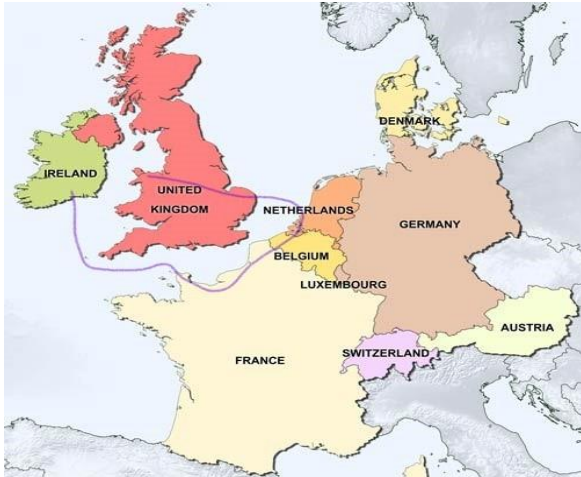


## Let Britain Grow! Case Studies

Neil Alcock, Managing Director at Seiont Nurseries (Wales)



*“We are based just 15 miles from the port at Holyhead but can no longer send deliveries to the island of Ireland by this route. Instead, we must export there via Holland. We are currently planning our next EU shipment, and it is still a nightmare - our only haulage route available at the moment is Harwich—Rotterdam—Dunkirk—Rosslare. Simply crazy.”*

Wales-based business must transport plants to Harwich to be shipped out to the Netherlands, through Belgium and France to then ship them into Ireland from Dunkirk through Rosslare. Haulage firms will not risk the delays caused by checks and inspections, meaning the three-hour crossing from Holyhead to Dublin is no longer an option.

Seiont Nurseries near Caernarfon is just one of the many UK horticulture businesses dealing with the impact EU Exit has had on international trade.

The nursery has been in business since 1978 and supplies 1.5 million plants to growers and plant finishers across the UK and Europe each year. Delivery services to EU countries account for as much as 18% of their annual turnover, but since EU Exit, the process has become arduous. It now requires time-consuming paperwork and significant inspection costs, which makes trade with EU customers less efficient and less profitable.

Trade with customers based in Northern Ireland and the Republic of Ireland is particularly difficult as transport companies will not take jobs to businesses based there, due to customs checks and potential delays.



Managing Director, Neil Alcock, said: “Our company supplies young plants across the UK and Europe, and we are currently experiencing incredible levels of demand. Our order books are full, and we want to guarantee our ability to fulfil them both now and in the future.

“We are based just 15 miles from the port at Holyhead but can no longer send deliveries to the island of Ireland by this route. Instead, we must export there via Holland. We are currently planning our next EU shipment, and it is still a nightmare - our only haulage route available at the moment is Harwich—Rotterdam—Dunkirk—Rosslare. Simply crazy.”

He estimates that the export process takes about three times longer now and can cost twice as much. On top of that, there are costs associated with compliance to new plant health regulations.

“As we work to reduce our reliance on peat, most of our products are grown in peat-free compost. This has to be heat treat verified and added to our certification by an inspector risking potential delays if flagged up by EU plant Health inspectors.

“We must also invest in the addition of impermeable layers to the areas of the nursery where we store plants, to avoid them coming into direct contact with the ground. Then there’s the cost of the inspections themselves. The cost of phytosanitary certification is now £127.60 for the visit +£25.52 for each certificate, which totals £153.12. With these costs we can no longer economically offer a weekly delivery service for smaller EU customers. We are instead shipping just once a month to try to reduce the unit costs with larger consignments.

“Transport costs to mainland Europe have nearly doubled from 100 euros for a single trolley to around 180-200 euros. For larger consignments, costs have increased by approximately 30%, this is making our products far less competitive to our export market and has led to a huge drop in demand.

“We have gone from frictionless trade to tradeless friction. A relaxation of the requirements for very time-consuming paperwork and the significant costs of inspections, which we expect to increase, would make exporting to our European customers more efficient and profitable. With the government committed to building back a greener economy as the country recovers from the pandemic, it seems obvious that support of UK horticultural businesses could play a part in the successful realisation of that.”

Jonathan Whittemore, Head of Production and Procurement  
Johnsons of Whixley (North Yorkshire)



*“I have never known a period where our business has been subject to such huge cost increases over such a short period of time.”*

Jonathan Whittemore is Head of Production and Procurement at Johnsons of Whixley, a three-generation family nursery in North Yorkshire. Johnsons has been in business for 100 years and is one of the largest nursery businesses in the country. Throughout their century of

experience in the horticulture industry, there’s no doubt that Johnson’s has seen changes to trade before. Still, the new regulations that have been put in place since Britain’s EU Exit present challenges that have Jonathan and his team feeling frustrated and worried for the industry. He said:

“One of the biggest issues Johnsons has had as a business in terms of dealing with Brexit is that there has been no opportunity to test systems before we are required to use them and in almost every case there has been no definitive guidance on what we need to do in practical terms to get a lorry on a boat or get plants through customs for example. We have had to do all the legwork ourselves and hope all will ultimately be OK.”

One of the systems Jonathan was referencing was the Import of products, animals, food and feed system, also known as IPAFFS. Businesses will be expected to use this to pre-notify Defra of their intention to import goods to the UK. He described his experience so far with the system:

“Johnsons first had view of the IPAFFS system in December last year, and the feedback we gave to the developer was that the system was unusable in terms of how we trade (multiple commodity codes from multiple suppliers) as it would require hundreds of entries every day.”



