



The APPG for Fruit and Vegetable Farmers

The APPG for Fruit and Vegetable Farmers welcomes the Command Paper on the future of food, farming and the environment. We recognise that leaving the European Union is an opportunity to reform agricultural policy to better reflect the needs of British fruit and vegetable farmers and make sure the industry continues to thrive.

Horticulture is a great British success story. It adds £3 billion to GDP and employs 37,000 people on a permanent basis and a further 80,000 seasonal workers. Home-grown berry production, for example, has increased by 131% in the past 20 years and the industry is now worth £1.2 billion. Orchard fruit production has grown by 27% over the same period. Horticulture is also one of the most sustainable sectors in agriculture because fruit and vegetable growers are among the least reliant on EU support: in 2015/16 horticulture farms received an average of £5,300 from the EU while dairy farms received £24,000 and cereal farms received £36,900.

As well as contributing to the economy, fruit and vegetable farmers contribute to public health by growing fresh, healthy produce. While the Command Paper sets out clear plans to promote animal welfare and a clean environment, the APPG would like to see a more ambitious vision for how our future agriculture policy can help make British people healthier by supporting our fruit and vegetable growers.

The APPG recommends:

- The production of fresh fruit and vegetables should be recognised as a public good
- The Government should introduce a seasonal agricultural workers scheme to guarantee farmers continued access to the labour force they need, and make sure British fruit and vegetables stay affordable
- The Government should commit to retaining funding for Producer Organisations
- The Government should recognise and incentivise activities carried out by fruit and vegetable farmers which have environmental benefits, but do not necessarily involve foregoing income
- A science-based approach to pest-control and protection for those affected by disease

British fruit and vegetable production is a public good

The Command Paper is called 'Health and Harmony', and contains many mentions of soil health, animal health and economic health – but not enough on human health. The production of healthy British food should be recognised in the command paper as a public good. The APPG agrees that bio diversity, air quality, improved access to the countryside and improved productivity are public goods, but these all flow from a thriving and profitable agriculture sector.

Supporting fruit and vegetable farmers can have significant public health benefits. Obesity costs the NHS in England more than £6bn per year, and this is expected to reach £10bn by 2050. Diabetes adds on an additional £10bn in costs per year to the NHS. Fruit and vegetables are the only food groups that the Department of Health recommends we eat

more of. On average, fruit and veg consumption needs to increase by 64% to meet the Government's dietary guidelines that we eat seven a day.

Consumers are particularly responsive to changes in price of fruit and vegetables: price inflation since 2007 has contributed to a 5% reduction in the quantities we consume. This is a social justice issue too, as fruit and vegetable consumption is the area where we see the greatest differences between the rich and poor. Without the right support, there is a risk that British produce could be replaced by imports.

Research conducted in June 2017 by Andersons Farm Business Consultants showed that if strawberries and raspberries (Britain's favourite summer fruits) were entirely imported to the UK from mainland Europe or the USA during the main UK season price inflation would be +37% and +50% respectively.

A price rise on this scale would be bad for consumers and bad for public health.

A seasonal agricultural workers' scheme

Access to seasonal labour is the number one concern among fruit and vegetable growers. The APPG welcomes that the Command Paper says: "It is vital that the agricultural and horticultural sector is able to plan ahead and secure the appropriately skilled people that it needs, across both the permanent and seasonal workforce. The government recognises the concerns of stakeholders in relation to the current reliance on migrant workers."

However we would like a much more robust commitment to introducing a Seasonal Agricultural Workers' Scheme for non-EU workers as soon as possible.

While the APPG supports the long-term ambition to encourage more domestic workers to enter agriculture, we do not believe this will address the immediate recruitment challenges horticulture farmers are facing. The NFU found that there was an average 13% shortfall in workers across the growing season last year peaking at 29% shortfall in September. The labour provider's survey also shows that the number of returning workers fell to 16%. In 2017 Labour Providers recruited 4,377 fewer workers than needed between January and December 2017. At the end of 2017, 59% of horticulture businesses reported that they were slightly or significantly short of labour. 30% of these growers reported crops being unharvested as a direct result of labour shortages. Almost two thirds (65%) reported a fall in profits as a direct result of labour shortages and 43% are putting off investment decisions until the issue of labour is resolved. 87% of farmers employing seasonal workers in 2017 said they expect recruitment to be even harder in 2018.

Many British farmers already pay seasonal workers well above the Living Wage – and wages increased by 9% in 2017 compared to 2016. Many farmers also offer additional benefits, like end of season bonuses and reduced accommodation charges. High employment in the UK means that there aren't enough British jobseekers to fill all the vacancies during harvest, and in rural areas where the workers are needed there isn't the available workforce. Technical advances have extended the picking season so that it now lasts longer than the university summer holiday, meaning students can no longer fill all the vacancies and other workers are needed to plug the gaps.

Labour shortages are a problem across Europe and other European nations are already recruiting from overseas to fill the gaps. Germany, Holland, Spain, Portugal and Poland already have permit schemes. Introducing our own seasonal workers scheme would allow our growers to compete on a level playing field with their foreign competitors.

Retaining funding for Producer Organisations

The Common Agricultural Policy encouraged the formation of Producer Organisations to bid for match-funding for investment, and contributed to their operational costs. This has helped the market for British fruit and vegetables grow significantly. Strawberry production for example has increased from 40,000 tonnes to 115,000 tonnes since the introduction of the scheme.

Producer Organisations have benefited UK horticulture by creating opportunities for smaller growers to work with larger customers, making supply chains more efficient and providing a forum for sharing knowledge, assets and best practice. Match-funding enables POs to invest in technology, new varieties and specialist employees, which in turn improves efficiency and keeps the cost of fresh, healthy, British food down. This has all been achieved with relatively modest financial contributions from the CAP – some £40 million.

The APPG welcomes that the Command Paper commits to supporting the principal of Producer Organisation Schemes, but we would like the Government to commit to retaining the funding too. The maintenance of the existing fund is only a short term measure, but post-Brexit we have an opportunity to create a new UK scheme that delivers wider benefits to horticulture farmers. Producer Organisations also have the potential to advance automation of fruit and vegetable picking, which is currently in its infancy. In the long-term this could reduce the sector's reliance on seasonal labour.

The Government should develop a new, more inclusive scheme, that provides matched-funding and loans to co-operatives and individual businesses.

Recognising the environmental benefits of fruit and vegetable growing

Horticulture growers have the opportunity to farm in ways that are better for the environment, but the current land-based subsidy regime does not incentivise this. Horticulture is a highly productive industry - it takes up 2% of farmed land but delivers 25% of the value of arable crops. This means that linking subsidies to income foregone does not benefit fruit and vegetable growers because they do not have large tracts of land to set aside for wildlife or greening crops.

However horticulture farmers engage in a wide range of environmentally friendly practises, like integrated pest management using natural predators, controlled irrigation that can reduce water use by up to 30% and using solar panels to power packing houses and accommodation.

As the Government intends to incentivise environmentally-friendly practices among arable farmers, it should also recognise and incentivise the environmental efforts of horticulture growers.

A science-based approach to pest-control and protection for those affected by disease

The APPG believes that Brexit is an opportunity to move towards a more effective, science-based approach to crop protection. Horticulture businesses in the UK have access to about half the plant protection products available to US competitors. At the same time there are no restrictions on imports of products grown with these pesticides.

Products like Kanemite and Systhane, which are regarded as safe by UK scientists, have not been authorised by the EU on a precautionary basis. The APPG would like decisions to be based on science and for our farmers to be able to compete on a level playing field.