



House of Commons

Environment, Food and Rural
Affairs Committee

**The UK's new
immigration policy and
the food supply chain:
Government Response
to the Committee's
Third Report of Session
2019–21**

**First Special Report of Session
2021–22**

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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 for Environment, Food and Rural Affairs and associated public bodies.

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First Special Report of Session 2021–22

The Environment, Food and Rural Affairs Committee published its Third Report of Session 2019–21, [The UK’s new immigration policy and the food supply chain](#) (HC 231), on 22 December 2020. The Government response was received on 27 April 2021 and is appended to this report.

Appendix: Government response

Introduction

The Government is grateful to the committee for their efforts in producing this report amidst the challenges of the COVID-19 pandemic. We welcome the opportunity to present a joint Home Office and Defra response to the report’s recommendations.

The end of the transition period saw the introduction of the UK points-based immigration system, with EEA and non-EEA nationals now all treated equally, and top priority given to those with the highest skill levels and talent. We now have the power to decide who can come to the UK, and the new system will play a critical role in recovering from the impacts of the pandemic, encouraging focus and investment in the UK’s domestic workforce to create a high wage, high skill and high productivity economy.

Since the report was published, numerous policy developments within Defra and the Home Office have addressed the substance of various recommendations put forward by the committee, such as the announcement of a Seasonal Workers Pilot extension for 2021; continued work to promote opportunities to domestic workers; a review into automation in horticulture; and other ongoing work to further improve data and evidence on labour supply.

However, the report and recommendations have provided Defra and the Government with an opportunity for further detailed reflection on these matters and will be kept under review to provide useful steer for the future. We hope the responses to each recommendation provided below give a clear and satisfactory sense of the department’s agenda to address these important matters.

Recommendations

1. ***The Government should pay particular attention to food prices in the period after the introduction of the new immigration policy—if prices rise, due to a shortage of labour, it should stand ready to make appropriate policy adjustments.*** (Paragraph 15)

1.1. The Government agrees with the committee that there is a need to carefully monitor the impact of changes on food supply chain workforces. The aim to mobilise and strengthen the domestic recruitment pipeline across the sectors brings with it many benefits, including greater stability for employers, increased career opportunities for UK residents (particularly given rising unemployment), and better long-term security for domestic food supply in general. However, the Government must work with industry to ensure that any risks related to the impact of these changes are appropriately mitigated in a timely way.

1.2. The Government continually monitors the latest domestic production, agri-food, and general retailer food price data, and regularly engages with growers, retailers and other food sector organisations to understand how food prices are changing. The influencing factors of food prices are complex and wide-ranging, therefore establishing a credible link between the price of food and labour supply is not always possible. However, Defra is committed to working throughout 2021 to scrutinise all relevant data related to the impact of labour supply to agri-food chain sectors, as well as continually monitoring and evaluating the impact of its policies.

2. *Defra and the Home Office should consult food supply chain businesses during the first half of 2021 on the impact of the PBS and associated paperwork and fees to ensure that they are able to recruit sufficient staff from overseas where this is necessary so to do. They should provide the Committee with the outcomes of those consultations before the summer recess. The Government should reconsider its decision not to implement the Migration Advisory Committee’s latest Shortage Occupation List review to help ensure that food supply chain businesses can secure the labour they need.* (Paragraph 25)

2.1. The Government acknowledges the need to keep fees and paperwork proportionate in the visa application process. These attributes are critical to ensure visa routes remain attractive to prospective skilled migrants applying for work in the UK. The Government thinks it is right that the immigration system is funded as much as possible by the user, rather than the British taxpayer, and we believe that the current UK visa fee schedule offers good value, particularly when considering the benefits and entitlements of a successful application.

2.2. The Home Office keeps fees under review and ensures they are within the parameters agreed with HM Treasury and Parliament, as set out in Section 68 (9) of the Immigration Act 2014. The government also acknowledges the need to work with industry organisations to continually assess the impact of the points-based immigration system on the ability of UK employers to recruit from overseas where necessary. In Defra, we are engaging with food chain sector organisations to this end.

