

Plant Health Import Inspection Fees – England and Wales

Introduction

1. From January 2021, high-priority plants (mainly plants for planting) from the EU¹ have been subject to risk-based import inspections. Fees for these inspections have been charged since 1 June 2021 and reflect the risk-based inspection frequency for physical and identity checks.
2. Fees are charged at full cost recovery. This relieves the general taxpayer of costs, so that they are properly borne by users who benefit from a service and who should bear the costs of any measures to prevent harm that they might otherwise cause by their actions or non-actions. This is in line with the agreed methodology for calculating fees, which was consulted on in 2017 and agreed with trade at the time.
3. The inspection frequency is based on the plant health risk a commodity presents to the UK. Finished plants from the EU, intended for final users² (e.g. for sale at garden centres and supermarkets) represent a lower risk than plants intended for commercial growing on, multiplication or propagation. Therefore, finished plants from the EU are currently subject to a 5-10% inspection, compared to 100% inspection for non-finished. All plants for planting from the Rest of the World are currently inspected at 100% regardless of intended use. This difference reflects a transitional approach for EU imports, noting that the UK's regime and plant health status currently remain relatively aligned with the EU, given the relatively short period of time since the UK's withdrawal from the EU. This situation is changing as more divergence occurs, hence the aim to move towards a harmonised approach from July 2022.
4. An important aspect of moving towards harmonised arrangements for EU and Rest of the World imports is a standardised approach to import inspection frequencies.

¹ References to EU include Liechtenstein and Switzerland. Here and throughout.

² "Intended for final users" currently includes clearly packed and ready for supply to final users, identifiable as being for use by landscapers or contractors for planting at the final site of the plants and where additional packing or preparation (excluding multiplication, propagation or growing on) is required before making plants available to final users.

Therefore, the inspection frequencies described above are due to change on 1st July 2022 as set out in the linked [consultation](#)^{3,4}.

Options

5. This paper is focused on addressing concerns in the short-term, and as such presents options that can be implemented in around 6 months. We are asking for views on the options below.
 - Option 1: Take no action to amend fees but continue to work on longer-term solutions (see paragraph 8 below)
 - Option 2: Amend fees to create a flat fee for all (or selected categories) imported plants for planting from the EU and Rest of World regardless of intended use.

6. Given that any changes would be a temporary measure pending a fuller review, we are interested to know whether or not there is a strong level of support across the sectors affected to make such a change in the short term. Following consultation, the different views will be taken into account in order to reach a decision on the way forwards. Should Option 2 be chosen, the timeline for implementation is detailed below.

	2022					
	Feb	Mar	Apr	May	Jun	Jul
Assess consultation responses						
Draft legislation to amend fees if needed						
Present legislation in UK Parliament						
Legislation comes into force (new fees start) – 1 st July 2022						

7. Details of the potential fees are provided in Annexes 1 and 2. This gives details of the likely fees based on the current inspection frequencies. Additionally, the potential fees based on the proposed inspection frequencies detailed in the linked [consultation](#) are also provided.

³ <https://planthealthportal.defra.gov.uk/latest-news/follow-up-consultation-method-for-determining-the-frequency-of-risk-targeted-plant-health-import-inspections/>

⁴ To note: “Intended for final users” from 1st July 2022 is proposed to include clearly packed and ready for supply to final users and where additional packing or preparation (excluding multiplication, propagation or growing on) is required before making plants available to final users.

8. In the longer-term, a Fees Review (in-depth review of methods used to calculate fees) is planned and we are taking a co-design approach with the Plant Health Fees External Working Group⁵ (EWG) to develop this.

Fees Calculation

9. The available data covers June 2021 to November 2021 and covers both EU & Rest of World (ROW) commodities.
10. For physical inspections the method of calculation has been based on averaging out the costs (for four high-priority commodity categories of Bulbs, Cuttings, Plants for Planting & Seeds) incurred for both finished and non-finished inspections using current fees. Averaging across the commodities and sectors to obtain a hybrid flat fee based on current fees has a potential small risk of over and under recovery pending a full fee refresh and fundamental review of the fee processes (see paragraph 8 above).
11. For identity checks, a similar calculation was used however the frequency of actual identity checks carried out from June 2021 to November 2021, across all commodities, was multiplied by the full cost of the identity check (based on cost data determined in the last refresh in 20/21) to determine a flat rate fee.