With the launch of IPAFFs delayed for the third time, businesses across the UK are using another pre-existing system in its place. PEACH (Procedure for Electronic Application for Certificates) which, for Johnsons, was something else staff had to learn.

Jonathan said: “Before the end of the transition period the industry was asking Defra to suspend any prenotification requirements until IPAFFS was ready so that rather than having to deal with learning, understanding and using PEACH and then six months later having to go through the same process again we would just have to do it once. Frustratingly, this request was ignored, but we’ve got on and done what needed to be done.

“Our intention was that PEACH entries would be made by our customs agent. After days of failing, they came to us to say they couldn’t make it work commercially and they would not be able to help us, therefore we had to do it inhouse. We’ve trained staff in using PEACH and it works OK for us it is a huge amount of manual administration and we have had to employ an additional person to account for it.

“This adds to the already huge burden on businesses. The one light at the end of the tunnel is the opportunity to upload information in bulk, or even better to make use of the e-phyto system so that data can be transferred automatically, but this functionality is still not available, resulting in the (already huge) Brexit related bureaucratic burden on businesses increasing, and the Brexit associated costs increasing. I have never known a period where our business has been subject to such huge cost increases over such a short period of time. “

When asked what the cost of hiring the additional employees would be, Jonathan estimated roughly £50,000 - a hefty sum when added to other import related costs.

On top of the inconvenience and financial strain businesses are dealing with due to these new systems and regulations, they have also been faced with new challenges in trading with Northern Ireland. Jonathan said: “Customers that we have in Northern Ireland are trading much less with Great Britain and are buying plants directly from the EU because they can do that unfettered. It’s much easier for them to do that in many cases than it is to get them from us in North Yorkshire.”

While it is still uncertain what the full implications of EU Exit will be for horticultural businesses, it’s clear that Johnsons and many others are frustrated at the obstacles placed in the way of trade; a common-sense approach to plant health regulations would solve this problem.



**Michiel Van Veen, Director of Supply Chain & Business Innovation at Royal Lemkes (Netherlands)**

*“If I need to get specific a plant brought in from Denmark to ship to the UK then the supplier in Denmark needs to hire an inspector to inspect the plants. Then we must get it inspected when it arrives here in the Netherlands before shipping to the UK where it will be inspected again. That’s three inspectors to inspect a plant that might cost two euros. For every inspector, you have to pay them per hour”.*

Royal Lemkes is a 130-year-old Dutch firm who supply large retailers including IKEA, ALDI and Kingfisher with high quality finished plants ready for sale to customers across 35 countries, including the UK.

Michiel Van Veen, Director of Supply Chain & Business Innovation, described trading with the UK after EU Exit as “a complete other planet”. He recalled how before the EU Exit, if you wanted to put an order in with a grower you would simply place the order and they would ship it overnight. Your transaction would be complete by the next day.



Now, this process has become much more complex. For example, he said: “If I need to get specific a plant brought in from Denmark to ship to the UK then the supplier in Denmark needs to hire an inspector to inspect the plants. Then we must get it inspected when it arrives here in the Netherlands before shipping to the UK where it will be inspected again. That’s three inspectors to inspect a plant that might cost two euros. For every inspector, you have to pay them per hour”.

The inefficiency of this process has caused additional costs, and extra work that can be frustrating for businesses to manage. One of Michiel’s suggestions to improve the process was to digitize documentation methods throughout the supply chain. Currently, every inspection is done on

paper, with hard copies required for each step. By digitizing these documents, the process would become faster, cheaper and more environmentally friendly.

Another issue he wants re-evaluated is the requirement of multiple inspections, “We need to create an agreement of mutual recognition of other countries’ inspections. Having to recheck and go through the tedious paperwork and inspection process creates delays. Eliminating this would prevent waiting times in the supply chain and minimise costs.”

### Tim Ravelingien, business analyst at Floreac (Netherlands & Belgium)

*“The customs procedure is more administrative and has caused delays. We have had to plan for one extra day in delivering to clients.”*



Floreac is a family business with branches in Belgium and The Netherlands. The company buys plants from across Europe and ships worldwide. The United Kingdom is one of the top countries it exports to, but the process has become more challenging since Britain’s EU Exit. Project Manager/Business Analyst for Floreac, Tim Ravelingien, described the changes in trade with the UK, saying: “Trade has been much more difficult for us. It was very difficult to get all the information as a lot of it was only available at the last moment and things kept changing.”

Gathering information on the new trade requirements was difficult and implementing it required more capacity than the Floreac team had. Like many businesses in both the UK and the EU, Floreac ended up hiring additional staff to handle the extra work associated with post-Brexit trade. According to Tim, “The customs procedure is more administrative and has caused delays. We have had to plan for one extra day in delivering to clients.”



Delays are not only inconvenient, they are also harmful to many of the plants. An extra day in transit means an extra day that plants are sat on a trolley without water. For flowers such as lavenders, a day without water can mean wilting and being in worse condition when it arrives to the clients.

As well as these time costs, businesses like Floreac are having to account for extra financial costs when trading with the UK. Additional fees and documentation add up, and Tim estimates a 5-10% increase in price for exporting to the UK.

In response to the proposed Plant Health Agreement, Tim said, “Anything we can do to make the process cheaper and more efficient would be good”.

## About the HTA

The Horticultural Trades Association (HTA) is the trade association for the UK garden industry, representing commercial growers, manufacturers, garden centres and domestic landscapers. For over 100 years the HTA has promoted the interests of its members and the industry at large. To the membership, HTA provides a vital forum for identifying and dealing with key garden industry issues and opportunities, represents industry views and is its voice in the media.

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