2.3. The Government also acknowledges the important work of the Migration Advisory Committee in reviewing the Shortage Occupation List (SOL). On 4 March, the Home Office announced their final decision on the adoption of the committee’s recommendations ahead of a scheduled change to the Immigration Rules on 6 April 2021.¹

2.4. Since the end of the transition period Defra and the Home Office have been working closely with other government departments and industry organisations to scrutinise all relevant data which helps us better understand the impacts of these changes in real time. We will continue this important work in order to inform any future policy decisions in this area.

3. *[The Government] should closely monitor the impact of the new immigration policy on the supply of skilled workers in the food supply chain and make immediate adjustments if bottlenecks emerge.* (Paragraph 30)

1 <https://questions-statements.parliament.uk/written-statements/detail/2021-03-04/hcws822>

3.1. When outlining the purpose of the UK points-based immigration system, the Government was clear that we wanted employers to focus on training and investing in our domestic work force, rather than relying on labour from abroad. At the same time, we want to make it simpler for employers to attract the best and brightest from around the world to come to the UK to complement the skills we already have.

3.2. The Government agrees with the committee that considerations around training requirements and skill development need to be factored into the policy making process as a priority. These elements are critical to securing the long-term recruitment pipeline for all food chain sectors.

3.3. Since the introduction of the new system, Defra and the Home Office have been working diligently with industry to assess all available information relating to the availability of skilled labour, including monitoring bottlenecks and shortages in the sectors. This work will continue into the future.

4. *The Government should also play a role in supporting the retraining of labour through engagement with employers and unions, and given its decision to terminate the Union Learning Fund should ensure there is an effective replacement for the valuable work that the Committee recognises it has done.* (Paragraph 40)

4.1. The Government agrees with the need for employers to ensure pay, working conditions, and training within the food supply chain are attractive to domestic workers. This matter has particular importance given the expectation of rising unemployment in the short term, and Defra's strategic aim to strengthen the long-term domestic recruitment pipeline of food supply chain businesses generally. It is also important that government explores all available options for removing barriers to employment for UK workers by providing support for skills development programmes that are fit for purpose. In a letter to the committee on this matter, the Department for Education stated the need for new initiatives which 'support people in all circumstances and in all types of employment', ones that can be applied 'at scale' with a broader reach than that offered by the Union Learning Fund.² We endorse this view.

4.2. Access to a sufficient and appropriately skilled workforce is essential to continued food chain industry growth, productivity and safety. The government will continue to work closely with the Food and Drink Sector Council's Agricultural Productivity Task Force (APTF) to support skills development in these sectors.

4.3. The Agricultural Transition Plan (ATP) has outlined Defra's support for the 'Institute for Agriculture and Horticulture' (TIAH) and that Defra will contribute to its establishment. Membership will be inclusive and open to all industry workers including new entrants and existing farmers and land managers. The initiative is aimed at removing the fragmentation that exists within the current learning and skills landscape for farming businesses, enabling the industry to drive forward greater uptake of skills, creating clear career development pathways, and promoting the sector as a progressive, professional and attractive career choice.

2 <https://committees.parliament.uk/publications/4258/documents/43306/default/>

4.4. We will also ensure that skills development is available to school leavers and students. The government’s Post-16 Skills Plan focuses on preparing young people and adults for skilled employment which requires technical knowledge and practical skills such as in agriculture. There are currently 32 high-quality apprenticeship standards available in the agriculture, environmental and animal care sector. A further 7 standards, including general farm worker and agricultural/horticultural professional advisor, are in development. In 2020–21, funding available for investment in apprenticeships in England will remain around £2.5 billion - double that spent in 2010–11.

5. *The lack of a transition period for the introduction of the new immigration policy creates risks and therefore Defra, the Home Office and the Department for Work and Pensions must work together to closely monitor the food supply chain to monitor the impact of the absence of a low skilled immigration route, and be prepared to take action that will swiftly alleviate any labour supply problems as the food supply chain adjusts to the new immigration policy.* (Paragraph 41)

5.1. In addition to strengthening domestic recruitment pipelines, and supporting the creation of new skills development programmes aimed at UK workers, the Government agrees with the committee that we must also carefully monitor the overall impact of changes to the immigration system on labour supply to UK food chain sectors. This is particularly important on sectors which in recent years have had a strong reliance on migrant labour, such as seasonal edible horticulture.

5.2. Both Defra and the Home Office are committed to working across government and with industry to scrutinise all available information relating to the supply of labour to these sectors, as well as continually monitoring and evaluating the impact of our policies.

