

NEWS RELEASE



3 July 2018

UK agrisupply businesses looking outside the UK due to Brexit uncertainties

With so much uncertainty surrounding what Brexit means, UK agribusinesses are already moving operations out of Britain and others are taking irreversible decisions on business location and investment, a workshop organised in London by the Agri-Brexit Coalition heard recently.

Speakers were drawn from across the sectors represented by the Coalition members including machinery, animal health, crop protection, fertiliser, seed breeding and grain and feed trading. For some, plans to expand from a UK base into the EU27 had been put on hold; others were looking or had taken decisions to create operational hubs for manufacturing and/or logistics inside the EU-27. Such moves would simplify operations for components or finished goods.

Despite the diversity of speakers, ranging from established UK family firms to multi-national animal health and crop protection companies, the plea was the same for certainty on issues of trade and regulation.

Many of the sectors have complex supply chains, for instance vegetable seed can cross national boundaries several times as a variety is developed and then multiplied up for sale. Customs delays and tariffs would undermine this sector. However, the biggest headache would be the need for thousands of phytosanitary certificates which at present are not required in the single market.

In crop protection, a move from a hazard to risk-based approach would be welcome. However, for growers looking to export produce to the EU, the European approvals system would likely take priority. Both crop protection and animal health businesses highlighted the complexity of product labelling that Brexit may bring and the extra investment needed is unlikely to be justified for niche crops or health issues.

Talk of liberal trade regimes is a double-edged sword for some businesses. Whilst it may open up other markets, it would also expose the UK to the potential of product dumping – putting both UK standards and business at risk. To lobby against unfair trade a Manufacturing Trade Remedies Alliance has been formed which includes UK-based fertiliser industries.

Regardless of the goods or services supplied, the whole agrisupply industry depends on a sustainable UK agriculture. The uncertainty of how farming fortunes may fare adds to the overall uncertainty. The potential for improved traceability and quality produce undoubtedly exists, but policy makers need to be careful of unintended consequences as they devise legislation going forward.

“Time and again speakers spoke of the frustrations at the lack of clarity on government’s plans. As Brexit rapidly approaches, the agribusiness and agrisupply industries need guidance on the future trading environment they will face,” said Ruth Bailey, Chief Executive of the Agricultural Engineers Association who organised the event on behalf of the Agri-Brexit Coalition.

“Despite all the challenges, there is still plenty of optimism amongst the supply industries. Everyone will still be in business on day zero and well-beyond. There are opportunities, which agribusiness is keen to grasp with innovative products, technology and services.

“We hope that the workshop was a wake-up call for the government officials who attended and gave them an insight into the complexity of issues that businesses need resolving.”

ENDS

Issued by:

Geoff Dodgson on behalf of the Agri-Brexit Coalition 07710 379561
geoff@dodgson.info

NOTES FOR EDITORS

- The **Agricultural Engineers Association** is a trade association representing manufacturers and importers of agricultural machinery and outdoor equipment (horticulture, professional and leisure grass care, and forestry).

- The **Agricultural Industries Confederation (AIC)** has over 260 Members in the agri-supply trade and represents £8.0 billion turnover at farmgate. It represents a number of sectors within the agrisupply sector including: Animal Feed; Crop Protection and Agronomy; Fertilisers; Grain and Oilseeds; Seed.
- The **British Society of Plant Breeders (BSPB)** represents the companies breeding and marketing agricultural and horticultural crop varieties in the UK. BSPB is the plant breeding industry's licensing and royalty collection agency, organises statutory and non-statutory crop variety trials and represents the broad interests of its members to support them in their delivery of plant breeding innovation.
- The **Central Association of Agricultural Valuers (CAAV)** is a specialist professional body representing, qualifying and briefing over 2700 members practising in a diverse range of agricultural and rural work throughout England, Wales, Scotland and Northern Ireland.
- The **Crop Protection Association (CPA)** is a key voice of the UK Plant Science Industry. We promote the role of modern plant science in safeguarding our food supply from seed to shelf. Our members are involved in the development and manufacture of a wide range of plant science technologies which are of crucial importance to the cultivation and protection of food crops, protecting our gardens, woodlands, infrastructure and public places
- The **Grain and Feed Trade Association (GAFTA)** is an international trade association with over 1500 members in 89 countries. Our aim is to promote international trade in agricultural commodities, spices and general produce, and to protect our members' interests worldwide.
- The **National Association of Agricultural Contractors (NAAC)** represents contractors in the UK who supply all types of land-based services to farmers, government, local authorities, sports and recreational facilities.
- **The National Office of Animal Health (NOAH)** represents the UK animal medicines industry. Its aim is to promote the benefits of safe, effective, quality medicines for the health and welfare of all animals.