

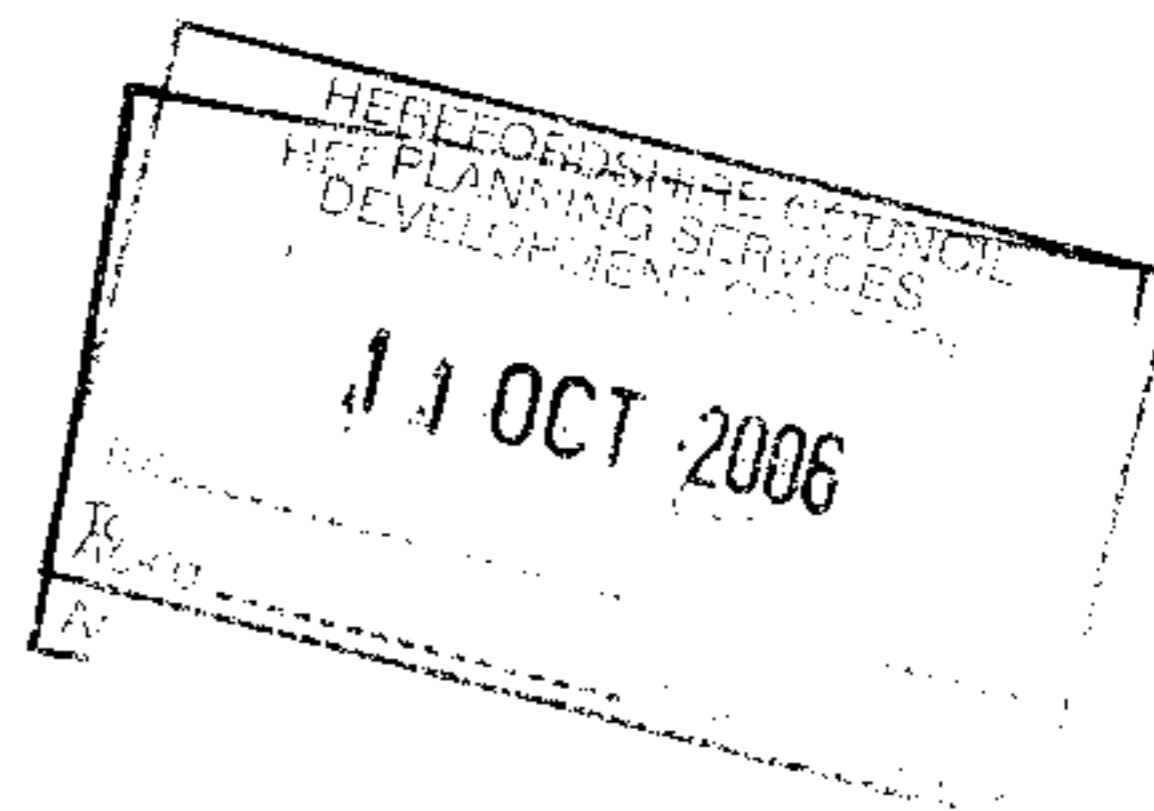
SE06/3267/F

**TOWN & COUNTRY
PLANNING ACT 1990 (AS
AMENDED)**

**PLANNING APPLICATION:
ERECTION OF (SPANISH)
POLYTUNNELS TO BE
ROTATED AROUND
FIELDS AS REQUIRED BY
CROPS UNDER
CULTIVATION**

**PENNOXSTONE COURT,
KINGS CAPLE,
HEREFORDSHIRE,
HR1 4TX**

**ECONOMIC
ASSESSMENT**



I PREAMBLE

- 1.1 This Assessment has been produced in support of a planning application for the erection of (Spanish) polytunnels to be rotated around fields as required by crops under cultivation at Pennoxstone Court, Kings Caple, Herefordshire HR1 4TX.
- 1.2 The Assessment considers the farming enterprise at Pennoxstone Court, including the integral soft fruit growing operation which is dependent on the use of the Spanish Poly tunnels the subject of the Planning Application.

