House of Commons

Environment, Food and Rural Affairs Committee

Feeding the nation: labour constraints

Seventh Report of Session 2016–17

Report, together with formal minutes relating to the report

Ordered by the House of Commons
to be printed 25 April 2017
The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department of Environment, Food and Rural Affairs and associated public bodies.

Current membership

Neil Parish MP (Conservative, Tiverton and Honiton) (Chair)
Chris Davies MP (Conservative, Brecon and Radnorshire)
Jim Fitzpatrick MP (Labour, Poplar and Limehouse)
Simon Hart MP (Conservative, Carmarthen West and South Pembrokeshire)
Kerry McCarthy MP (Labour, Bristol East)
Dr Paul Monaghan MP (Scottish National Party, Caithness, Sutherland and Easter Ross)
Rebecca Pow MP (Conservative, Taunton Deane)
Ms Margaret Ritchie MP (Social Democratic and Labour Party, South Down)
David Simpson MP (Democratic Unionist Party, Upper Bann)
Angela Smith MP (Labour, Penistone and Stocksbridge)
Rishi Sunak MP (Conservative, Richmond, (Yorks))

Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No. 152. These are available on the internet via www.parliament.uk.

Publication

Committee reports are published on the Committee's website at www.parliament.uk/efracom and in print by Order of the House.

Evidence relating to this report is published on the inquiry publications page of the Committee's website.

Committee staff

The current staff of the Committee are Eliot Barrass (Clerk), Sian Woodward (Clerk), Danielle Nash (Second Clerk), Sarah Coe (Senior Committee Specialist), Anwen Rees (Committee Specialist), Caitriona Fleming (Senior Committee Assistant), Zainab Balogun, (Committee Assistant) and Shagufta Hailes (Media Officer).

Contacts

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Feeding the nation: labour constraints

1 Background

1. Throughout 2016 and early 2017 employers in the agriculture and horticulture sector have reported difficulties with recruiting sufficient labour to harvest and process their produce. The National Farmers’ Union (NFU) warned that failure to tackle the problem would lead to “food rotting in the fields”. Although these difficulties have existed for some time, concerns about the impact of the UK exiting the European Union focused attention on the dependence of the sectors on migrant workers and the potential effect on exiting the EU on the sectors’ access to labour.

2. In early 2017, we took oral evidence from four panels of witnesses to inquire into whether there was a shortage of labour in the agriculture and horticulture sectors, what the short and long-term causes of any shortages were, and what policies the Government should adopt in the short and medium-term to prevent any such future shortages. Our final oral evidence session was held on 15 March 2017 with George Eustice MP, Minister of State for Environment, Food and Rural Affairs and Robert Goodwill MP, Minister of State for Immigration at the Home Office. We thank all of those who submitted written or oral evidence to this inquiry.

3. The calling of an early General Election has meant that we have not been able to prepare a detailed report on all of the issues raised. This Report instead provides brief comment on key issues identified. All of the evidence received as part of this inquiry is reported on our website and we are confident that the matters raised will be of interest to our successor Committee.

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1 See, for example: “Farmers deliver stark warning over access to EU seasonal workers”, The Guardian, 21 February 2017
2. Are there shortages of labour in the agriculture and horticulture sector?

4. During our inquiry we heard from a wide variety of witnesses representing various agricultural and horticultural employers who relied on a mix of unskilled, semi-skilled and skilled labour. They were unanimous in reporting that their businesses had long struggled to find sufficient labour to meet their needs, either from UK or overseas sources. They considered that these problems had worsened since June 2016 following the UK’s decision to leave the EU.

5. A core problem for the sector is its difficulties in attracting UK staff. These difficulties date back many years. Many different reasons were put forward for this including a perception that work in agriculture involved “unsociable hours, hard work and rural locations”, a belief that agricultural work was low-paid, and the fact that agriculture and horticultural workers are needed in rural areas whilst the concentration of potential employees is in urban areas. Ultimately, despite efforts to entice UK workers to their sector, employers told us repeatedly that UK workers “did not want the work”.

