

Open letter to retailers on the restocking of ornamental goods

Retail businesses and their supply chains deserve credit for responding quickly to close down non-essential retail as the nation adapts to a new normal under Covid-19 measures. The consumer response in your stores has been unprecedented and the rapid recovery of essential stock in stores is to be applauded.

You may be aware of the significant and immediate impact on the ornamental sector, which is as a result of a combination of freeing up food retail capacity, and the closure of garden centres and florists. These measures were of course essential measures by industry and Government in feeding the nation and protecting the public.

As we enter a new phase of lockdown and a new period of more stable retail food sales, we urge attention on ornamental supply chain that normally features in your stores. Plants, like fresh food are perishable products but have limited options to get to customers but their contribution to the economy; jobs and social wellbeing are significant.

The total value of the 2020 ornamental crop (flowers and bulbs, pot plants and hardy nursery stock) is estimated by the Horticultural Trades Association to be £1,405m. The Ornamental Horticulture Roundtable Group estimate that the ornamental horticulture and landscaping sector in the UK contributed £24.2 billion to national GDP in 2017, supporting 568,700 jobs and contributing £5.4 billion in tax revenues¹. This is in addition to the contributions the sector makes in terms natural capital, social, mental and physical wellbeing.

As garden centres close and retail orders cancelled, nurseries, and in turn their suppliers, will see a major loss of income, as plants perish and need to be scrapped. Plant stocks also represent a significant financial investment for these businesses (c. 50% of turnover), so if they need to be disposed of then this investment is also lost. Furthermore there is uncertainty around whether they will be paid for stock delivered earlier in the season. This all comes at a time when finances and overdrafts are already stretched due to the seasonal nature of the ornamental supply chain, with the majority of the income (80% of turnover) being made between March and May.

It is therefore clear that the financial impacts of the crisis on this sector will likely decimate the majority of growing businesses, from cut flowers to bulbs to bedding plants to hardy nursery stock, many of which are long standing family businesses which has existed for several generations. The HTA estimate that a third of ornamental businesses could fail, which will not only have serious impacts on the sector, but on the wider UK economy and society.

Growers are keen to find ways that they can mitigate the impacts themselves, such as exploring the option of online sales, taking steps to maintain long term existing stock and propagation operations. However without key retail outlets for live plants, cut flowers and seed, the majority of stock will perish and need to be scrapped, resulting in irrevocable damage to many of our growers.

Retailers have stepped up to the plate when the nation has asked them to for their food and we, as unsubsidised but long term partners in your supply chain, are asking for your help by reopening the usual stocking opportunities in your stores as soon as possible.

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¹ Oxford Economics "The Economic Impact of Ornamental Horticulture and Landscaping In The UK" October 2018