

C19 Horticulture Summit Results from edible producers in Wales April 2020

1. Introduction

This report presents findings from consultation with fruit and vegetable growers in Wales regarding their immediate experiences of and responses to the Covid 19 (C19) crisis.

A short survey asking about effects of C19 on fruit and vegetable growers was circulated to Tyfu Cymru's relevant contacts (approx. 150) and via social media. This received **34 valid responses** during the 12 days it was live (27.03.20-06.04.20). Respondents are from around Wales including a range of business types and sizes. In addition an online video call was held on 2 April to allow growers and others to discuss their experiences and highlight the support they need. The results of the survey are supplemented here with themes from this discussion.

The Survey and Summit were coordinated by: Dr Hannah Pitt (Cardiff University), Dr Amber Wheeler (Food Foundation), Katie Palmer (Food Sense Wales), Sarah Gould (Tyfu Cymru). For more information contact: pitth2@cf.ac.uk

Summary of Findings

- Most growers experienced sudden and dramatic increases in demand for their produce. These have continued beyond an initial phase of panic buying.
- Despite the sudden loss of usual trading routes growers have not been generating surplus. Producers responded quickly to find alternative sales routes, with many diverting from catering trade to home deliveries.
- Growers are experiencing strains on workload and capacity due to the combination of worker unavailability and pressures from additional or unfamiliar tasks.
- There is a clear willingness and potential to increase fruit and vegetable production in Wales. However, most growers lack the resources to achieve this, particularly at short notice.
- The sector is currently demonstrating its value as a supplier of fresh produce to Welsh consumers. With appropriate support this could become continued growth.

2. Fruit and Vegetable Production

Growers were asked if they are maintaining typical production levels. 66% said they are currently able to supply their normal level of produce for the time of year. For those not able to produce at expected levels the reasons given were:

- Staff sickness / labour availability (1)
- Social distancing in operations (1)
- Shortage of supplies / materials (1)

Others specified sales related factors such as cancelled shows or markets being cancelled, or loss of catering trade rather than limits to crop production.

Asked if they planned to **change production** in response to the crisis 73% said they do. The changes planned are:

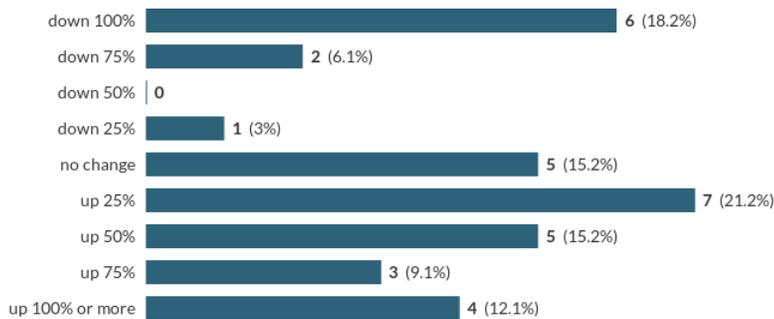
- introducing new direct sales, particularly box schemes (13 growers)
- increasing planting / production (10 growers)

- changing crops or varieties grown (8 growers)
- introduce some processing / alternative products (3 growers)
- reducing production / processing (1 grower)
- online marketing (1 grower).

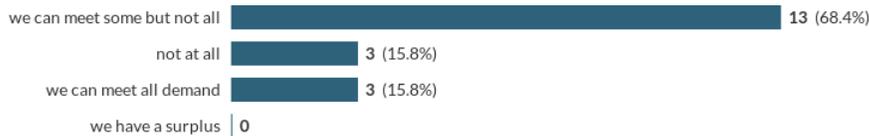
No growers suggested they would be downscaling crop production.

3. Demand

Growers were asked to report changes in levels of demand for their produce based on expected patterns for the time of year. 27% reported decreased demand, 58% experienced increased demand, with 15% reporting no change:



Of those experiencing increased demand, most were able to meet some but not all of this:



Those who did initially experience dramatic **loss of demand** tend to be supplying catering trade, or selling through local markets or farm shops which have ceased trading. Many have been able to adjust their supply chain in order to keep selling their produce, hence no reported surplus of produce.

Some who had experienced significant **increase in demand** noted that this had been most intense during a phase of 'panic buying' but had since settled to around 20% additional demand.