6. As a result of difficulties in recruiting UK workers, the agriculture and horticulture sector has relied on foreign workers, primarily from other EU countries. Around 20% of all regular full-time staff in agriculture are thought to be migrant labour, mainly from Romania and Bulgaria (the ‘EU2’ countries). In some sectors this reliance is much greater. As indicative examples, 58% of members of the National Pig Association employ at least one migrant worker, and 63% of all staff employed by members of the British Meat Processors Association are from other EU countries (mainly those of Central and Eastern Europe).

7. In addition, this regular full-time workforce is supplemented by seasonal migrant workers performing both unskilled and, increasingly, skilled roles. No accurate figures exist of exactly how many seasonal workers are migrants to the UK but Chris Chinn of Cobrey Farms, a large fruit and vegetable grower in south Herefordshire, told us that 94% of his seasonally employed staff, around 950 people, were from the EU2 countries. Similarly, David Camp of the Association of Labour Providers estimated that 90–95% of the seasonal workers his members sourced for work in food processing and agriculture were from other EU countries, mainly Romania and Bulgaria. A best guess estimate is that there are around 75,000 temporary migrant workers employed in UK agriculture and horticulture. The NFU noted that this estimate is below the sector’s annual ‘need’ of 80,000 seasonal workers and further below the expected demand of 95,000 by 2021. As a result, even before the UK’s vote to leave the EU, the sector was still keen for the Government to take action to increase the supply of seasonal workers through, for example,
the encouragement of migrant workers from non-EU countries. Witnesses noted that the lack of labour was already impacting their businesses growth and without a labour supply the industry would go elsewhere, “If you cannot get the labour in this country, the production will go to where the labour is”.

8. The sector’s shortfall in temporary labour has been exacerbated by recent events and foreign labour is proving harder to source. Many reasons were posited for this including: changes in the value of sterling; increased living standards in Eastern Europe (the main source of foreign labour); uncertainty created by Brexit; the desirability of work in other growth sectors such as construction and hospitality; and a feeling among foreign workers of “not being welcome”. Employers told us that when recruiting in Romania and Bulgaria previously they had needed to speak to three people to recruit one member of staff, now they were having to speak to eight. Those staff that could be recruited, moreover, tended to be of lower quality with poorer language skills, imposing additional difficulties for businesses.

9. We put these concerns to Ministers. In response they suggested that the issues raised with us had been exaggerated and based on press reports of “anecdotal stories”. Both Ministers quoted statistics which questioned whether there was any shortage of labour or any difficulties in recruiting staff from the EU2 countries. According to Robert Goodwill:

The most recent labour market stats, which came out recently for the year ending 2016, show that... Bulgaria and Romania, which are the two countries from which large numbers of people come here, we have seen a year-on-year increase of 82,000 workers; we have seen an increase from 204,000 at the end of 2015 to 286,000 at the end of 2016.

As a result the Government was confident that sufficient numbers of foreign workers were entering the country to make-up the agriculture sector’s shortfall in available seasonal staff as the ‘supply’ of 286,000 Bulgarian and Romanian workers (not including migration from other sources) dwarfed the sector’s demand of 80,000. Mr Goodwill went further saying that, “we do not have a problem this year”. Both Ministers stressed that in the short-term the sector should face no additional difficulties while the UK remained in the EU:

Certainly, to date, there is no suggestion that there is a problem... until we leave the European Union, we still have free movement of people and people are still able to come here. Nothing has changed.
10. We were surprised by these marked differences between the evidence we had previously heard and that provided by the Government. We sought further information from our previous witnesses on whether the Ministers’ evidence coincided with their experiences ‘on the ground’. This supplementary evidence, which we have published on our website, was generally critical of the Minsters’ statements. It was noted that the statistics quoted were merely of the total number of migrants and were not industry-specific and did not include seasonal workers; one witness highlighted that the Government’s reliance on citing the total number of migrants from Bulgaria and Romania was largely incidental as, “much of the issue we [employers] face is not quantity but quality”. 

11. The weight of evidence from a range of agricultural and horticultural businesses indicates that their sectors are facing considerable difficulties in recruiting and retaining labour. We do not share the confidence of the Government that the sector does not have a problem: on the contrary, evidence submitted to this inquiry suggests the current problem is in danger of becoming a crisis if urgent measures are not taken to fill the gaps in labour supply.