II THE FARMING ENTERPRISE AT PENNOXSTONE COURT

- 2.1 **Pennoxstone Court** is a long-established family farm now operated by Mr. Neil Cockburn, but operated formerly by his father.
- 2.2 The farming operation is conducted on an area of some 100 hectares or thereabouts, of which some 81 hectares are owned by the Applicant (comprising a compact holding around Pennoxstone Court farmstead and extending to the banks of the River Wye) and the balance rented (currently in two separate blocks, one north west of Kings Caple village and the other, smaller, block, to the east of the Village).
- 2.3 In the current state of UK agriculture Pennoxstone Court is considered to be a *small* farm, certainly in terms of arable farming, though it is typical of the traditional size and pattern of farming tenure in the County. In response to the well-recorded decline in UK agriculture over recent decades the approach in much of the country has been: either, to rationalise and consolidate small farms into much larger holdings, a trend often associated with the adoption of extensive 'agri-business' techniques, including mechanisation and 'prairie farming'; or, the seeking out of a niche role, cultivating high value-added crops (including organic products) aimed at specialist markets.

The latter is self-evidently more likely to ensure the survival of the traditional small family-run farm so characteristic of Herefordshire and which from of tenure has been so important in securing the stewardship of the County's countryside and the maintenance of its traditional rural landscapes.

- 2.4 Faced with drastically reduced margins and declining profitability in traditional crops and in order to maintain the scale and established character of the Farm, at the beginning of the 1990s the proprietors of the Pennoxstone Court farming enterprise needed to examine opportunities for diversification. As already noted, the Farm was too small for most forms of arable production, especially cereals, and maintaining viability in these sectors would have necessitated merger with other farms. There was no tradition or experience of livestock farming and the subsequent onset of the BSE and Foot and Mouth Disease crises would have undoubtedly crippled an excursion into this sector in any event.
- 2.5 At that time the Farm had already been growing soft fruit on a small scale, and not under tunnels, for about a decade. This sector was seen to have considerable potential for expansion and, accordingly, the proprietors embarked on soft fruit growing, initially without, but very soon with the use of Spanish Polytunnels. Soil-, topographical- and micro-climatic conditions render the Farm especially suitable for soft fruit growing.
- 2.6 This part of the business has grown progressively both in terms of land usage and contribution to Farm income over the last 14 years, particularly since 2001, such that the Farm would now be incapable of supporting a viable agricultural enterprise without soft fruit growing element of the business. (In this context it should be noted that the whole of the *rented* areas have been recently or are being used for soft fruit growing). In turn, given the stringent requirements of the soft fruit market in the UK, which is dominated by the national multiple supermarket chains, particularly in terms of the duration of the period over which supply needs to be assured and the quality of product demanded, the soft fruit element of the farm business at Pennoxstone Court would not be viable without the use of polytunnels (see below).

- 2.7 Some 30 hectares (30% of the farmed area) is currently used for soft fruit crops requiring regular seasonal polytunnelling, although not all of this area will be covered with sheeted tunnels at the same time during the season. The balance of the farm is used for growing cereals (currently about 21.5 hectares [an extremely small area in terms of modern cereal growing]), for cider orchards (currently 6 hectares), for grass (about 15.5 hectares) and for set aside. Soft fruit crops are, therefore, by far the most important crop by area cultivated, but they are also the most important by value to the farming enterprise. Thus, whilst occupying 30% of the farm area, these crops account for 90% of the annual turnover of the business. Capital investment in the polytunnels and related infrastructure amounts to over £0.5 millions.
- 2.8 Of the 30 hectares used for fruit growing, some 24 hectares are currently used for growing *strawberries*, 5 hectares for *raspberries* and 1 hectare for *blueberries*. This balance is not constant and depends entirely on the market, customer demand, soil conditions and crop needs. All soft-fruit growing at Pennoxstone Court takes place in the ground and there is no 'table top' growing undertaken. Varieties of strawberry grown on the farm typically require seasonal polytunnel coverage for *two to four years*, raspberries for *two to seven years* and blueberries for *in excess of ten years*.
- 2.9 The soft fruit operation at Pennoxstone Court provides the majority of its produce for UK supermarket, delivered predominantly via regional distribution depots operated by the retailers. The produce is packed on the Farm, usually in the supermarkets' own branded packaging, stored temporarily in cool/chilled conditions and then collected on a daily basis in refrigerated trailers for delivery to the aforementioned RDDs. The Farm is a member of the *KG Fruits* growers' co-operative, primarily a marketing organisation.
- 2.10 On average, the Farm employs 4 full-time staff and 120 part-time/casual staff (although some 200 in total are employed over the full 'season' [typically April to November]). Of this 124, some 122 are overseas workers (typically EU nationals and/or persons employed under the Seasonal Agricultural Workers Scheme [SAWS]) and the vast majority of these are concerned with the soft-fruit growing element of the business.