Several respondents were optimistic that current **patterns of consumption** may endure, resulting in continued high demand for Welsh-produce. They noted that local retail outlets have been favourably perceived during the crisis, and that this may be to their advantages (e.g. being known and trusted). However, there was also some concern about the unpredictability of consumer habits:

We won't know if this unprecedented demand will continue once the supermarkets are back up to speed when lockdown restrictions are relaxed.

Uncertainty in consumer trends makes it difficult to plan ahead or produce appropriate amounts given the **long lead-in** time required for most crops. During the Summit growers noted that they cannot quickly increase production due to sowing and planting cycles, and that this limits their capacity to meet demand. However, many were optimistic that current surges in demand and changes to consumption will be positive for Welsh growers in the medium to long term.

During the Summit the latest situation regarding distribution of **emergency food aid** was explained, prompting discussion of how growers might support or connect with this. Local mutual aid groups were suggested as one avenue to facilitate this. It was noted that if support moves to voucher schemes this will need to include a range of retailers to avoid supporting just supermarkets and their supply chains.

4. Impact of the crisis

Growers were asked to state how the situation is affecting their business. The key issues highlighted can be categorised as follows:

- Needing to adjust **routes to market** (16 growers) - and supply chains as outlets closed, or on-site customers were lost. Many who have lost regular custom have switched to direct home deliveries through box schemes, or have increased the capacity of existing schemes. This was noted to create additional workload such as handling customer queries or establishing appropriate administrative systems, and to create additional costs such as fuel.
- Loss of **customer base** (13 growers) - some growers were wholly reliant on supplying catering or other wholesale custom which has disappeared. Closure of other outlets such as farmers markets and farm shops has also had an impact. Many have been able to find alternative ways to sell produce, but there is concern that once the hungry gap passes it may prove harder to sell all that is produced.
- Increased **workload** (10 growers) - because of staff absence, illness, or self-isolation, loss of volunteers or because of additional demand and other pressures on administrative capacity. In some cases, businesses were addressing this by staff/owners working additional hours. The largest company had taken on 25 additional staff to increase capacity. Others were expecting pressures to increase as the season progresses beyond the hungry gap, and long-term volunteers are unavailable.

Other impacts noted included difficulty **sourcing supplies** such as compost or seeds, whilst others were concerned that produce **bought-in or imported** to top up box schemes may become hard to source. Another impact was heightened levels of **uncertainty** which make it difficult to predict demand, or know how to plan planting and production levels. Growers with a community dimension noted they are currently unable to fulfil **social support** functions such as hosting groups or volunteers.

5. Challenges for the season ahead

Each respondent was able to state up to three challenges they expect to face for the remainder of the growing season. The most cited issues (15 growers) relate to the **supply chain** – either sourcing inputs (seeds, compost, packaging) or getting products to customers. This includes uncertainty of being able to secure supplies of produce to supplement own-grown in order to meet demand. A related aspect was challenges around managing new ways of selling, and lack of certainty about how consumption patterns will evolve.

The next prominent set of challenges relate to **labour availability** (13 growers). Multiple factors are affecting workforce capacity: illness, social isolation, unavailability of overseas volunteers. This is confounded by increased workload created by increased demand or administrative work to support new customer systems.

Lack of certainty about the **supply chain** was commonly noted to result in challenges of planning appropriate levels of production (9 growers). Forecasting demand accurately is required to plan appropriate levels of planting and staffing. But rapid changes in demand and retail patterns has upset business planning:

Uncertainty - when do we start planting again so that we have a full stock of products for when lockdown restrictions end? We need a lead in time.

Some businesses were unsure whether to invest in new infrastructure or expanded production based on current demand given that this is not guaranteed.

A related issue is the challenge of inadequate cash flow or capital to invest in expansion or other business costs. These and other **financial pressures** were noted by 7 growers, including those who have suffered loss of demand and associated income. Some noted increased costs such as fuel for making deliveries.

The final area of immediate challenges relate to concern with **health and safety** at production and processing sites (6 growers). This includes managing staff illness, and maintaining social distancing. This is closely related to workforce pressures, as adhering to social isolation requirements for those experiencing C19 symptoms takes some staff out of circulation.

In addition to issues related to the current crisis some respondents noted **ongoing challenges** which continue to impact them. These included planning rules, lack of land to expand production, and various factors which affect plant crops (weather, drought etc.).

6. Support needs

Growers were asked to suggest up to three forms of external support most useful for the remainder of this growing season. The most commonly reported need was for **financial assistance** (14 Growers). This included requests for financial support to meet increased costs or expansion opportunities, for example to create new polytunnels or take on more land. For others, financial support is required to offset lost income, or increased costs. Some growers were aware that Government grants may be available but needed access to better information on what support is available from. During the Summit growers were reminded that those with a farm holding number can access capital grants from Welsh government.

