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8 April 2016

Dear Sirs,

**Changes to water abstraction licensing exemptions:
Consultation on implementing the abstraction elements of the Water Act 2003**

Background

The Agriculture and Horticulture Development Board (AHDB)¹ is a statutory levy board, funded by farmers, growers and others in the supply chain. Our purpose is to equip levy payers with independent, evidence-based information and tools to grow, become more competitive and sustainable. We cover the six sectors of Pig meat in England; Beef and Lamb in England; Commercial Horticulture in Great Britain; Milk in Great Britain; Potatoes in Great Britain and Cereals and Oilseeds in the UK.

AHDB is currently conducting a significant industry survey on irrigation requirements amongst growers and producers, primarily within horticulture and the potato industry that will generate evidence on water use requirements. We were mindful of the proposals around Abstraction Reform when developing the survey. This survey which is expected to be completed over the summer with full analysis by end of October will provide substantive evidence on water use, storage capacity and potential for improving efficiency that will further inform industry's position. AHDB would welcome the opportunity to discuss the key findings from the industry survey and its interpretation with the Defra Water Resources Management and Farm Production teams.

Whilst AHDB is therefore limited in the evidence that it can provide at this point in time there are a number of key points concerning the consultation that we wish to make in the more general context of water use.

We do recognise that a number of specific abstraction licensing exemptions are identified in this consultation. The primary area of concern that we have identified is the intention to make trickle irrigation a licensable activity and the implications that this has for the continued economic success of UK growers, particularly in horticulture businesses, who rely on this effective and efficient method of irrigation.

In England and Wales, farmers and growers use less than 2% of total water abstracted, so water allocation for food production is minor compared to the public supply and energy sectors. Although this use is small relative to other uses, it is crucially important for particular sectors and potatoes

¹ <http://www.ahdb.org.uk/>

and other vegetables account for the majority of water used for irrigation in England and Wales (25% and 54% of irrigation water use, respectively)².

The UK food and drink sector is a major contributor to UK economy and rural communities and is one of the few sectors which has shown growth through the economic downturn³. Security of food supply is critical and water availability nationally and globally will influence this. There is a need to encourage and develop home production and processing of foods, produced efficiently and economically with lower water footprints than imported alternatives from countries which may be subject to greater climatic variables.

Key points on abstracted water use

1. Britain's food processing capacity, jobs and economics depends on Agriculture & Horticulture having adequate water rights. The key point is the link between primary production and Britain's food processing capacity. Britain's food sector relies heavily on having enough 'home' production to support resource intensive processing capacity. A processing capacity which makes a significant contribution to local economies, national economy and jobs
2. Limited/costly water rights are likely to result in produce being sourced from outside the UK with far reaching consequence for the British economy as it puts UK processing capacity, attendant jobs and contribution to the economy at risk.
3. Essential user: Use of abstracted water for irrigation purposes by Agriculture & Horticulture is essential for high value businesses and contracts of, for example, field vegetables. Failure to fulfil a contract could lead to produce being sourced from outside the UK with far reaching consequence for the British economy. High value includes:
 - protected crops,
 - nursery stock
 - container grown
 - soft & tree fruit
 - salads

Trickle irrigation is increasingly being used in the sectors outlined above and therefore these businesses and those relying on them (garden centres etc.) are particularly sensitive to the Government's proposals.

4. 'Head room' in some agricultural and horticultural licences should be considered '*essential*' given the supplementary nature of irrigation use for some, and rotational growing patterns which can be 6+ years for some crops e.g. potatoes.
5. Business Growth in the food sector could be significantly limited or even decline, if access to agriculture and horticulture water rights is limited and/ or costs are significantly increased.
6. Incentives to efficient water use remain few and far between, more needs to be done to 'nudge' more national efficient use of water through for example the simplification and cost minimisation of water transfers. In addition taxation and planning amendments could encourage more efficient water use by agriculture.

Response to specific consultation questions

Question 4. What do you think are the main issues or challenges that might arise from excluding planned abstractions from the New Authorisations transitional arrangements?

² DEFRA. (2011). Water Usage in Agriculture and Horticulture. Results from Farm Business Survey 2009/10 and the Irrigation Survey 2010.

