**Read the full report by downloading it at: www.effp.co.uk/hortwm**

## West Midlands is a major player in UK Horticulture

The value of UK horticulture is around £2.6bn , 14% of which is produced in the West Midlands.

The region is number one for the production of asparagus, blackcurrants and cider apples and the second most important region in the UK for fruit production.

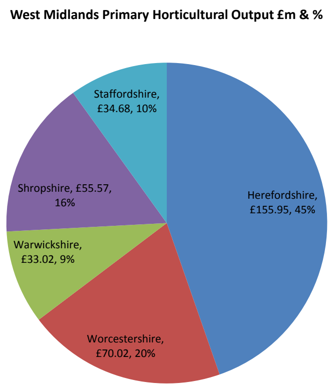
Herefordshire alone produces 45% of the regions horticultural output but every county makes a significant contribution to the regions horticultural output.

The areas of salad crops and vegetables grown in the region have increased substantially over the last five years. Although top fruit production has been in decline over the last five years the areas grown has recently been increasing.

### Cropping Mix in West Midlands (Ha's)

| | 2006 | 2010 | % of Crops |
|---|---|---|---|
| Small fruit | 1,950 | 2,017 | 6.1% |
| Top fruit | 7,493 | 6,154 | 18.6% |
| Total vegetables grown in open | 6,623 | 8,076 | 24.4% |
| Crops under glass/plastic | 171 | 168 | 0.5% |
| Hardy nursery stock | 867 | 786 | 2.4% |
| Potatoes | 16,400 | 15,883 | 48.0% |
| TOTAL | 33,504 | 33,084 | 100.0% |

Source: DEFRA Farm Survey 2006 & 2010




## Background to the study

"Getting to the Heart of Horticulture" was designed to give a comprehensive review of the state of the horticultural industry in the West Midlands in 2011. It quantifies the scale and scope of the fresh produce, potato and horticultural industry across the five counties of Shropshire, Staffordshire, Warwickshire, Worcestershire and Herefordshire. The full report in particular highlights the diversity of horticulture within the region, the significant contribution made by horticulture to the regional economy and the scale of employment required by the sector.

*Our thanks go to Defra, Wychavon District Council, the Horticultural Development Company, the Potato Council and many others not least growers for their significant contributions to the study.*

Working alongside the NFU, EFFP carried out a survey of growers in the West Midlands to assess the current size and structure of the sector and to explore likely future changes. A range of information sources have been used in addition to the data collected from the survey to describe and appraise the sector and its relevance to the West Midland economy.

The purpose of carrying out this research and producing this report is threefold, it is expected to:

- Raise robust statistics on the value and impact of the sector
- Provide an assessment of sector competitiveness and viability
- Identify the key issues that need to be addressed by the sector in the next 10 years

EFFP

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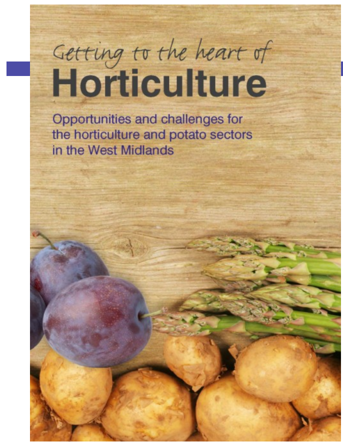
defra Department for Environment Food and Rural Affairs

The European Agricultural Fund for Rural Development: Europe investing in rural areas

WEST MIDLANDS RURAL DEVELOPMENT PROGRAMME

WYCHAVON DISTRICT COUNCIL *good services, good value*

NFU




# Getting to the Heart of Horticulture:

## Opportunities and Challenges for the horticulture and potato sectors in the West Midlands

### 30,000 reasons why horticulture is a winner for the West Midlands

The Heart of Horticulture report highlights the size and scope of the fresh produce sector in the West Midlands.