Some 123 members of the casual staff reside on the Site during the period of their employment in 30 mobile homes located immediately adjacent to the farmstead.

- 2.13 The farm business at Pennoxstone Court purchases some **£1.3 millions** worth of goods and services in the UK annually, supporting, it is estimated, some 30 full time jobs in supplier companies. Of this total some **£0.5 millions** worth are purchased within **Herefordshire** or in a 20-mile radius of the Farm annually, supporting, it is estimated, some 15 full time jobs.
- 2.14 However, it should also be noted that the large number of seasonal agricultural workers spend a significant proportion of their salaries locally in shops, public houses etc. and this spending makes an important contribution to the sustenance of these local services and facilities and is an important benefit of the soft fruit-growing industry. It is estimated that those employed on the Application Site expend some 65% of their income locally, amounting to some **£0.325 millions** annually. In addition they make extensive use of public transport again helping to underpin rural bus services.
- 2.15 Since they are typically young, fit, single childless people engaged in an intrinsically healthy occupation in the open air, there is little or no demand for medical, educational or social services from this population. Nor, because they are invariably hard working, polite, well educated and law abiding and appreciate the opportunity to visit the UK and earn money, do they place any additional burden on the local policing/criminal system.
- 2.16 The Applicant has made a significant investment (**£500,000**) in the purchase of tunnels and it is important that optimal use is made of this very large capital investment. The longer the period of their use and the more efficient use that is made of them when erected, the better the return on capital. This is a crucial consideration in the highly competitive environment in which the applicant must work and is one of the factors informing the wish to work outside the strict time limits imposed by the Council's Code of Practice.

III GENERAL CONTEXT – SOFT FRUIT PRODUCTION IN THE UK

3.1 One of the major trends in UK agriculture in recent years has been the need to grow to meet the requirements of the marketplace. The increasing importance of supermarket outlets in the fresh produce sector driven by consumer demands and requirements has had a significant impact on the management and farming practices of all agricultural businesses including soft fruit suppliers. Supermarket chains now sell 85% of the soft fruit purchased in the UK.

3.2 Consumer requirements are communicated to growers through their marketing agents and/or directly from the multiple retailers. Producers are then required to find technical solutions to meet these requirements.

3.3 In recent years the major thrust has been:

i) Improved fruit quality, which has been achieved by:

- Substantial investment in coolers, cold stores and refrigerated transport;
- Concentration on varieties with excellent fruit quality characteristics, rather than those that are simply easier to grow;
- Adoption of exacting retailer specifications in terms of fruit size and appearance, as well as keeping and eating quality.

The result is that consumers prefer to buy British fruit because of its quality and freshness.

ii) Greater reliability of supply for an extended season to ensure that consumers are not disappointed by lack of availability. The two main drivers of this are:

- The use of Spanish Polytunnels;
- The growing of late-season plant types.

This has given multiple retailers the confidence to source UK product rather than importing from overseas (although out-of-season' imports continue).

This in turn has significant environmental benefits in reducing 'food miles', economic benefits: to the UK by reducing imports; and, directly for British farming by increasing its production and domestic sales.

iii) Lower prices in real terms and increased availability:

- The expansion of soft fruit businesses has allowed economies of scale;
- Season extension has spread overheads reducing unit costs of production;
- Polytunnels have delivered better yields and a higher percentage of Class 1 quality;
- Recruitment of overseas labour to pick crops in the absence of local UK workers.

Soft fruit is now more affordable and available, stimulating increased consumption. This has health benefits as recognised by programmes such as the Government's 'Five-a-Day' campaign.

iv) Enhanced food safety and traceability:

- Substantial investment in packhouses, management practices and quality assurance schemes has been made;
- The use of polytunnels has reduced pesticide use.

