

International Trade Committee inquiry into Trade and the Environment

Response from the Ornamental Horticulture Roundtable Group

About the Ornamental Horticulture Roundtable Group

- I. The Ornamental Horticulture Roundtable Group (OHRG) is a body of industry representative organisations and the UK's leading gardening charity, which have come together since 2014 to champion the value of the UK's ornamental horticulture and landscaping industry. Our members include the Arboricultural Association, British Association of Landscape Industries, Horticultural Trades Association, The Landscape Show, National Farmers Union and the Royal Horticultural Society.
- II. Our aim is to demonstrate that the benefits and opportunities that arise from supporting the industry align with the government's strategic objectives and policy priorities. We work with government to find intersections between opportunities for industry growth and solutions to the policy challenges of climate change, our environment, health, and growing a sustainable 21st century economy and society.
- III. An [independent report](#) commissioned by the OHRG in 2020 found that the ornamental horticulture and landscaping industry is currently worth £28.8 billion GDP and supports 624,200 jobs. It also found that, given the right support, the industry has the potential to grow further to be worth £41.8 billion by 2030, and support 763,400 jobs across the UK. To detail how this projected growth can be capitalised on, the OHRG published an [action plan](#) to set out potential avenues for collaboration between industry and government, alongside policy recommendations.

Executive Summary

- IV. It is vital that the horticultural and landscape industry, currently worth £28.8 billion to the UK economy and with potential to grow to £41.8 billion by 2030, is not neglected and is consulted with regards to green supply chains.
- V. Current policies overcomplicate the industry's ability to trade, resulting in misalignment with the UK's environmental policies. A trade regime that is adaptable, dynamically attune to risk, and based on sound data must be developed by Government in collaboration with industry to ensure that UK growers are not undermined by lower overseas standards or by bureaucratic burden.
- VI. Measures such as a carbon border adjustment scheme would negatively impact the horticulture and landscaping industry's ability to maximise its growth-outputs and potential returns, as well as on the UK's prospects of meeting its net zero targets. Any changes to the UK's trade post-Brexit must be informed by engagement with industry and clear direction on how changes will be rolled out.
- VII. The industry can provide much-needed evidence for positive collaboration with governments abroad, which is currently lacking. Such international alignment would enable the development of a common, mutually beneficial approach to aspects such as plant health, which in turn will only increase the economic and environmental output of the industry.
- VIII. To enable the transition away from peat in horticulture, UK regulation that permits the import of peat alternatives must be developed, enabled by a greater focus on research and development of alternative materials.

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?

1. Under the right policy environment, opportunities for “green” goods and services to export, to decarbonise and green supply chains are plenty. This is demonstrated by the fact that, in 2020, the horticulture and landscaping industry’s exports were worth £68 million to the UK economy¹ and offered significant innovation in environmental-based solutions for climate change mitigation, with the potential for additional domestic and non-domestic green spaces to increase the UK’s natural capital asset value by a further £9.6 billion.² Given that 99% of growers and 86% of retailers rely on importing plants, trees, and bulbs to the UK horticultural sector, maximising opportunities for “green” imports and exports would offer huge potential for both government and industry to capitalise on the sector’s strong growth potential.³
2. From January to August 2021, 97% of a total £1.2 billion of ornamental imports came from the EU. In contrast, Rest of World (RoW) imports made up just 3%.⁴ Consequently, as government and industry work together to establish a pragmatic blueprint for a post-Brexit trade regime, it is imperative that the high standards and value of the industry are reflected in a complementary export regime that helps form a more agile and outward-looking industry which is supported, rather than restricted, by the trade regime change post-Brexit. As part of this, the horticulture and landscaping industry should be recognised as an integral area of opportunity for “green” exports, and for decarbonising and greening supply chains. To enable this, support from government is needed to provide match funding for capital investment to help growers and landscapers update their equipment, facilities, and processes, while also maximising their production.
3. In terms of imports, such opportunity is also hampered by new onerous one-way restrictions that have been imposed on the industry post-Brexit by the Government, resulting in approximately £25-£50 million in additional import costs. Such restrictions, including extra plant health checks and inspections, limit the industry’s ability to achieve the full potential outlined above.

How well are the Government’s free trade agenda and its environmental policies aligned? And is the Government ambitious enough in its approach?