Cost Data

12. Using 6-month data (June 2021 to November 2021) we have calculated the cost of delivering physical import inspections, across the four high-priority commodity categories, to be £953k. These are broken down as follows:

Category	Cost
Bulbs	£59.7k
Cuttings	£62.1k
Plants for Planting	£785.3k
Seeds	£45.9k

⁵ The EWG consists of Agricultural Industries Confederation, British Potato Trade Association, British Society of Plant Breeders, Defra, Fresh Produce Consortium, Horticultural Trades Association, National Farmers Union, Ornamental Aquatic Trade Association, Welsh Government,

13. The approximate breakdown of the costs, based on using the percentage splits that were determined in the last refresh in 20/21 (i.e. the cost base that the current fees are based on), gives a costing breakdown as follows:

<u>Type</u>	<u>Cost</u>
Salaries	£478.4k (includes all on costs such as NI & pension)
Direct Program Running	£42.9k (includes all costs attributable to Plant Health operational running)
Central Overheads	£43.5K (includes allowable share of eligible shared costs)
Travel Costs	£13.2k (20/21 was low due to Covid)
Diagnostics	£19.3K (charges for samples etc from FERA Diagnostics)
Bad Debts	£3.8k (does not account for any Covid increase as not yet measured)
Notional Charges	£353K (includes Estates, IT, Credit Collection Costs, Finance, Legal & Comms)

Annex 1: Physical import inspection fees for each option

Option	Description	Goods Category	Non-Finished Plants <u>not</u> intended for final user	Finished Plants intended for final user
1. Current Fees	<p>Continue as now with fees for plants for planting reflecting the level of cost involved for goods with different intended uses</p> <p>1a = for illustrative purposes only based on existing frequencies and covering only imports from EU</p> <p>1b* = based on proposed frequencies for July 2022 and covering imports from EU and RoW</p>	1a		
		Seeds	£128.13	£6.40
		Cuttings	£173.91	£18.23
		Plants for Planting	£182.38	£18.23
		Bulbs	£205.04	£20.50
		1b		
		Seeds	See 'Seeds' details in Annex 3 £128.13 for high risk to £6.40 for lower risk	
		Cuttings	£173.91	
		Plants for planting	See 'Plants for Planting' details in Annex 3 £182.38 for high risk to £9.11 for lower risk	
		Bulbs	£205.04	£20.50
2. Flat Rate Fees	<p>Temporarily amend fees for plants for planting to deliver a flat rate fee which will be the same regardless of intended use of goods. This approach will continue until a Fees Review has been completed.</p> <p>2a = for illustrative purposes only based on existing frequencies and covering only imports from EU</p> <p>2b* = based on proposed frequencies for July 2022 and covering imports from EU and RoW</p>	2a		
		Seeds	£72.69	
		Cuttings	£27.35	
		Plants for planting	£27.35	
		Bulbs	£33.80	
		2b		
		Seeds	£78.76	
		Cuttings	£32.15	
		Plants for planting	£32.15	
		Bulbs	£38.12	

* These fees are estimated and will be confirmed once all frequencies are finalised, and the full fees calculation has been completed.

Annex 2: Identity inspection fees for each option

Option	Description	Goods Category	Non-Finished Plants <u>not</u> intended for final user	Finished Plants intended for final user
1. Current Fees	<p>Continue as now with fees for plants for planting reflecting the level of cost involved for goods with different intended uses</p> <p>1a = for illustrative purposes only based on existing frequencies and covering only imports from EU</p> <p>1b* = based on proposed frequencies for July 2022 and covering imports from EU and RoW</p>	1a		
		Seeds	£5.25	£0.26
		Cuttings	£5.25	£0.26
		Plants for Planting	£5.25	£0.52
		Bulbs	£5.25	£0.52
		1b		
		Seeds	£5.25 for high risk to £0.26 for lower risk	
		Cuttings	£173.91	
		Plants for planting	£5.25 for high risk to £0.26 for lower risk	
		Bulbs	£5.25	£0.52
2. Flat Rate Fees	<p>Temporarily amend fees for plants for planting to deliver a flat rate fee which will be the same regardless of intended use of goods. This approach will continue until a Fees Review has been completed.</p> <p>2a = for illustrative purposes only based on existing frequencies and covering only imports from EU</p> <p>2b* = based on proposed frequencies for July 2022 and covering imports from EU and RoW</p>	2a		
		Seeds	£1.57	
		Cuttings	£1.57	
		Plants for planting	£1.57	
		Bulbs	£1.57	
		2b		
		Seeds	£1.57	
		Cuttings	£1.57	
		Plants for planting	£1.57	
		Bulbs	£1.57	

Annex 3: Details of physical import inspection fees for Seeds and Plants for Planting under Option 1b

