

British Growers Association (ABR0036)

- What is the volume and value of trade to and from the EU within your sector?

Although the first diagram is somewhat out of date it provides a guide to the level of fresh fruit and veg imported into the UK. The second diagram compiled by Defra shows the levels of exports from the UK although very little relates to fresh produce.

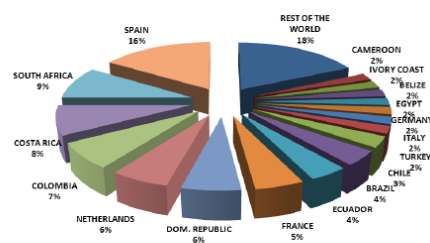
United Kingdom: Fresh Produce - Imports and Exports

IMPORTS

VOLUME (TONS)

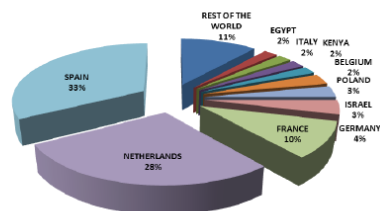
FRESH FRUIT	2012	SHARE	5 YR CAGR
Bananas	1,062,614	30%	2%
Apples	476,525	14%	0%
Oranges	276,873	8%	-2%
Mandarins	264,280	8%	-1%
Grapes	241,869	7%	-3%
Melons	151,679	4%	-1%
Pineapples	143,748	4%	4%
Pears	138,063	4%	0%
Raisins	111,830	3%	-1%
Other	632,039	18%	
TOTAL	3,499,520	100%	0%

COUNTRY OF ORIGIN



Bananas from Latin America dominate fruit imports, followed by apples from France and South Africa. Spain provides over half of all mandarins and recently surpassed South Africa as the top orange supplier. Pineapples from Costa Rica peaked in 2011.

FRESH VEGETABLES	2012	SHARE	5 YR CAGR
Potatoes	412,553	17%	-4%
Tomatoes	399,394	17%	-1%
Onions	322,039	14%	-5%
Cauliflower	178,226	8%	13%
Lettuce	161,479	7%	-1%
Peppers	131,414	7%	2%
Cucumbers	75,524	6%	0%
Celery	67,657	3%	11%
Other	624,773	21%	
TOTAL	2,373,059	100%	-1%



The UK imports about 85% of vegetables from the EU. The Netherlands provide the bulk of tomatoes and onions while Spain sources most of the cauliflower and celery, the two fastest-growing commodities. France is the leading potato supplier.

Source: ITC Trade Map



Figure 3: UK Exports 2015: Top 20 markets and food and drink products

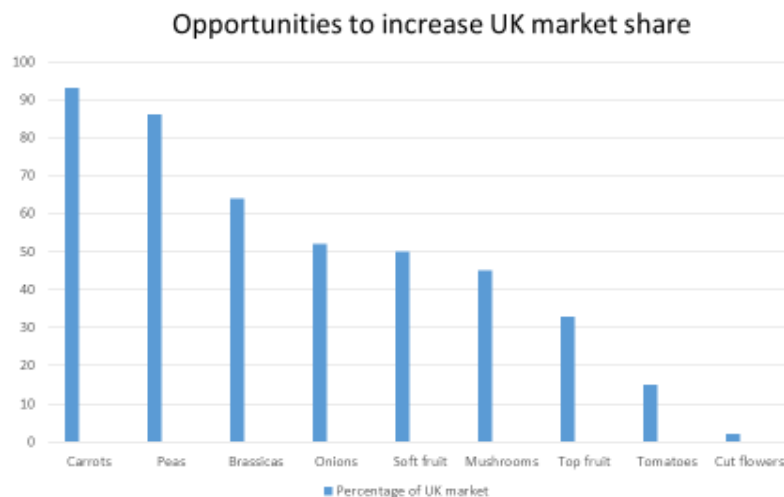
- **Are there particular trade (e.g. tariff or non-tariff barriers) or regulatory issues arising from Brexit for the horticulture sector and what are they?**

The single market and customs union has made the movement of produce within the EU comparatively straight forward. Despite a reference to a frictionless process for the movement of goods post 2019, it's not clear what the practical implications of withdrawal from the single market and the customs union will be. The UK has a number of grower businesses which use overseas operations to grow and supply produce out of season and these operations play an important part in continuity of supply at times when there is no or insufficient UK supply to satisfy the market. Any future trade and customs agreements need to recognise the need for produce to move swiftly across the continent. Producers in the UK are also reliant on importing raw materials and inputs as part of the UK based production process. Again it is not clear the extent to which tariffs might apply to these inputs and the impact on production costs and ultimately the cost of food to consumers.

- **Are there particular opportunities arising from Brexit for the horticulture industry, including in relation to trade and the regulatory regime?**

The chance to create a UK orientated domestic agricultural policy opens up a number of opportunities for the UK horticultural sector. Historically UK Horticulture has not benefited to the same extent as broad acre agriculture. Apart from circa £30m provided through the EU Fruit and Veg Scheme which funds 33 Producer Organisations, there has been relatively little funding for the sector under the CAP.

The industry currently provides about 50% of demand for fruit and veg in the UK. As the graph below illustrates the variation in supply is not consistent across the major crops.



In our view there are opportunities for UK growers to increase their share of the UK fruit and veg market. The devaluation of sterling and the intense competition among UK retailers is encouraging EU producers and marketing organisations to reconsider the UK as the destination of choice for EU produce, particularly where that produce is competing with UK grown produce. (the situation is different for out of season produce as the recent problems with courgettes and salads has highlighted). If this situation prevails and there are opportunities to access additional funding through a revised domestic agricultural policy, the sector could look to increase its share in markets where current market share is relatively low.

At this stage we have no real clarity about any future trade agreements and the impact these might have on UK producers. The volume of fresh produce exports from the UK is relatively low due to the demand here in the UK and the logistical challenges of exporting perishable goods to overseas markets. There are some small but significant export opportunities but these are dependent on having trade deals in place and the personnel with the necessary expertise to set them up. We feel there is scope to do more in this area.

On area which is worth considering in the post Brexit environment is the regulation of plant protection products. UK Growers have a major issue with the "hazard rather than risk" approach to the approval process (products are assessed on their hazard potential rather than the risk they present). This has meant that large numbers of products have been and continue to be withdrawn. Post Brexit, there is the chance to look at other

non EU plant protection approval processes, the USA being a good case in point, to see if there is an alternative way to authorise products for use in the UK.

Seasonal labour is a key part of the UK horticultural sector. Currently the sector relies on around 90% of its total seasonal labour requirement (75,000 – 80,000) coming from the EU. It is highly unlikely that this volume of labour can easily be replaced by UK citizens. The industry needs a scheme whereby it can recruit from the EU and increasingly non EU countries to cover its season labour requirements. The important point to note here is that this labour is only required for three to six months and in some instances nine months and therefore once the season is complete, these individuals return to their country of origin and don't add to the net migration figures.

We are in largely uncharted territory in terms of what a post Brexit environment could look like and what impact changes to the current single market and customs union might have. However due to the perishable nature of fresh produce and a desire for known provenance, UK producers are keen to take advantage of any opportunities which the post Brexit economy might bring.

27 February 2017