³ <https://www.fdf.org.uk/statsatagance.aspx>

The soft fruit industry is expanding rapidly. Kantar World data show that in the year to Oct 2015 the strawberry market grew by 9.9%, raspberry by 19.1%, blueberry by 24.4% and blackberry by 18.8%. In recent years British horticulture has encouraged this increase in demand for healthy fruit and has competed strongly with imports. Between May and October the UK is broadly self-sufficient in strawberries, raspberries and blackberries.

Increasing soft fruit production is a success for the UK, increasing GDP and employment, but it is totally dependent on reliable water supply. Businesses require increased water in order to expand and prevent imports from taking over.

The explanatory document states that there will be no provision for increased or new abstractions because it would give a preference to those who have been exempt compared with existing license holders. Many existing licences include a 'head room' which is unused in most years but gives scope for expansion or to allow for a drought year. If the new licences for trickle irrigators do not contain headroom the businesses will be at a disadvantage in comparison with other water users. Such a situation would effectively punish those, in all crop sectors, who have used a water efficient method of irrigation.

Questions 6-10 especially Q 9. 'What do you think are the main issues or challenges that might arise from using basic universal HoF's?'

Major technical changes are underway in soft fruit production. Most production is now under glass or polythene protection, to improve yields, quality and harvest timing. More than half of total production is now in substrate, for the same reasons of increasing yield and quality and also to prevent build-up of soil borne diseases. For example data from the largest grouping of UK soft fruit producers, Berry Gardens, shows that in 2012 average strawberry yields were 17t/ha of which 20% were in substrate. By 2015 average yields were 22.1t/ha of which 55% came from substrate. It is anticipated that over the next few years the total proportion of soft fruit that will be grown in substrate will rise to more than 75% and for strawberry close to 100%.

Crops in substrates such as peat and coir start to die after a few hours if deprived of water input, so complete reliability of supply is essential. Soft fruit growers have developed their businesses in a period of constant reliable water supply. If this situation is to change, due to Hands off Flow conditions on licences, they will have major problems in adapting. They can:

Increase water use efficiency. Opportunities exist but are limited because trickle irrigation is already an efficient method. Investment is required in electronic methods to monitor moisture contents in all parts of a unit, connected to automated irrigation systems.

Install water storage. Most units have some small water storage capacity but have not previously required long term storage. If they are to be subject to HoF restrictions, huge new storage capacity will be required in many units. There are both financial challenges and planning permission obstacles to such investment. Increased time to install such reservoirs, grants to assist, and relaxation of planning controls are all required to allow businesses to adapt.

Technical production changes are also taking place in top fruit production. Nearly all eating apples are now grown at higher densities in fruit wall systems. In many cases the trees are only 60cm apart and are fertilised through the irrigation system, making irrigation essential. The acreage of cherry and apricot production is rapidly increasing and irrigation is required for these crops in dry seasons. Cherry trees must be protected by polytunnels for part of the year to reduce fruit cracking, and the crop is vulnerable to serious reduction in yield and quality in this period if irrigation is not available.

Top fruit and field vegetables irrigated by trickle systems are not as vulnerable as soft fruit because they are grown in soil, which has a greater water holding capacity than substrate. But the same

points regarding need for time and money to increase water storage and increase water use efficiency apply to businesses in these sectors also.

Q11. Do you agree with the proposal to include volumes on transfer licences under New Authorisations?

AHDB observes the great potential to increase the water available for irrigation, at no cost to the environment, by retaining water from the internal drainage boards which would otherwise be pumped out to sea, or from retaining flood waters in times of heavy rain. There are examples where crop production quality and quantity has been increased by use of such 'saved' water on land where irrigation water was previously unavailable, and potential for future for expansion. Providing volumes for such 'saved' water is difficult, as you acknowledge in paragraph 120. AHDB does not agree with any changes to regulation which would restrict the ability of farmers, inland drainage boards or others from capturing increased volumes of fresh water when available and storing them for use in irrigation.

Q 17. If there is anything else you would like to add to your response please include it here.

Individual growers have informed AHDB that they are very busy running their production businesses and that a consultation of 52 pages, among many other consultations on matters which affect them, is too long. The length and time required during the planting window is a severe constraint on their ability to participate. This problem applies to small operations and equally to the very largest businesses, which receive many requests from government and its agencies.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'M. Storey', with a horizontal line underneath.

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