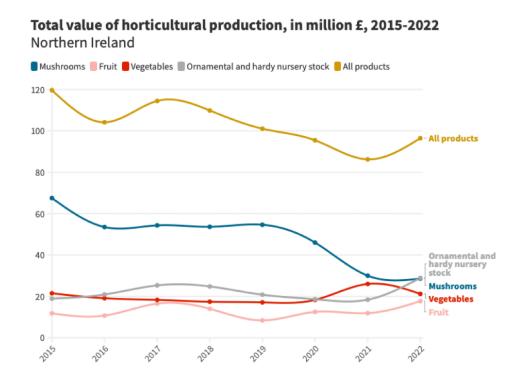
NI Mushroom growers are left to sink or swim after Brexit

Being the largest organic mushroom grower in Northern Ireland, John McArdle has plans to expand his business. But he has got a "headache" since Brexit. "We can't grow unless we get labour," he said.

The plan becomes onerous as the steady workforce he used to have is leaving. His workers, mainly from the eastern European countries, have been either drifting home or being "poached" by his competitors in Ireland since the announcement of Brexit in 2016.

Shrinking business

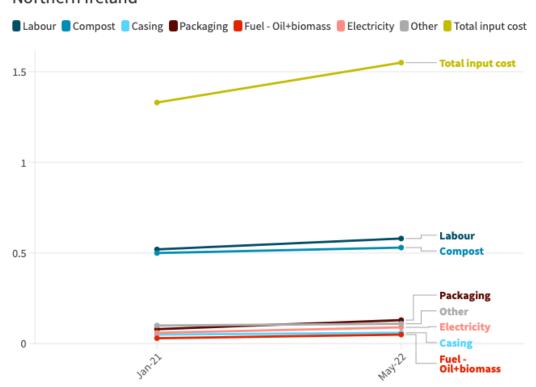
Not just McArdle, but many mushroom growers in Northern Ireland struggle to find workers to boost their output. Worse, the whole industry is shrinking. The government data showed that the value of producing mushrooms dropped by 57%, from 67.5 million in 2015 to 28.6 million in 2022.



Source: <u>Department of Agriculture</u>, <u>Environment and Rural Affairs</u> Interactive graph with figures: <u>https://public.flourish.studio/visualisation/16579087/</u> A decline in production value continued even after COVID-19 had ended in early 2022, despite a rise in the aggregate value of horticultural products. Its share in the horticultural output also fell from half before the Brexit referendum to only 29.7%, surpassed by ornamental and hardy nursery stock.

While growers benefited from EU growers giving up market share in the rest of the UK after Brexit, they also suffered cost inflation, according to McArdle.

Mushroom growers input cost inflation (£/kg) Northern Ireland

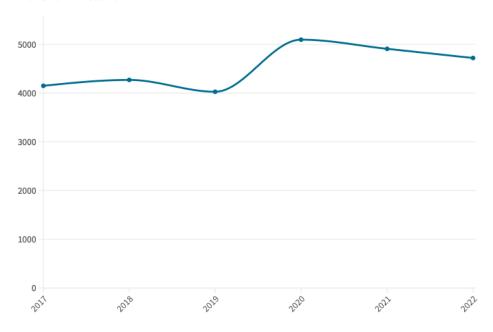


Source: The College of Agriculture, Food and Rural Enterprise (CAFRE) Interactive graph with figures: https://public.flourish.studio/visualisation/16583236/

In 2022, all key drivers of inflation for mushroom businesses rose, and labour continues to be the biggest cost for mushroom businesses, representing nearly 37.5% of turnover, according to the College of Agriculture, Food and Rural Enterprise (CAFRE).

Season workers in agricultural sector

Northern Ireland



Source: <u>Department of Agriculture</u>, <u>Environment and Rural Affairs</u> Interactive graph with figures: <u>https://public.flourish.studio/visualisation/16584327/</u>

It was even worse as the number of seasonal workers dropped from over 5,000 in 2020 to approximately 4,700 in 2022, according to government data.

The businesses' vacancy rate fluctuates. "We're always in the 10 to 15% shortage all the time," the grower said. "At times it has hit 25%, and whatever hits 25%...it costs us mushrooms. We have to dump crops because we can't get the labour."

Trouble with working visa

Northern Ireland Mushroom Growers Association (NIMGA), a business group representing eight mushroom farms in NI, also said the industry would "disappear" if the UK government did not relax the migration rule by adding mushroom growers to the Shortage Occupation List (SOL).

The grower attributed the rising labour cost to the Seasonal Worker visa (SWV).

"We use it at the present time because we have no option but to use it...they [Ireland] can bring workers in from around the world for three years and extend that for further two. So five years in total,' he said, "whereas the only visa that's available to us is a six month

seasonal workers visa. It takes four months for our workers to get trained up to pick mushrooms at the required speed and quality."

"There was no organic grower in the south of Ireland, but after Brexit, Del Monte started an organic farm in [Ireland]," he added, "they have been taking quite a bit of the business, which we would have done."

Unlike the UK, the Republic of Ireland introduced the General Employment Permit Scheme in 2019. The scheme assumes all occupations to be eligible unless excluded by the government, with a maximum period of five years. The Irish Farmer's Association reported those non-European Economic Area (EEA) workers contributed significantly to their growers' businesses.

All in all, the UK government decided not to add the occupation to the SOL list, saying the evidence did not reach its high threshold, but it would review the SWV policy and publish the report in 2024.

Investment in limbo

Private Investment in technology and innovation cannot fully compensate for the government's failure to revise the immigration policy, as the idea omits the fact that the industry relies on considerate mushroom pickers to ensure that the product reaches the right specification, according to the UK Mushroom Growers Association.

The association added investing in technologies such as automated harvesting only improve the total output, while compromising the quality and increasing waste.

While the Windsor Framework does not bring excessive border controls to his business, McArdle said the government is supposed to be trying to improve horticulture output as the NI mushroom industry has already reached its limit, with only 13 growers producing a similar amount of mushrooms as 300 growers did in the 2000s.

"There is automation...but again, you're talking five, six years down the line before it would be viable," he said, "and then even at that stage, the most promising project which

I see out there at the present time, which they're working on, would mean going to a complete greenfield site, which would mean that you have to spend millions."