

The fruit industry in the UK

– facing Brexit

A brief report for
EUFRIN 2020



Brexit: negotiating a trade deal between the EU and UK

The UK left the EU in January 2020 and we are now in an 11 month transition period. The UK and the EU are negotiating a trade agreement to start on 1 January 2021.

Any trade agreement will aim to eliminate tariffs and reduce other trade barriers coming into force.

The UK and the EU currently share the same rules in areas such as workers' rights, competition and environmental policy. The UK government is seeking freedom to move away from these rules. Access to fishing has also proved to be a major sticking point.

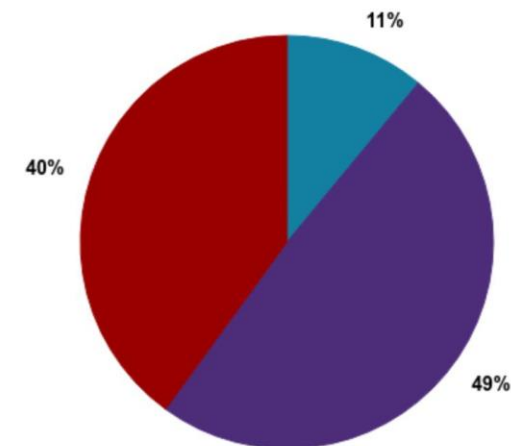
If a deal is not reached, the UK faces the prospect of trading with the EU under basic rules set by the World Trade Organization (WTO).

“Experts” put probability of a deal ranging from 40 – 70%

Where does the UK trade?

% of total UK trade in 2018

■ Countries with EU trade agreements ■ The EU ■ Rest of the world



Japan, Singapore and Vietnam are included in the "rest of the world" as their EU trade deals had not come into force in 2018

Source: Department for International Trade

Brexit disruption likely

Even if a trade deal is agreed, it will not eliminate all new border checks, because the EU requires certain goods (such as food) from non-EU countries to be checked. So businesses need to prepare.

If a deal is not reached tariffs will be applied to most goods which UK businesses send to the EU. There will be full border checks for goods, which could cause traffic bottlenecks at ports and lead to significant delays.

There are concerns about some border delays even if a deal is reached

In Kent (South East England), with the channel tunnel and several ports we are expecting major congestion



Impact of Brexit on the UK agricultural work force

UK horticulture is very dependent on migrant labour.
It is still not clear whether UK will accept the principle of free movement of labour
The majority of our seasonal labour is from EU countries

Depending on the trade agreement reached between the EU and the UK, it may be that free movement of labour remains beyond Brexit. However, given that control of immigration was a major focus of the Leave Campaign, it would seem unlikely that this option would be politically viable.

To mitigate labour shortages, a long-term focus is on increasing automation – but not clear whether we can do this in time, and in a time of uncertainty capital investment is difficult.



Will UK researchers be able to join EU projects

UK is negotiating to associate fully in Horizon Europe.
If there is a gap before agreement the UK will provide funding to UK partners successful in bidding as a third country

UK will pursue strategic opportunities to strengthen research and innovation relationships with individual European nations

UK Research and Development Roadmap

increasing UK investment in R&D to 2.4% of GDP by 2027

(currently about 1.6%)

increase public funding for R&D to £22 billion per year by 2024 to 2025



Some good news!



A consortium led by NIAB EMR and involving the University of Greenwich has won £18M UKRI funding to develop a world-class research, innovation and enterprise cluster supporting growth in technology-driven horticulture, fresh produce packaging, food and drink processing and its supply chains.

Growing Kent & Medway (GK&M)

An innovation cluster for Britain's horticulture, food and drink industries to deliver competitive edge

Inclusive innovation-led growth | Investment in flagship infrastructure | Industry-led collaborative R&D

Vision: Create £39.3M annual GVA by 2030 via uplift of Kent and Medway economy through transformative innovation

- Build research and innovation (R&I) infrastructures
- Investment in industry-led collaborative R&D
- Create new knowledge, innovations and technologies
- Workforce 2030 framework for skills & capabilities development

Objective: Establish Kent and Medway as a world leader for resilient, climate-smart food innovation & advanced horticulture

- Provide access of the state-of-art research facilities to business
- Build food innovation ecosystem via collaborative R&I
- Stimulate commercialization of research to leverage KEF
- Improve links between business, researchers and skill bases

Collaborative consortium:

3 academia, 9 companies & 2 civic bodies



Research and Innovation facilities:

- Food Innovation laboratory
- GreenTech hub for advanced horticulture
- Industrial biotechnology hub
- Produce quality centre

Support for business:

1. £5M for industry-led projects
2. Food innovation ecosystem
3. Accelerator programme
4. 1-2-1 mentoring via expert support
5. Pilot skills hub