4. Current trade policies limit and overcomplicate the industry’s ability to trade, which in turn limits progress towards its environmental targets as well. Measures that streamline the industry’s imports and exports would not only exploit its economic potential but lead to a more aligned trade and environmental policy agenda. For example, introducing a more proportionate plant health regulatory regime for the import of seeds and plants or establishing a formalised plant health agreement with the EU for the export of plants, seeds, and trees, would serve cumulatively to boost UK production as much as amplify the UK’s position as an environmental leader.
5. As the original “green economy” industry and one which underpins almost half of the government’s 25-year Environment Plan, the ornamental horticulture and landscaping sector is well-placed to capitalise on the opportunities that a post-Brexit free trade agenda presents for the UK economy, while also providing the best chance of meeting the Government’s net zero and biodiversity targets. Our sector is built around the supply of trees and plants,

¹ OHRG, 2021b, p.11.

² OHRG, 2021a, p.21.

³ HTA, EU Exit Data.

⁴ DEFRA Horticulture Statistics, 2020.

alongside consultancy on these services on large infrastructure overseas. We are heavily reliant on robust import and export regimes for plants and plant material. As such, a joined-up international growth programme that is attune both to economic potential and environmental responsibility offers the greatest potential return on the sector's growth strategy.

6. Such a programme must be underpinned by a robust biosecurity regime, the need for which is evidenced by past damage, current damage, and risks to UK natural capital. The damage from such an incident has in the past been above £10 billion.⁵ Ash dieback (the disease causing ash trees across the country to die) is currently predicted to cost £15 billion to the UK economy over the next three years.⁶ Another 47 known diseases and pests have the potential to enter the UK over the next decade that could cost an additional £1 billion, and which require effective policy to prevent them.⁷ Given that there is a close and interlinked relationship between the UK's ability to meet its environmental commitments and the ornamental sector's ability to deliver it, a trade policy is therefore needed that works to uphold British growers' standards and creates the right environment for them to both import and export.
7. However, current inefficient and expensive biosecurity regimes create administrative burdens and costs across supply chains for government and businesses alike, restricting the cultivation of plant biodiversity with desirable climate resilient, pest resilient, human health and aesthetic plant traits – many of which are increasingly supplied by overseas growers and breeders.
8. A more nuanced and targeted trade regime is needed that identifies and supports the highest standard of traders, but which is also adaptable and agile to trade. For example, better recognition of existing industry schemes such as Plant Healthy would support the establishment of a trade policy that upholds the highest standards for British growers, while also creating an enabling environment for them to import and export.
9. Developing a Trusted Trader Scheme would go a long way towards providing assurance along the supply chain, but other innovations including a review of the inspection process or developing an E-phytosanitary system would further streamline and simplify the UK horticulture and landscaping sector's imports and exports, in tandem with a robust plant health and biosecurity regime.
10. Such measures would enable Government to develop a biosecurity inspection regime that adapts quickly to risks, is based on sound data, and takes into account the measures UK growers already have in place on farms to mitigate risks.

What might be the impacts of measures introduced by the UK's trading partners designed to reduce reliance on carbon-intensive fossil fuels – for example carbon border adjustment mechanisms – on UK trade? And what could a UK carbon border adjustment mechanism mean for its imports and exports?

11. The introduction of measures such as carbon border adjustment mechanisms (CBAM) would negatively impact the horticulture and landscaping industry's trade. An additional mechanism must be introduced to ensure that unilateral action on the CBAM does not disadvantage UK consumers. Such a mechanism must also consider the question of how a unilateral CBAM complies with WTO rules to prevent discrimination between domestic and imported products, and between WTO member imports.
12. The risk is particularly great for the UK's small and medium sized growing businesses. Raising the costs of high-carbon imported goods such as fertiliser and similar products risks putting such businesses, which remain dependent on high-carbon goods, in a position where they would not necessarily be able to absorb the extra costs, with a knock-on effect on jobs. It

⁵ OHRG, 2021a, p.53.

⁶ OHRG, 2021a, p.55.

⁷ OHRG, 2021a, p.55.

is therefore vital that should measures such as the CBAM be introduced, mitigating policy and necessary support are put in place for those businesses that need it.

13. Above all, it is imperative that government provide strong certainty and direction to the sector. This needs to entail further work on how government will overcome the practical challenges around determining sector and product coverage and calculating the amount of carbon emitted in the production process of imports.
14. It would be highly beneficial for a plan to be developed for how the Government intends to communicate with the sector on product coverage and calculate the amount of carbon emitted in the production process of imports. This must include a roadmap on how changes will be rolled out while minimising the impact on the horticulture and landscape industry, as well as maximising the wildlife, climate, environmental and plant and human health benefits that they provide. To maximise the effectiveness of such a plan and minimise disruption and negative impacts on business, it is crucial that the Government engages with industry throughout its development.