Considerable investment is being made to achieve further reductions in pesticide use.

3.4 National multiple retailers operate in a very competitive environment, with stores now open 7-days-a-week and sometimes 24-hours-day. Their customers are increasingly demanding in terms of quality, price and service levels, including product availability. This in turn raises the supermarkets' expectations as to the performance of suppliers.

3.5 Supermarkets have looked to soft fruit growers, such as the Pennoxstone Court enterprise, to:

- i) Expand production – since they prefer to work with a limited number of larger producers, as this simplifies their operations. It also delivers economies of scale, enabling them to maintain a tight control on prices.
- ii) Become more professional in terms of reliability, quality of service and implementation of best practice in all operations.

Growers unable or unwilling to meet supermarket requirements risk being removed from their list of suppliers – know as 'de-listing'. For reasons that will be obvious, this is almost always fatal to suppliers.

3.6 On the other hand, for those soft fruit growers who work with multiple retailers the benefits are:

- i) Access to the 85% of consumers who buy their fresh soft fruit from supermarkets;
- ii) A more reliable, structure market place for their produce
- iii) Better prices (above wholesale market prices).

3.7 Today the soft-fruit industry is strongly customer-led. Consumers determine which varieties are wanted and it is up to increasingly specialised and professional soft fruit producers, such as the Applicant, to find ways of growing them.

3.8 Traditionally soft fruit was produced on small holdings in relatively low volumes. Often, a range of other horticultural crops, such as salads or vegetables, were also produced. Much of the work was carried out by the owner and their family, with help from seasonal labour at busy times. Growing systems were cheap and simple due to the high risk of crop loss through adverse weather or pests and disease. The harvesting season was short, usually 6-8 weeks and varieties grown were often selected on the basis of how easily they grew and cropped, rather fruit quality.

- 3.9 Today, all farmers, including soft fruit growers, have become increasingly specialised. Growing systems have become more and more sophisticated and plant varieties have been developed to both extend the growing season and the times at the year when harvesting can take place, as well as to offer improved fruit quality. In all cases the harvest period can be extended using Spanish polytunnels in order to provide customers with continuity of supply over a longer season.
- 3.10 Over a number of years the UK soft fruit industry has developed techniques to produce the varieties the consumers prefer for the long season they require, at affordable prices.
- 3.11 Thus, the soil is typically formed into a ridge, known as a raised bed. This is covered with polythene of various colours according to the needs of the crop and the intended timing of the harvest. The plants are planted through the plastic into the soil. The beds are fed and watered using a trickle irrigation line placed under the polythene. The technique ensures very efficient use of water and plant nutrients. The plants are covered with Spanish tunnels, each tunnel covering a number of beds, for the harvesting period.
- 3.12 Like many perennial crops, soft fruit plantations have a limited life span. Generally the plants decline in vigour as the plantation gets older, leading to reduced fruit size and quality. At Pennoxstone Court, strawberries are cropped for 2-4 years, raspberries for 2-7 years and blueberries for 10 years+. However, some replanting will take place during these periods in some beds.
- 3.13 The soft fruit season in southern England may be regarded as April/May to November. However no individual plantation will bear fruit for the whole of that period. The extended season is achieved by a number of crops overlapping to provide continuity of supply. As one plantation finishes the tunnels are moved to another site where cropping has yet to begin.