One grower highlighted the need to ensure that financial support targets medium-term impact:
Make sure that grant and support schemes do not stop, so Welsh businesses are well placed to take advantage of the re-localisation of supply chains that will inevitably take place after this crisis. Economic recovery will be key and we will shortly have time to plan for that.

Other respondents highlighted ongoing investments which would help **increase production capacity** in Wales. These included supporting growers to acquire land and investment in horticultural training. Some expressed a sense that current farm schemes do not favour small growers, with consensus that these could be adjusted to better support Welsh horticulture. Discussion during the Summit emphasised the need for **capital investment in horticulture**, both to support land acquisition and to provide the infrastructure to support increased production.

The next most prominent type of request was for provision of **advice, guidance and specialist expertise** (10 growers). Needs identified included those for support with advice specific to horticultural production (e.g. crop planning, irrigation). Adapting to new supply chains and sales

systems created other needs, for example with online sales or safe packing practices. Some requests related specifically to conditions created by covid-19, such as advice on safe working practices.

During the Summit it was noted that many growers have had to rapidly introduce new sales practices, and that sharing **good practice** on running box schemes and associated logistics would be helpful. Growers' attention was also drawn to resources, training and support available from Tyfu Cymru and Farming Connect.

The third area of support needs related to **capacity building** and the need for additional workforce in order to produce more and manage other pressures (6 growers). Some growers simply stated a need for staff or volunteers. Others specified skillsets they need:

people that can build our capacity (IT skills etc.)

It was also noted Government support packages to businesses and employers affected by C19 could reduce labour availability by removing incentives to enter temporary work.

The final area of support requested relate to enhancing **information flows**, either between supply chain actors or from producers to customers. There were calls for marketing campaigns to promote local food, and inform the public of how to purchase Welsh produce. Some requested online directories of horticultural suppliers currently operating. Better information flows between government, producers and other actors were also requested. One Summit participant highlighted a Bristol based initiative to promote local food which could be replicated (<https://supportbristolfood.co.uk/>).

7. Enabling expanded production

Discussion during the Summit confirmed the support needs identified by the survey. The key message participants agreed was that **Welsh Government should support horticultural producers, including small-scale growers**. This was not wholly specific to the current crisis, rather a plea to recognise the value of these growers, at a time when their role is particularly prominent.

Support which could quickly expand production in Wales was suggested:

- **Grants** to enable new entrants to set up their enterprise.
- Services to **match available farmland to growers** seeking new or expanded production sites.
- Online **skill-share** networks or matching services.
- A **Welsh marketing campaign** to promote local produce.
- **Coordination** between growers and supply chain actors to allow complementary growing plans.
- **Distribution hubs** similar to Open Food Networks.
- Coordination to promote **resource matching** and equipment sharing.

Some initiatives are already in place, including Land Workers Alliance work to compile information on trained growers ready to establish new production subject to site and capital availability.

Some solutions which were suggested might be more suited to **medium to long term** investment in the sector rather than as immediate crisis responses. These include support for traineeships or apprenticeships to enable more people to become producers, and changing

planning controls to allow growers to live on site. Controlled environment agriculture was also noted as a potential growth area

Participants noted an additional area which could be supported: enabling people to **grow food at home**, including in urban areas. Access to supplies to allow this was noted as a problem at present. Ongoing work to promote allotment provision was noted as continuing to this activity beyond the current upturn in interest.

A key theme of discussions was that the current surge in demand for Welsh-grown produce is a huge opportunity, which will ideally be converted into continued custom and support, **longer term**. As one participant put it:

now is the time for Welsh Government to incentivise Welsh Farmers and for growers to work together in order to scale up production.

8. Key messages

Consensus emerging from the Summit centred on the following key issues requiring attention and action nationally:

1. The need for investment and capital support for horticultural producers.
2. The importance of enhancing skills and providing training in food growing.
3. The value of consumer campaigns to promote local produce.
4. The potential of cooperation between growers and coordination across the supply chain to enhance efficiency and enable expansion.
5. The importance of understanding consumption trends in order to plan effectively.
6. The need to address ongoing barriers which inhibit scaling up of Welsh production.

Participants in the Summit expressed a wish to maintain this form of contact, and for continuing work to coordinate a vision for horticulture in Wales.