How effective is the Government's engagement with international forums to ensure that there is a broad consensus among its trading partners on how to align trade with environmental issues?

15. There remains a lack of a common, mutually beneficial approach to a trade regime for horticulture and landscaping among the UK, EU governments and trade bodies. This negatively impacts the industry's ability to maximise its growth-outputs and potential returns, as well as on the country's prospects of meeting the UK net zero targets. A lack of clear regulation and alignment on issues such as the trade of plants, growing media, fertilisers, chemicals and horticultural sundries increases costs for industry and restricts growth in UK production, retail sales, and public landscaping.
16. Engaging with other governments internationally helps to promote a common, mutually beneficial approach to aspects of the industry such as plant health, positively affecting the economic and environmental output of the UK's horticulture and landscaping businesses. The industry can provide a much-needed evidence base for such collaboration, by indicating what works and what does not, to ensure that any international trade consensus reached are practical and productive for horticulture and landscaping businesses.
17. Finally, it is important to consider how a carbon leakage solution will take into account commitments under the Paris Agreement to recognise the differing capabilities of countries at different stages of reducing their carbon emissions. Germany and France, for example, are making positive steps forward, but greater international alignment would ensure that a common, but nuanced, approach is developed, and which complements local contexts as well as global need.

To what extent is the UK's trade policy keeping up with demands from consumers on issues such as sustainability, deforestation, eco-labelling and greener supply chains?

18. Inadequate attention to areas such as peat alternatives, biodiversity, and plant health in the UK's trade policy continue to fall behind demands from consumers on issues such as sustainability, deforestation, eco-labelling, and greener supply chains.
19. For the industry to move to peat free sources, clear regulations developed in tandem with industry must be adopted that facilitate greater access to alternative materials, such as wood-bark from southern Europe. Despite the industry's progress in halving extraction from England's peatlands since 2011,⁸ greater Government action is now required to enable this trajectory to continue. This involves unlocking the availability of peat alternatives, such as by enabling the use of waste from the food industry. Such measures will enable the UK industry

⁸ HTA, 2021.

- to remain at the forefront of international competition while simultaneously respecting the need to end the use of peat in horticulture.
20. To achieve this, heightened Government collaboration is required to accelerate research and development, secure access to supplies of established peat alternatives, and support innovation in the development of novel peat alternatives.⁹ Such research and innovation is particularly important to prevent the unintended consequence of an alternative peat material being used that has a higher environmental footprint than peat.
 21. Despite this need, OHRG research shows that investment in R&D is declining, having fallen from around £14 million in 1985 to just £3 million in 2015.¹⁰ A continued reduction would trace a steep decline in the competitiveness of the British ornamental horticulture and landscaping industry, while risking major and expensive pest and disease outbreaks, as evidenced above.
 22. Separately, the way the Convention on International Trade in Endangered Species (CITES) and trade in these plants is applied has locked the industry in inflexible and inefficient administrative processes, in which the same paperwork is required multiple times despite being able to demonstrate the responsible sourcing of plants. Last year saw several additional burdens which need to be addressed so as to allow for the conservation of biodiversity, and which included increased costs and delays. Removing these onerous burdens is crucial to creating and maintaining greener supply chains. The costs involved in obtaining a CITES permit to send relatively small quantities of CITES species also has negative effects on businesses' ability to trade. For example, in Northern Ireland, the cost of sending snowdrop bulbs to garden centres from British suppliers has made such trade unviable for many businesses.
 23. Biosecurity and Invasive Plant species trade must also be evidence-based to ensure that it does not have a negative impact on economic growth, while facilitating the optimisation and maximisation of cultivated plant genetic resources for climate, adaptation, mitigation, resilience and improved biodiversity and human health and wellbeing.
 24. Above all, it is vital that the horticultural and landscape industry, currently worth £28.8 billion to the UK economy, and with potential to grow to £41.8 billion by 2030, is not neglected and is considered with regards to green supply chains. Cultivated plant genetic resources must also be made freely available in a biosecure way so as to help with conservation of biodiversity, climate adaptation, mitigation and climate resilience.

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⁹ HTA, 2021.

¹⁰ OHRG, 2021a, p. 57.

Written evidence submission from Ornamental Horticulture Roundtable Group (TEN0025)

OHRG. (2021b). 'Unlocking green growth: A plan from the ornamental horticulture & landscaping industry'. DOI: <https://whitehousecomms.com/wp-content/uploads/2021/09/Unlocking-green-growth-A-plan-for-the-ornamental-horticulture-and-landscaping-industry-1.pdf>