<u>Seeds</u>	<u>Description</u>	<u>Frequency of checks from EU and RoW</u>	<u>Fee (£)</u>
<i>Castanea</i>		5%	6.40
<i>Helianthus annuus</i>		5%	6.40
<i>Medicago sativa</i>		5%	6.40
<i>Prunus</i>		5%	6.40
<i>Rubus</i>		5%	6.40
<i>Zea mays</i>		5%	6.40
<i>Allium cepa</i>		5%	6.40
<i>Allium porrum</i>		5%	6.40
<i>Phaseolus cocineus</i>		5%	6.40
<i>Phaseolus vulgaris</i>		5%	6.40
<i>Pisum sativum</i>	Pea seeds for sowing	5%	6.40
<i>Vicia faba</i>	Beans for sowing	5%	6.40
<i>Brassica napus</i>	Rape seeds for sowing	5%	6.40
<i>Brassica rapa</i>	Seeds of <i>B. rapa</i> for sowing	5%	6.40
<i>Glycine max</i>	Soya bean seeds for sowing	5%	6.40
<i>Linum usitatissimum</i>	Linseed for sowing	5%	6.40
<i>Sinapis alba</i>	Mustard seed for sowing	5%	6.40
Seed for trials		10%	12.81
Brassicaceae, Poaceae and <i>Trifolium</i> spp.		10%	12.81
<i>Capsicum</i>	Seed for sowing	100%	128.13
<i>Solanum sp.</i>		100%	128.13
<i>Solanum tuberosum</i>	True seed for sowing and multiplication and seed potato tubers	100%	128.13

<u>Seeds</u>	<u>Description</u>	<u>Frequency of checks from EU and RoW</u>	<u>Fee (£)</u>
Triticum, Secale and Triticosecale	Seed for sowing	100% frequency for countries where <i>Tilletia indica</i> (Karnal bunt) occurs (Afghanistan, India, Iran, Iraq, Mexico, Nepal, Pakistan, South Africa and the USA). Other countries 10%.	128.13
			12.81

<u>Plants for Planting</u>	<u>Description</u>	<u>Frequency of checks from EU and RoW</u>	<u>Fee (£)</u>
Annual or biennial herbaceous plants that are labelled or packaged for retail	e.g.	10%	18.23
	Alyssum (<i>Lobularia</i>)		
	Nasturtiums (<i>Tropaeolum</i>)		
	Poppy (<i>Papaver</i>)		
	Sunflower (<i>Helianthus</i>)		
Herbaceous perennials for that are labelled or packaged for retail	most grasses,	50%	91.19
	most ferns,		
	chrysanthemums		
	hosta (<i>Hosta</i>),		
	mint (<i>Mentha</i>),		
	peony (<i>Paeonia</i>),		
	Short-lived perennials		
	columbine (<i>Aquilegia</i>),		
	carnations (<i>Dianthus</i>),		
	delphinium (<i>Delphinium</i>),		
	Gypsophila		
hyacinth (<i>Hyacinthus</i>)			
Semi woody	Lavender (<i>Lavandula</i>),	100%	182.38
	rosemary (<i>Salvia rosmarinus</i>),		
	wisteria (<i>Wisteria</i>)		
	<i>Polygala</i>		

<u>Plants for Planting</u>	<u>Description</u>	<u>Frequency of checks from EU and RoW</u>	<u>Fee (£)</u>
<i>Euphorbia pulcherrima</i>		100%	182.38
Trees shrubs, bushes, and palms		100%	182.38
Trees shrubs, bushes, and palms with bare roots		100%	182.38
Rhododendron & azalea		100%	182.38
Roses		100%	182.38
Other outdoor plants NOT forestry		100%	182.38
Forest trees other		100%	182.38
Forest trees not bare rooted		100%	182.38
Forest trees deciduous		100%	182.38
Non forest outdoor		100%	182.38
Vegetable [other than Allium, Brassica, Lettuce, celery and ginger etc] & strawberry plants		100% if for professional propagation and production	182.38
		10% if for retail (domestic / home use)	18.23
Indoor plants	Excluding plants for commercial propagation	5%	9.11
Onions, shallots, garlic, leeks and other alliaceous vegetables	For planting	5%	9.11
Cabbage, cauliflowers and similar brassicas in substrate	For planting	5%	9.11
Lettuce, chicory in substrate	"	5%	9.11
Celery in substrate	"	5%	9.11

<u>Plants for Planting</u>	<u>Description</u>	<u>Frequency of checks from EU and RoW</u>	<u>Fee (£)</u>
Ginger, saffron, turmeric other spices in substrate	“	5%	9.11
Pineapple plants		5%	9.11
<i>Cryptocoryne</i> sp	Aquatic plants	10%	18.23
<i>Hygrophila</i> sp	“	10%	18.23
<i>Vallisneria</i> sp	“	10%	18.23