12. We are concerned that the industry has such different experiences to those reported by the Government. It is apparent that the statistics used by the Government are unable to provide a proper indication of agriculture’s labour needs. These statistics and their utility for measuring supply of, and demand for, seasonal labour must be reviewed by the end of 2017 to give the sector confidence in the adequacy of the official data on which employment and immigration policies will be based for the period after the UK leaves the EU.

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26 Supplementary evidence from the NFU (LSH0034) paragraph 2.1
27 Supplementary evidence from HOPS Labour Solutions (LSH0029)
3 A new Seasonal Agricultural Workers Scheme (SAWS)?

13. Previous demand for agricultural workers was partially met by migrants entering the UK under the Seasonal Agricultural Workers Scheme (SAWS). Such schemes have run in various guises since 1945 and allowed non-UK workers to work in UK agriculture on a temporary basis. People entering the UK under a SAWS visa could only work in agriculture, usually with a specified employer.

14. The final iteration of the SAWS scheme closed in 2013. At that time the scheme was open to applicants from Romania and Bulgaria (the EU2) and a quota was set limiting access to 21,250 participants. With the lifting of the transitional controls regulating the movement of labour from Romania and Bulgaria the then Government was confident that the SAWS scheme could be disbanded as “unskilled and low skilled labour needs should be satisfied from the expanded EEA labour market”. In addition, it was expected that the agricultural sector “should be able to attract and retain UK workers”.28

15. Our witnesses disputed that assertion, noting that without a designated scheme restricting workers to jobs in agriculture, the sector was losing out in competition for workers to more ‘desirable’ sectors such as construction and hospitality.29 It was also noted that there was something of a natural progression of migrant workers, and the longer migration was possible into the UK the less willing migrants were to perform harder, manual work (and vice versa).30

16. These difficulties in recruiting labour from Romania and Bulgaria led our witnesses to call for a “new SAWS” allowing the immigration of non-EU labour into the UK since sources from the EU would fail, and were failing, to meet the agricultural sector’s needs.31 Such a scheme would have been necessary even without the UK’s decision to leave the EU but that decision had made the need for such a scheme even greater.32 Witnesses suggested that this “new SAWS” would need to be established immediately post-Brexit, to avoid any “cliff edges” of labour shortages. Some went further and called for a pilot scheme to be instituted immediately, partly to meet urgent labour needs and partly to “demonstrate, working with the Home Office, that we [the industry] can manage that scheme as we have in the past”.33

17. As noted above, the Government told us that it was not convinced that there were any labour shortages in the agriculture sector and therefore disputed claims that the closure of the old SAWS scheme had had any effect on the wider labour supply. Both Ministers were confident that in the short-term the continued free movement of labour between EU countries meant that sufficient labour could be found.34 They refused to specify whether a new SAWS scheme would be introduced in the longer-term. Instead, they promised to avoid any “cliff edges” in labour supply and to ensure a smooth transition to a new,
albeit unspecified, policy. Furthermore, the Ministers promised to keep the need for a new SAWS scheme—to run in addition to free movement of labour within the EU, and applying to a non-EU-country—“under review”.

18. We remained concerned that the Government could not act quickly enough to establish a new scheme, and new sources of labour, if labour shortages became acute. We pressed the Government on how long it would take to establish a new SAWS scheme, if required. Given that the previous SAWS scheme had closed only recently and as a result the Home Office had institutional experience of running it, Robert Goodwill told us that it would take “about five or six months” to establish such a scheme if the need were identified. He went on the stress that the continued free movement of labour meant that a SAWS scheme would not need to be introduced “as long as we remain members of the European Union—so for the next two years”.

19. We note the Government’s assertions that a new Seasonal Agricultural Workers Scheme (SAWS) is unnecessary as long as the UK retains free movement of labour among the European Union. We further note the Home Office’s assertion that a new SAWS could be introduced very quickly—in five or six months—once the need for such a scheme had been identified. It is vital that the labour supply available to the agriculture and horticulture sectors does not suddenly dry up as a result of any uncertainty caused by the new immigration arrangements instituted following the UK’s exit from the EU. We note the promise made to us that this will not happen, and we are confident that our successor Committee will wish to scrutinise this area of Government activity closely throughout the next Parliament.
4 Long-term solutions

20. The issues discussed above primarily refer to the immediate demands of the sector. In addition, we pressed our witnesses for potential solutions to the longer-term problems with the agricultural labour supply and, ultimately, what could be done to reduce the sector’s reliance on foreign workers and so avoid some of the short-term shocks affecting the industry.

