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The NFU represents 55,000 members across England and Wales. In addition, we have 20,000 NFU Countryside members with an interest in farming and rural life.

## Consultation on Short-term Changes to Plants for Planting Import Inspection Fees in England and Wales

The NFU welcomes the opportunity to respond to this consultation on short-term changes to plants for planting import inspection fees in England and Wales. We have urgently called for this issue to be addressed to ensure the system operates effectively and fairly for industry, provides strong biosecurity and supports domestic production.

The NFU acknowledges and appreciates Defra's engagement on this issue, and particularly welcomes how pragmatic proposals have been put forward that can be implemented quickly (by July 2022).

**We have discussed this issue with our grower members and as a result the NFU strongly supports the proposed Option 2 of Flat Rate Fees for imported plants for planting, until the full fees review process is concluded.**

The current inspection fees system (Option 1 – Current Fees) creates an uncompetitive marketplace, which favours imports of finished plants over domestic production. We strongly believe the flat rate fees proposed in Option 2 will help rectify the imbalance the current system creates between finished and non-finished plants for planting. The flat rate fee also aligns with the NFU view that GB growers should be given biosecurity 'credit' not just for the processes they have undertaken in producing a finished plant, but also for the processes they will undertake in growing-on imported propagation material – all of which is carried out under the regulatory umbrella of GB Plant Health Services, within long-term relationships between GB growers and GB Plant Health Services.

The current problem with the difference in fees between imported non-finished and finished plants only really affects plants and plant material for planting, so it is an issue of direct relevance to NFU members, whose crop and finished plant production is often dependant on this material. There is significant concern across the horticultural industry (both edible and ornamental) regarding the impact on businesses of the current fees. It risks damaging the competitiveness of domestic producers and has the potential to increase the proportion of imported finished plant material on retailer shelves, due to the lower fees for this material compared to non-finished plants.

It is important to note that inspection fees and the frequency of inspections are intrinsically linked, and these factors must work together if the UK is to have ambitions to maintain a high plant health status. Within the NFU response to the inspection frequency methodology consultation, we stated that inspections should take a risk-based approach, where data and evidence is utilised to identify the risk and probability of a pest or disease being found. We were disappointed the majority of plants for planting continue to remain at 100% inspection frequency.

The definition of 'final user' also has a direct bearing on the level of fees. The NFU believes that where imported plants for planting never leave a commercial premises (e.g. young plants for the greenhouse production of edible fruit) the business should be regarded as the final user of that plant material and the frequency of checks and fees should be the same as if those plants were going directly to retail. While

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the proposed flat rate fees overcome this issue, we would like this final user definition issue to be considered as part of the full fees review.

We believe that until such time when sufficient data and evidence is available to review the level of risk, a flat-rate inspection fee rate would lead to a fairer situation, while at the same time supporting British growers. Given the low margin business models many British growers operate, the result of being at a competitive disadvantage is significant. With an industry already under increasing pressure from inflationary input costs across many aspects (e.g. energy, packaging, fuel, fertiliser, labour shortages and wage inflation) the margins of British growers are becoming increasingly squeezed, impacting profitability. Flat rate fees will promote a level playing field and help ease the pressure on British growers' financial viability.

Ensuring a thriving domestic horticultural production industry will also deliver key benefits for the UK, in line with government ambitions, including

- Securing a reliable supply of healthy fresh produce and plants for the domestic market, supporting food security
- Ensuring the sector has the capacity to realise the opportunities of new and future Free Trade Agreements and other deals, such as the Indian Enhanced Trade Partnership which opened the Indian market to British apples and pears
- Meeting environmental and Net Zero targets such as supporting tree planting ambitions, ensuring environmentally friendly food production, and wider support for biodiversity
- Supporting the green recovery of the UK through economic opportunities, protecting the environment, and supporting the health of the nation through access to the natural world and healthy food.

Therefore, we believe that the switch to flat rate fees, where all imported plants for planting will be subject to the same fee regardless of intended use, represents a considerable improvement and introduces much needed fairness in the system.