- 3.14 A variety of crop coverings are used on field-grown horticultural crops throughout the world. These are used to: protect the crop from adverse weather or pests; create a better growing environment; extend the season. The use of Spanish polytunnels in the protection of soft fruit is, therefore, not unique to this type of crop, either in the UK as a whole, or in Herefordshire in particular.
- 3.15 Spanish polytunnels were first used in the UK in 1993 and quickly became more widely adopted. They were first used at Pennoxstone Court in the same year. It is now estimated that just over 80% of the UK soft fruit crop destined for supermarkets is protected by Spanish tunnels during cropping. This area continues to increase. The enormous growth in the use of tunnels (greatly encouraged by multiple retailers) reflects the major beneficial influence they have had on the success of the UK soft fruit sector.
- 3.16 The main advantage of using Spanish polytunnels is that they protect the fruit from rain and allow picking to continue uninterrupted. This ensures continuity of supply to the retailers and thus loyalty to UK producers. Fruit cannot be picked when wet because it bruises and deteriorates too quickly; in heavy rain the berries suffer from physical damage and become so swollen with water that they split. Given indigenous climatic conditions, picking may be held up regularly for periods of 3/4 days or more, representing a serious interruption of supply.
- 3.17 Spanish tunnels also provide an extended season and they represent the best and most effective means of doing this. Thus, they provide a warm, sheltered environment, which allows early and late season production. They protect the crop from rain, but the polythene can be raised quickly and easily so they do not become hot and humid. This has great benefits to fruit quality.
- 3.18 The result is that the UK soft fruit season has extended considerably over the past decade, leading to further reductions in imports and greatly increase consumption of fruit.

- 3.19 The shelter provided by Spanish tunnels results in a kinder growing environment, producing better yields and quality. On average yields are up to 30% lower without tunnels and percentage supermarket quality is increase from 50-65% to 85-90%. Furthermore, soft fruit is more affordable and prices are more stable throughout the season.
- 3.20 The use of polytunnels results in reduced incidence of disease and less requirement for pesticides. Wet weather in particular causes a number of fungal diseases in soft fruits that may not manifest themselves until after purchase, leading to erosion of confidence in the product. In outdoor crops frequent protectant fungicide sprays are required to minimise the problem. Under tunnels this can be substantially reduced and yet control is still much better. The enclosed nature of tunnels coupled with the ability to reduce extremes of temperature creates a much better environment for the use of biological control agents, such as predators. These control pests naturally, removing or substantially reducing the need to apply pesticides. However, some pesticide sprays are required even with polytunnel use. The size of the tunnels means that machinery with special filtration systems can be used. This provides a much safer and more comfortable working environment for the spray operator. Moreover the enclosed nature of the tunnels greatly reduces spray drift from the crop.
- 3.21 It is important that it is appreciated that the Applicant has to work within the national economic context described in this part of the Assessment.

IV CONCLUSIONS

- 4.1 The evolution of the framing enterprise up to the present day has been described and emergence and development of soft fruit growing as a crucial element in the viability of the business has been explained, as has the significance of the use of polytunnels to this element.
- 4.2 The agricultural business at Pennoxstone Court employs 4 full-time and 120 casual/part-time staff. Against a background of decline in agriculture and loss of agricultural employment in the UK generally and in Herefordshire in particular, the maintenance of four full-time jobs on this relatively small farm is significant. This is entirely due to the crucial role of the soft fruit growing element in maintaining the viability and profitability of the overall farm business. Whilst the casual/part-time staff are recruited from overseas and return home at the end of the season, they nevertheless expend a substantial proportion of their income (some 65%), amounting to some £325,000 or thereabouts annually, in the area and this represents an important contribution to the sustenance of local services and facilities. It should be noted that all the part-time/casual staff are employed exclusively in the soft fruit-growing element of the Farm business and would not be there if that enterprise were not operating.
- 4.3 The Business purchases some £1.3 million worth of goods and services in the UK annually, supporting, it is estimated, some 30 full time jobs. Of this total, some £0.5 millions worth are purchased within Herefordshire and/or within a 20-mile radius of the Farm, helping to support up to 15 jobs. The vast majority of this spending is connected with the soft fruit growing enterprise.
- 4.4 Adding the employee-spend to the purchase of goods and services by the Farm business in Herefordshire and environs produces a figure of some **£825,000** annually. This constitutes a very significant investment in the local economy.

4.5 Moreover, the maintenance of a viable farming operation at Pennoxstone Court, which is wholly dependent on the soft fruit growing operation under polytunnels, ensures continuing stewardship and positive management of the agricultural landscape across the Farm. In addition to the environmental and amenity benefits arising from that stewardship, this constitutes a considerable *indirect* private financial investment in the maintenance and enhancement of the countryside locally.

4.6 Section III above places the Pennoxstone Court Farm business and the development the subject of this Application in a wider economic context, describing the UK soft-fruit growing sector currently and how Spanish polytunnels now play a crucial role in the industry.