**The West Midlands horticultural sector**

- Occupies 3% of regional land area
- Contributes 20% of regional agricultural output
- Has a farmgate value of £350m
- Has a Gross Value Added contribution to the region in excess of £600m

**The West Midlands horticultural sector produces over:**

- 65% of UK asparagus
- 60% of UK cider apples
- 35% of UK blackcurrants
- 20% of UK soft fruit
- 13% of UK potatoes

**The West Midlands horticultural sector creates employment**

- For over 6,000 full time workers and family labour to grow the crops
- For over 7,000 part time workers principally to support planting and harvesting
- For at least 7,000 full time jobs in processing and manufacturing
- For a large number of businesses and people involved in transport and distribution

Horticulture uses just 3% of the land in the West Midlands but contributes a fifth of the regions agricultural output. It generates more income for West Midland's farmers than milk or cereal production.

Hortculture in the region is a success story. Unlike other regions of the UK the sector has been increasing in scale and output in the last few years.

Each year 30,000 hectares of the best land in the region is expertly managed to produce 750,000 tonnes of potatoes, 120,000 tonnes of vegetables and 110,000 tonnes of fruit.

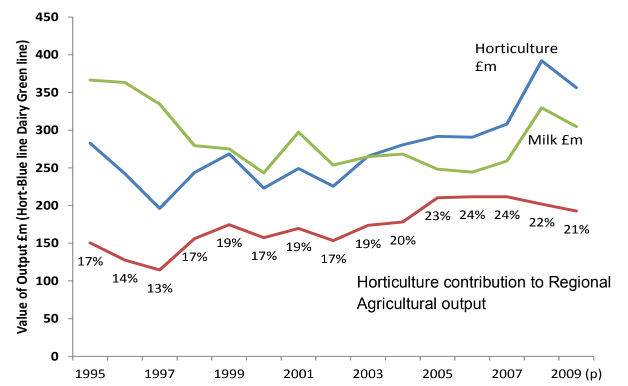
The sector sustains at least 6,000 jobs in primary production and almost 7,000 jobs downstream in processing, packing and distribution.

Farmgate value of produce grown in the region amounts to £350m. The Gross Value Added (GVA) of growing, processing and manufacturing the horticultural crops grown in the region is around £600m.

The market for fresh produce is incredibly complex. There are at least seventeen marketing intermediaries in the region purchasing fruit and vegetables along with many producers who sell direct to processors and to the public.

Planning and coordinating the production, processing and delivery of this produce to today's demanding consumers requires continual high levels of investment in technology and skills.

**Value of horticultural crop output and contribution to regional farm output**




### Some significant challenges must be addressed

The horticultural sector in the West Midlands faces some key challenges over the coming years. While business confidence is high there remains concern about supply chain margin pressure, the loss of R&D capability and attracting and retaining quality personnel into the horticultural sector. Water security is emerging as a major concern.

Growers however are enthusiastic about the potential of renewable technologies. They are generally confident about finding and keeping customers for their produce but over 75% were not confident that the price they receive would be viable. This was mirrored by the fact that just 35% of producers felt confident in their ability to compete with imports.

**Read the full report by downloading it at: www.effp.co.uk/hortwm**

## What needs to happen

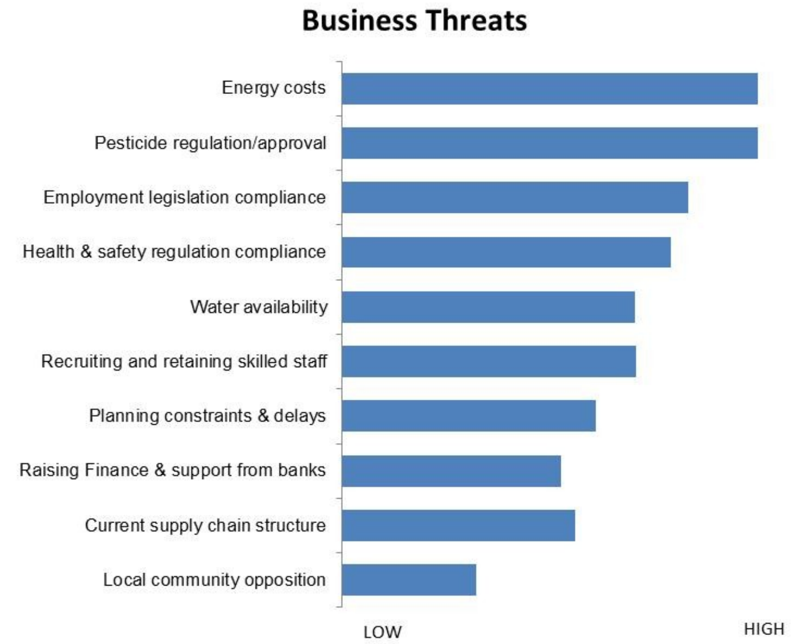
To assist the sector to move forward, we must first identify and address what is holding it back.