21. Robert Goodwill summarised the overall direction of Government policy in this area: “It must be part of our long-term solution that the sector becomes less reliant on migrant labour and uses more UK workers”. In our session on 15 March, both Robert Goodwill and George Eustice highlighted various strands of Government activity which were intended to achieve this policy aim:

- reforms to the benefit system, “aimed at encouraging more people back into the workforce”; 40
- greater automation and mechanisation of the sector, allowing more regular growing patterns and less need for a “flexible” workforce”; 41
- increasing skills and qualifications of workers in the sector; 42
- “trebling the number of apprentices that are working in agriculture”; 43
- changes of perceptions of work in agriculture and encouraging a belief that it is a worthwhile career, “We have to get away from the old fashioned concept that either you have the farm that you have inherited down the family or you are a farm worker and there is a glass ceiling that you cannot get above”; and 44
- increasing from a young age the understanding of food and farming and so heightening awareness of the possibilities of careers in these sectors. 45

22. The summary provided to us by the Government echoed what we had already been told by our witnesses, who were broadly in favour of the Government’s work. It was noted, however, that the biggest problem was one of “culture” and mind-set. According to Minette Batters of the NFU:

I was visiting a grower in Cornwall last year, who said, “Historically we had no problem sourcing UK workers; we always advertise for UK workers.” However, he pointed to a business park adjacent to the farm and said, “People now would rather go and work 9 to 5; they know the hours, it is warm and dry, and they have seen a massive cultural change.” 46
Our witnesses were further unanimous that, no matter what policies the Government adopted, there would always be some need for temporary, migrant labour in the sector.\textsuperscript{47}

23. We discussed with representatives of Unite the Union the particular issues faced by the industry in recruiting and training skilled workers. It was suggested by Unite that the move towards greater automation in the sector would heighten these issues and would have both positive and negative impacts on the type of labour required. We pressed Unite for their views on exactly how this might shape the workforce. Unite itself was unable to precisely say and, more importantly, was unaware of “any research going on on that basis” or of any assessment of future skill needs and the cost of meeting these.\textsuperscript{48}

24. Inquiring into the long-term labour needs of the agricultural sector raises many questions on the future shape and working practices of that sector, as well as on many strands of Government activity in the areas of education and rural policy. Our successor Committee will, we are sure, address these issues either through specific inquiries or as part of its wider work throughout the next Parliament.

25. We are pleased to note the Government’s many strands of work in increasing the agricultural labour supply and we are confident that the effects of these will be closely scrutinised in the new Parliament.
Conclusions and recommendations

Are there shortages of labour in the agriculture and horticulture sector?

1. The weight of evidence from a range of agricultural and horticultural businesses indicates that their sectors are facing considerable difficulties in recruiting and retaining labour. We do not share the confidence of the Government that the sector does not have a problem: on the contrary, evidence submitted to this inquiry suggests the current problem is in danger of becoming a crisis if urgent measures are not taken to fill the gaps in labour supply. (Paragraph 11)

2. We are concerned that the industry has such different experiences to those reported by the Government. It is apparent that the statistics used by the Government are unable to provide a proper indication of agriculture's labour needs. These statistics and their utility for measuring supply of, and demand for, seasonal labour must be reviewed by the end of 2017 to give the sector confidence in the adequacy of the official data on which employment and immigration policies will be based for the period after the UK leaves the EU. (Paragraph 12)

A new Seasonal Agricultural Workers Scheme (SAWS)?

