

Joint UK and EU Environmental Horticulture Industry Open Letter on Cross-Border Trade Costs & Impacts

On April 30, the procedure for importing plants, plant products and flowers into the UK shifted overnight. On 30 June, two months in, the costs, damages, delays and challenges of this change are coming to the fore daily. Across the industry, we are hearing deep concerns about the detrimental impact of the UK's border policy on horticulture and increasing questions on how the current pragmatic approach currently employed at the border becomes a proper approach that balances biosecurity, efficiency and cost-effectiveness.

Whilst the election causes a policy pause, as associations representing the full supply chain, we ask that whoever wins at the ballot box engages in solutions immediately and urgently with the Horticultural industry. An industry that supports many jobs, delivers green growth and is vital to the 30 million UK gardeners. As a sector comprising mostly SMEs but also supplying larger retailers, who are subject to weather impacts, labour constraints and other input cost hikes, the impacts of border changes are hitting harder and with greater impact.

Together, we ask for engagement and action on costs, systems, data, and plans—essential for any future business planning. Other issues, such as driver facilities at ports, must also be addressed to ensure the UK remains a viable and attractive trading route.

Costs

Cost increases occur throughout the import journey and directly impact consumer prices and businesses' ability to invest. We estimate a cost increase in excess of 25%. The cost hikes are due to increased application times, longer journey times, increased stock damage, increased port costs, and increased check costs. The costs and risks are exacerbated for those who import lower volumes and use 'groupage'. Furthermore, without the government's own Common User Charge being invoiced for at least another month, some risk facing significant cash flow challenges.

Example A - Costs: A small business orders from an EU supplier a single pallet or trolley of plants that cannot be produced in the UK. These plants form the backbone of the UK horticulture production sector. While the consignment value is relatively low, the plants are extremely important to the grower, with several varieties being included on each pallet or trolley. There are many such consignments on the lorry, and each one is charged the full £145 Common User Charge (CUC) for using a government-run Border Control Post (BCP). This means that a low-value consignment attracts the highest charge. With several similar consignments on one lorry (i.e. groupage), there could be several maximum CUC charges for that lorry. If there were 12, for example, this would total £1740 CUC for that lorry alone, risking this trade as unviable.

Example B - Costs: One haulier in the first week of BCP operations had 25 trucks inspected, meaning drivers were waiting a total of 93 hours over one week, costing their company over

£38,000 in extra costs. That same company is now projecting costs, based on the current (low) inspection rate, to amount to £1.5million over a 12-month period, representing a 25% increase in logistics costs. Drivers are now unwilling to bring goods across the border due to long hours spent waiting on docksides and poor driver welfare. Welfare should be addressed at all ports, as welfare facilities are inadequate and vary according to port. While it is noted that facilities were intentionally limited as BCPs are meant to facilitate fast inspections, this is not the case. It is inhumane to expect drivers not to have access to their cabs, proper washing facilities or food / hot drinks in cases when wait times regularly exceed 10 hours and have even stretched to 48 hours+ at some locations.

Systems & communications

The increased administrative and resource burden of completing applications and manually checking the status of goods does not meet modern business or border operation standards; it just adds cost, time and frustration. Multiple IT system challenges have directly or indirectly impacted businesses importing plants and plant products. With different information accessible to different parties and different government bodies throughout the process of importing, there is confusion, inefficiency and cost.

Example A – systems & communications: No single entity has an overview of where a consignment is in its journey across the border and why it might be ‘held’. This is particularly true when on port. Recently, a haulier sent drivers to collect three trailers of plants destined for retail from a port as they were cleared for collection. However, when the drivers arrived to collect the loads it had subsequently been decided to take the goods off the lorry and place them on hold after the goods had already landed. The third-party software used by the haulier (a system called Destin8) was not showing any hold, nor was the APHA system which showed them as ‘cleared’. The trailers were still in port 44 hours later as no one had a complete overview of what was happening to the trailers, with the ferry operator, APHA and the customs agent all showing no issues with the trailer, whilst the port authorities had been told to hold it. It transpired that it was APHA testing for a particular insect, the results of which took so long to return that the many plants on board the trailers had died, rotted off or wilted. The plants were all rejected, although APHA eventually released the loads as the pest was deemed not quarantined. The port operator managing the BCP was uncontactable at the critical time (not operating 24 hours). So, the haulier & agent knew nothing about what was happening to the plants, which were not cared for.

Example B – Systems & communications: A haulier may know before sailing that their cargo consignments have been selected for an SPS (Sanitary Phytosanitary) inspection. However, there is no automatic notification to say if the consignment is then released from that SPS hold. The system relies entirely on the pre-notifier (who is likely not the haulier and certainly not the driver) to manually check the system to see if the hold has been released. The pre-notifier is highly unlikely to know the driver's contact details, so there needs to be a manual process of contacting the driver to let them know they do not need to report for a check. Current driver messaging services do not show SPS holds unless that driver is specifically entered into IPAFFS as a contact for that particular consignment. There is a high potential for drivers to either be kept waiting or to miss the BCP entirely.