The sector is immensely diverse and so challenges faced by one crop won't necessarily be the same as those faced by others. It is also true that many of the issues identified are not specific to the West Midlands region and need to be tackled nationally. Some however can find solutions at a very local level. But complacency or believing that someone else will solve problems is foolhardy.

Without effective representation and cooperation between producers there is a real danger that the sector will become overwhelmed by the threats it faces and miss out on the opportunities that present themselves.

Planning, marketing, sustainability, employment, investment, supply chain relationships and legislation are issues common to all growers and need to be addressed.

The question is how? The report action plan suggests some solutions.




**The Action Plan for change sets out a wide range of responses that growers and key stakeholders can follow to improve the competitiveness and sustainability of the sector.**

### Opportunities

Growers were invited to state what they thought would make the biggest difference to the performance of their business

- 90% of survey respondents see investment in R&D as important for their businesses
- Over three quarters of growers believe working with other farmers will be an important pathway for future success
- Investment in energy efficiency and the use of renewables was the most commonly cited factor that would make a positive difference to business success
- Larger businesses see investment in training and skills as vital and important for future success

## THE ACTION PLAN

### Foster grower cooperation and vertical supply chain partnerships

Growers will not invest in production assets unless they are confident that reward outweighs risk. The most stable and confident enterprises are those where growers, processors and manufacturers work together to create and share value and have a high degree of certainty with pricing. Growers who cooperate will be better placed to build these partnerships.

### Take advantage of the EU Fruit and Vegetable Scheme

Derecognition of Producer Organisations by the RPA has left many producers bewildered. However, it is possible to qualify and improve profits if the scheme rules are followed correctly. If National and EU competitors make use of this scheme and growers in the West Midlands do not, this will create a serious competitive disadvantage for them. Support is needed to help derecognised producers comply with the scheme and enable new groups to successfully apply.

### Make sure the sector has access to flexible labour

The sector needs reliable and flexible labour to cope with seasonal demand and the survey points to serious limitations for many growers if the Seasonal Agricultural Workers Scheme eventually ends as proposed. An industry proposed new SAWS scheme requires political support if it is to come into effect.

### Provide high quality training and career opportunities

Horticulture is technologically advanced, expanding and in need of a dedicated and skilled workforce. If the industry offers rewarding long term opportunities to individuals it will attract and retain the talent it needs to remain competitive and grow. Making more use of apprenticeships and working closely with specialised colleges should be encouraged

### Build water storage capacity alongside efficient water usage

Expansion of horticulture and the predicted impact of climate change on UK weather patterns will increase reliance on irrigation. The Environment Agency predict that at least 13% more storage will be needed by 2020. to maintain current levels of production. Therefore more water storage will be required and attention focused on efficient irrigation techniques.

### Exploit the potential of renewable energy

Energy policy is being shaped by climate change and projected cost increases. Many horticultural businesses working alone or with other growers have an opportunity to take advantage of government incentives and developments in renewable technology. Case studies, study tours and links to specialist advice will enable the sector to develop the knowledge and confidence to adapt to this opportunity.

### Ensure public bodies work alongside the sector to support its development

Planning constraints, delays and costs inhibit the modernisation and development of a sector with high growth prospects. Greater awareness of the social and economic importance of the sector is needed. This will require all parts of the sector to work together with coordination from and between organisations that represent growers and by individual growers helping one another. The sector needs representation and engagement with Local Enterprise Partnerships amongst other stakeholders to ensure its importance to the region is recognised and that it can access a fair share of government support.

### Build strong research and development partnerships

Government cuts have progressively dismantled many of the organisations and networks that supported agronomic research & development and knowledge transfer. More investment is needed to sustain success. Much of this can take place at a national level but colleges, universities, consultants and growers in the region should attempt to coordinate their activity to avoid duplication and ensure that resources are used in the most efficient and effective way. Practical field trials, discussion groups, access to experts and engagement along the supply chain is needed to facilitate rapid adoption of technology.