3. We note the Government's assertions that a new Seasonal Agricultural Workers Scheme (SAWS) is unnecessary as long as the UK retains free movement of labour among the European Union. We further note the Home Office's assertion that a new SAWS could be introduced very quickly—in five or six months—once the need for such a scheme had been identified. It is vital that the labour supply available to the agriculture and horticulture sectors does not suddenly dry up as a result of any uncertainty caused by the new immigration arrangements instituted following the UK's exit from the EU. We note the promise made to us that this will not happen, and we are confident that our successor Committee will wish to scrutinise this area of Government activity closely throughout the next Parliament. (Paragraph 19)

Long-term solutions

4. Inquiring into the long-term labour needs of the agricultural sector raises many questions on the future shape and working practices of that sector, as well as on many strands of Government activity in the areas of education and rural policy. Our successor Committee will, we are sure, address these issues either through specific inquiries or as part of its wider work throughout the next Parliament. (Paragraph 24)

5. We are pleased to note the Government's many strands of work in increasing the agricultural labour supply and we are confident that the effects of these will be closely scrutinised in the new Parliament. (Paragraph 25)
Formal Minutes

The following declarations of interest relating to the inquiry were made:

**Wednesday 22 February 2017**

Rebecca Pow declared a non-pecuniary interest in relation to the Committee’s inquiry into Feeding the nation: labour constraints, namely: Rebecca Pow’s family used to run a dairy farm.

David Simpson declared a pecuniary interest in relation to the Committee’s inquiry into Feeding the nation: labour constraints, namely: receiving a quarterly payment for services as an adviser to the Universal Meat Company.

**Tuesday 25 April 2017**

Members present:

Neil Parish, in the Chair

Chris Davies  Dr Paul Monaghan
Jim Fitzpatrick  Rebecca Pow
Kerry McCarthy  David Simpson

Draft Report (*Feeding the nation: labour constraints*), proposed by the Chair, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 25 read and agreed to.

Resolved, That the Report be the Seventh Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[The Committee adjourned.]
Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the inquiry publications page of the Committee’s website.

**Wednesday 8 February 2017**

Chris Chinn, Cobrey Farms, David Brown, Industry Policy Adviser, Horticultural Trades Association, and Zoe Davies, Chief Executive, National Pig Association  
**Q1–57**

**Q58–99**

**Wednesday 22 February 2017**

Julia Long, National Officer for Food, Drink and Agriculture, and Bridget Henderson, Unite the union  
**Q100–156**

Tim Breitmeyer, Deputy President, CLA, Minette Batters, Deputy President, National Farmers Union, and George Dunn, Chief Executive, Tenant Farmers Association  
**Q157–211**

**Wednesday 15 March 2017**

George Eustice MP, Minister of State, Department for Environment, Food and Rural Affairs, and Mr Robert Goodwill MP, Minister of State, Home Office  
**Q212–333**
Published written evidence

The following written evidence was received and can be viewed on the inquiry publications page of the Committee’s website.

LSH numbers are generated by the evidence processing system and so may not be complete.

1. Agriculture and Horticulture Development Board (LSH0005)
2. Association of Licensed Multiple Retailers (LSH0015)
3. British Asparagus Growers Association (LSH0021)
4. British Egg Industry Council (LSH0024)
5. British Meat Processors Association (LSH0020)
6. British Poultry Council (LSH0008)
7. CLA, additional written evidence (LSH0030)
8. Concordia (LSH0023)
9. Cornwall Council (LSH0026)
10. Dairy UK (LSH0033)
11. Department for Environment, Food and Rural Affairs (LSH0027)
12. Department for Exiting the European Union (LSH0032)
13. Drinkwaters Mushrooms Ltd (LSH0002)
14. E C Drummond (Agriculture) Ltd (LSH0007)
15. Farming and Rural Issues Group South East (LSH0031)
16. Food Ethics Council (LSH0018)
17. Grampian Growers Limited (LSH0006)
18. G’s Group Holdings Limited (LSH0035)
19. HALL HUNTER PARTNERSHIP (LSH0001)
20. HOPS Labour Solutions (LSH0029)
21. Hugh Lowe Farms Ltd (LSH0004)
22. LEEP—University of Exeter (LSH0016)
23. LKL Services Ltd (LSH0014)
24. National Farmers Union (LSH0011)
25. NFU Scotland (LSH0013)
26. Richard Rowan (LSH0028)
27. Shared Assets (LSH0025)
28. Supplementary evidence from National Farmers Union (LSH0034)
29. The Farming and Wildlife Advisory Group (LSH0009)
30. The Food Standards Agency (LSH0010)
31. The New Forest Fruit Co. Ltd. (LSH0012)
32. Unite the Union (LSH0017)
## List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the publications page of the Committee’s website.

The reference number of the Government’s response to each Report is printed in brackets after the HC printing number.

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