6. *The Government, employers and representative bodies must work together to develop a common methodology for measuring the aggregate number and the breakdown by nationality of seasonal workers in the food supply chain. In order that Defra’s data commands confidence with stakeholders and within Government it should seek to ensure that these statistics are designated as “National Statistics” by the independent Office for Statistics Regulation.* (Paragraph 48)

6.1. As the Government stated in our original submission to this enquiry, producing a single aggregate number for seasonal labourers in the UK is challenging. The varied and temporary nature of seasonal roles, the culture of workers moving between multiple employers across the season, and the multitude of sources which growers utilise when recruiting, provides significant challenges for both government and industry to collect, measure and agree on a single figure.

6.2. The Government will continue making improvements to our understanding of the demand in the food supply chain on an annual basis, making use of all available data from within government, such as HMRC, ONS and Defra survey data, and in collaboration with industry. We will also make use of evaluations and lessons learned from government initiatives such as the Seasonal Workers Pilot and the 2020 ‘Pick for Britain’ campaign which improve our understanding of seasonal recruitment.

7. We therefore recommend that the Seasonal Workers Pilot for 2021 should be expanded to include other food supply chain and agricultural sectors beyond edible horticulture, and have a sufficiently generous cap that allows all businesses to recruit the labour they need. Given that farmers need to ensure that the crops they plant will be harvested, it is essential the Government publishes the cap for 2021 immediately. This policy should be kept under review—particularly in the first half of 2021—by a joint Defra and Home Office group with a specific remit to monitor and forecast the levels of demand and supply of seasonal workers in the food supply chain to ensure that there is sufficient labour to harvest our crops. (Paragraph 62)

7.1. On the 22 December 2020, Defra announced that the Seasonal Workers Pilot would be extended and expanded for an additional year in 2021, with 30,000 visas available for those wanting to come and work on UK farms for a period of up to six months. This announcement comes after a long period of close work with industry organisations across the UK, and in particular Scotland, to support local rural economies and soft fruit growers. The extension of the Seasonal Workers Pilot this year will operate in support of the edible horticulture sector only, to help farmers growing UK fruit and vegetables, strengthening the security of our domestic food supply chain.

7.2. The Government is now working swiftly to establish two additional pilot operators ahead of the peak harvesting seasons, in addition to the existing two operators. This step will ensure there is capacity within industry to recruit and fulfil this expanded quota of visas throughout the year.

7.3. The Seasonal Workers Pilot was established to better understand how a bespoke visa category under the new immigration system could meet the needs of UK growers during peak production periods. Defra will continue working with the Home Office to monitor the uptake of visas, along with forecasted supply/demand of seasonal horticultural labour, to ensure that the pilot in its current form is fulfilling its intended purpose.

7.4. In our original submission to this enquiry, Defra outlined the need to prioritise ‘mobilising and strengthening domestic employment’ in these sectors in order to bolster the recruitment pipeline for seasonal labour, as well as ‘supporting investment in productivity through robotics and automation’. This year the government will again work alongside industry to build on last year’s efforts to promote the recruitment and retention of domestic seasonal workers in 2021, as well as leading a review into automation in horticulture which will begin this Spring.

8. We welcome the announcement in November of additional Government funding for new technology, and call upon Defra to publish a strategy within 6 months setting out how it will work with technology providers and the food supply chain to ensure our farming and food production sectors can help develop and take advantage of the latest technological advancements. The Government should monitor the speed at which the mechanisation of roles currently done by seasonal labour becomes economic for all farmers, including small farmers, and this should be reflected in the setting of the cap on the Seasonal Workers Pilot. (Paragraph 68)

8.1. The Government is grateful to the committee for highlighting the importance of technology and automation for the future of the agri-food sectors, and acknowledge the financial and logistical challenges that small businesses in particular will face when considering mechanising their operations. Technology and automation have the potential to bring change to all parts of the food supply chain, and as the committee acknowledges, many sectors have already successfully integrated automation into parts of their operations.

8.2. We are delighted to inform the committee that, along with the measures acknowledged in the report, Defra will lead a review into automation in horticulture this year. The review will report on ways to increase automation in the sector and meet the government's aim of reducing the need for migrant labour in the long term. Further details of the review will be published in the Spring.