Data & risk

The risk-based and effective operation of the Border Target Operating Model is the right ambition and is driven by data. The reality is that businesses do not have access to the data or details on the inspection levels, details of inspections, and information to inform their commercial decisions. Without such data, it is impossible to plan, estimate costs, agree on contractual terms, or know how biosecure operations are. Furthermore, the risk categorisation needs complete and urgent review, especially cut flowers which should be reviewed and lowered.

Example A – Data & risk: A UK nursery business that imports significant volumes of EU stock to supplement their own grown plants has stated that the jeopardy is only increasing in terms of plant health risk. There is a lower level of scrutiny at BCPs than at PODs (Place of Destination – the scheme in place previous to BCPs). Whilst loads are being inspected at BCPs, many are ‘observed’ rather than intensely scrutinised, and this will not pick up on issues that may exist. The safety net has been removed with the move from PODs to BCPs, resulting in splitting the combined strengths of the experts on the nursery, knowing their plants and the experts at APHA, knowing their pests and diseases - this can only be detrimental to biosecurity. We also lose the tacit knowledge transfer from one team to the other. At this stage, it is clear that the move to BCPs has created an unhelpful gulf between nursery and plant health authorities.

*Example B – data & risk: A load of 50 mature olive trees arrived at a BCP; three were unloaded with difficulty, so the inspection was stopped, and the load was released to the destination due to the time and difficulty of checking. Olive trees are a well-known host for *Xylella fastidiosa*, a very high-risk and damaging bacterial disease. The end customer would have expected and paid for the at-border check, and while not a quality control check, would have paid all the costs associated with the BCP operation. Yet the business received no information about what had happened and why, nor was it aware that those trees had an incomplete check.*

Future plans – where next?

‘Where next?’ applies in all aspects of the border changes. What are the inspection levels, and when will we see them near target? Urgent action on the immediate operational issues and urgency of action on longer-term challenges are needed, which must not be delayed. As a seasonal industry, the peak movement of large trees and rootballs, for example, is just a couple of months away. We need a plan to retrofit or expedite alternatives to at-border checks, where infrastructure is not fit for purpose. We need to see Control Point and Authorised Operator Status (or other such trusted-trader schemes) achievable and accessible sooner and to more smaller businesses with less financially onerous conditions.

Example A – where next?: There are issues with the practical aspects of unloading some types of plants, such as large trees and ‘loose loaded’ plants. Many are loaded in a way that makes it difficult to unload and reload again without either damaging the products or taking hours to reload them. There is little to no equipment at any BCP that can successfully unload these types of materials promptly and efficiently. We are yet to see a plan to address this issue. There is no space around vehicles in drive-in bays for the equipment to unload large trees or goods, and inspectors are not permitted to go onto the vehicle, limiting

inspection ability. Only port employees are allowed onto lorries. These restrictive practices make the whole process inefficient.

Example B – where next?: There is currently insufficient space in a BCP to accommodate a full turn out (unload) of goods from a trailer when another trailer also requires turnout. There is no space to place all the goods in the turnout hall safely, and the potential for mixing up loads and cross-contamination is high. This also means that the throughput of goods will always be restricted. When a ferry docks and all the trucks disembark, trucks selected for inspection will need to queue up for their inspection. They must be rapidly processed through the BCP to avoid over long wait times and plant deterioration. Yet, inspections must be done to the highest standards, and biosecurity must always be maintained.

The UK has a unique border with the EU in terms of trading plants and plant products. Nowhere else in the world is there a border that sees such a volume of plants and plant products traded between countries that do not have a form of Sanitary and Phytosanitary (SPS) arrangement, recognition, or agreement. The consequences of this and the UK border changes are critical to UK environmental horticulture and its supply chains, the economy, and thriving UK gardens and green spaces. We call for urgent constructive dialogue and action.

Sincerely,



James Barnes, Chairman, Horticultural Trades Association UK



Tim van Hulle, President, ENA (European Nurserystock Association)



Mark Jan Terwindt, Managing Director, Royal Anthos (Dutch Association for Nursery Stock and Flower Bulbs)



Vereniging van
Bloemenveilingen in Nederland

Stefanie Miltenburg, Secretary General, Dutch Flower Auctions Association (VBN)



Matthijs Mesken, Director, VGB (Dutch Association of Wholesalers in Floricultural Products)



Sylvie Mamias, Secretary General, Union Fleurs



Elisabeth Post, President, Transport en Logistiek Nederland (TLN)
- Dutch Transport & Logistics Association