs to be taken on the following to solve the problems we are facing:

12. Solution 1 In the short-term, introduce a more proportionate plant health regulatory regime for the import of seeds and plants by:

- a. Reviewing the inspection process, alongside the industry, to include inspection fees and the plant risk hierarchy by Q1 2022. Further reviews should then take place, based on evidence of what has happened during a season.
- b. Ensuring border control posts, inland third party customs posts, and the necessary import pre-notification IT systems are fit for purpose and ready well in time for any change by July 2022.
- c. Developing, in collaboration with the industry, an E-phytosanitary system by the end of 2021. Reducing the time for the granting of an export inspection from seven days to 24 hours.
- d. Working with industry to develop an 'earned recognition system', incorporating relevant certification, accreditation and/or assurance schemes within the supply chain.

13. Solution 2 In the longer-term, establish a plant health agreement with the EU for the export of plants, seeds, and trees by:

- a. Recognising respective plant health regimes and particular inspection approaches, taking an intelligence-led approach.
- b. Reaching a pragmatic solution to the movement of plants from Great Britain to Northern Ireland without phytosanitary certificates.
- c. Easing restrictions and associated costs for CITES requirements, by recognising adherence to the Convention.

14. Solution 3 Include UK ornamental horticulture and landscaping as part of the government's global export strategy by:

- a. Government and industry working together to develop a plan by the end of 2022 for targeting specific markets for promoting plant and seeds exports, as well as the licensing of plant breeders and services for landscaping and green urban and garden design services.
- b. Removing the onerous one-way restrictions imposed on the industry by the EU third country status that prevents nearly all plants and trees from being exported.

15. There is a significant opportunity to export our iconic knowledge and expertise of gardens and landscaping, resulting in additional investment and jobs to UK ornamental horticulture and landscaping businesses. Quantifying what this could look like needs to be done between industry and government.

16. Moving to the issue of **imports**, the importing of plants, trees and bulbs is worth a potential total £410m to the UK horticultural sector and is a crucial part of the plant and tree supply chain. During 2021 97% of the total value of imports came from the EU with Rest of World imports making up just 3%.

17. Imports are absolutely essential to our industry as 96% of British plant and tree growers rely on them. Much of what we import is because our climate isn't suited to producing here in the UK. Without imports the UK horticulture supply chain could not operate.

18. Total imports from the EU was £410m in 2020, reducing to £399m in 2021. Rest of the World accounted for £6.5m in 2020 increasing to £9.7m in 2021.
19. In the UK we produce some of the finest varieties and species of plants and trees in the world – such as oak trees and roses amongst many others. We want to increase UK production, currently worth £1.6bn, to make us more resilient as a nation, but we rely on imports for those plants and plant material.
20. As such, the HTA asks the Government for the following:
 - a. **Conduct an immediate review and evaluation of the first 6 months of 2021 cross-border trade before Q1 2022.** This will see the development of a joint formal regular review mechanism between Defra, APHA/SASA and industry to include fees, the plant risk hierarchy and inspections based on seasonal reviews of data and experience before Q1 2022.

Application of Import Inspection Fees

- b. Application of full fees to those bringing in anything not for finished for final use – i.e. the 10% regime v 100%. . UK growers have to source the bulk of young plant material from the EU, for various historical, climatic and production capacity reasons. Commercial buyers of finished plants in the UK have a choice of where to source their finished plants from and will often base this on price as well as other factors (availability, quality and choice being others).
- c. There is no clarity on how fees are decided and charged for. Although there is a working group now set up.

Ensure Border Control Posts and Inland Control Points systems and processes are fit for purpose and are industry-ready well in time for 1 July 2022.

- d. Each border control post needs to be assessed as to its handling capacity, facilities and systems by industry
- e. It appears each one is serviced differently by the port operator (PO), and charges from POs are applied differently and vary. No available information from PO on this, it's a commercial item.

IT Systems being fit for purpose

- f. Ensure import & export IT systems and processes are fit for purpose and are industry-ready well in time for 1 July 2022. Including developing, in collaboration with industry both a bulk upload facility immediately and an e-phyto system before the end of 2021

Reduce notification period for export certificates

- g. Reduce the time period for granting an export certificate and inspection from 7 days to 24 hours.

Earned Recognition System

- h. Work with industry to develop an Earned Recognition System, incorporating relevant certification, accreditation and/or assurance schemes within the supply chain, to allow reduction in the overall level of inspections and a more flexible approach to processes for scheme members.

A formal system of trade data flow from Government to the horticultural sector & back

- i. Key to maintaining biosecurity is access to trade data for industry. The requirement for pre-notification gives Government the opportunity to show to the trade where the paths of risk actually are within trade.

Encouraging competence & trust between UK & EU member states

- j. An international co-operation committee should be set up, involving industry bodies, trade representatives and officials from policy teams and inspections services between the UK and individual member states.

21. Regarding the **environment and sustainability**, the Board of Trade Report: Green Trade our industry is only briefly mentioned in the following acknowledgement: “Green jobs can also improve local areas to support a nationwide green recovery by bringing jobs to the places that need them most. Research shows that areas of Britain with the greatest labour market challenges contain much of the land identified as having the most potential for habitat restoration, such as planting trees and protecting seagrass meadows. Green jobs are also expected to play a major role in revitalising the UK’s industrial heartlands.” (Board of Trade Report: Green Trade)

This is despite the garden industry being essential to achieving the government’s own environmental sustainability goals. The HTA considers ornamental horticulture to be a significant ‘green job’ industry in the UK and yet despite evidence and data proving this, the industry is often an afterthought in government strategy. There are huge benefits which can be realised by optimising the potential of the gardening supply chain industry.

22. The Government must endeavour to work alongside, and recognise the importance of, the ornamental horticulture industry in developing export, import and environmental strategies. As outlined above, the potential economic and sustainability benefits to the UK are significant.

Conclusion

23. The HTA calls for continual discussions with the International Trade Select Committee both on this report and as an ongoing strategic dialogue to best utilise one of the UK’s most loved industries. We believe we have a significant amount to contribute to international trade and the environment.
24. The HTA would welcome the opportunity to work with the International Trade Committee to support shaping future policy, including in relation to the environment and sustainability, as well as the wider trade experiences of our members importing and exporting seeds, bulbs, plants and trees. Understanding and actioning a ‘earned recognition system’ on plant health would prove a significant boost to our industry and in turn UK trade and GDP.