

# **CRPR Evidence submitted to the Environment, Food and Rural Affairs Commons Select Committee Inquiry on Labour shortages in the food and farming sector**

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## **Centre for Rural Policy Research (CRPR), University of Exeter**

### **About CRPR**

The Centre for Rural Policy Research (CRPR) at the University of Exeter is home to an inter-disciplinary team of social scientists focusing on the rural environment, economy and society. The CRPR has a longstanding reputation as one of the leading groups in the UK and beyond in the study of land, environment, agriculture and the rural economy. Cutting edge academic research undertaken within the CRPR has been used to inform governments, businesses, NGOs and communities about how land and the environment are managed and used and how policy can be better designed, appraised and evaluated. The CRPR has long been dedicated to the study of labour markets in agriculture and the food supply chain, and regularly reports on various labour-associated issues using rigorous research methods leading to robust quantitative and qualitative evidence.

### **Summary**

The composition of farm labour on British farms has transitioned significantly over the last few decades. Not only has there been a dramatic decrease in workers overall across all sectors, but the past reliance on a mixture of domestic workers and migrant workers for seasonal labour has gradually transitioned to an almost total reliant upon migrant workers. Over the last few decades, this reliance upon non-British workers has also trickled over to more permanent positions in the industry. At the same time, work culture and lifestyle expectations in the UK have transformed to a point that mere wage adjustments alone are unlikely to attract domestic workers 'back' to many of these positions, particularly seasonal work. There now exists, therefore, a misalignment between the government's expectation that domestic workers will automatically make up the shortfall of workers and the reality; being that domestic workers lack the necessary skills, aspirations and lifestyle set-up to do so.

The below responses are largely drawn from the following CRPR evidence base, as well as reliable secondary sources:

1. The CRPR South West Food Survey<sup>1</sup> 2020 and 2016
2. Our recent report: *Farm labour in the UK. Accessing the workforce the industry needs*<sup>2</sup>
3. The Food System Impacts of COVID-19 project, funded by UKRI-ESRC as part of their COVID-19 rapid response fund<sup>3</sup>
4. The CRPR Food Business Survey April-June 2021

### **What is the extent and nature of labour shortages currently being experienced in the food supply chain?**

Analysis of the 2020 CRPR South West Farm Survey demonstrates that 44% of all farms who responded (n=1117) employ one or more full-time worker. This is a 16% increase from responses given in the 2016 survey. 32% employ one or more part-time worker (7% increase since 2016) and 25% one or more casual workers (no change since 2016). These figures are key as they demonstrate that there is little sign that labour requirements in the South West are likely to decrease any time soon, in fact they might be on the increase, so labour shortage issues need to be dealt with as quickly and efficiently as

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<sup>1</sup> A longitudinal, large-scale study of farms in South West England, conducted in February-April 2016 and late October to early December 2020.

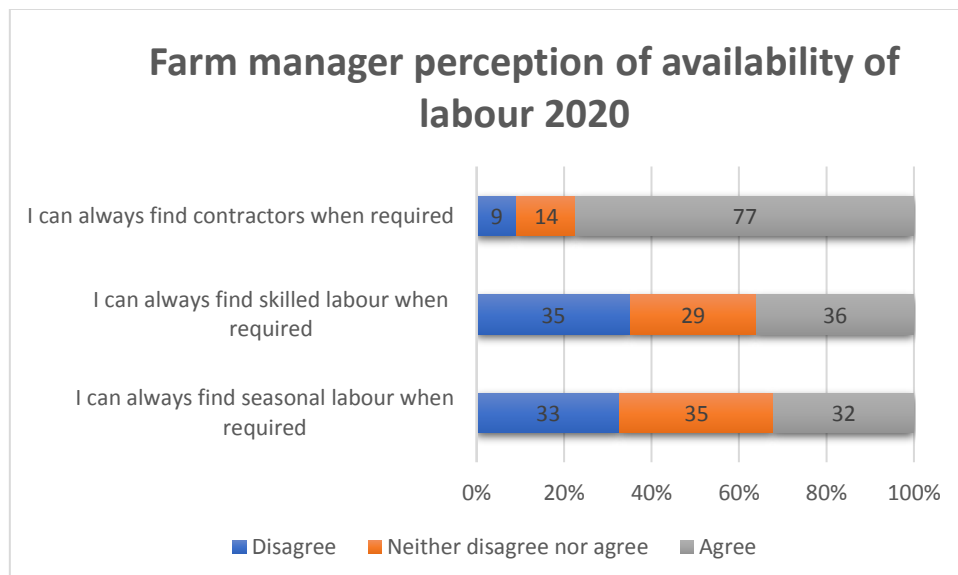
<sup>2</sup>

[http://socialsciences.exeter.ac.uk/media/universityofexeter/research/microsites/centreforruralpolicyresearch/pdfs/researchreports/Farm labour in the UK. Accessing the workforce the industry needs .pdf](http://socialsciences.exeter.ac.uk/media/universityofexeter/research/microsites/centreforruralpolicyresearch/pdfs/researchreports/Farm%20labour%20in%20the%20UK.%20Accessing%20the%20workforce%20the%20industry%20needs.pdf)

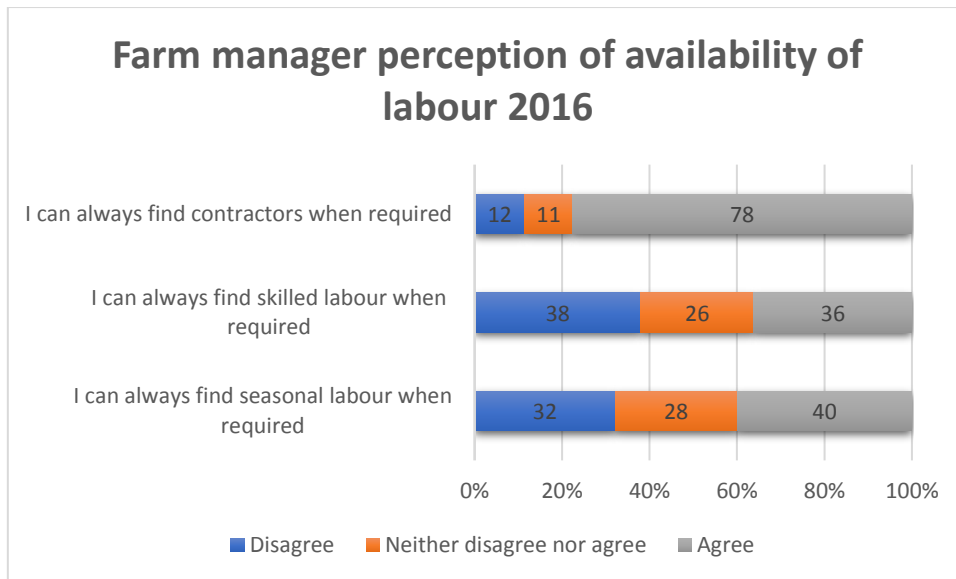
<sup>3</sup> <http://sites.exeter.ac.uk/foodsystemimpactscv19/about-the-project/>

possible. More broadly, our *Farm labour in the UK* report outlines, using secondary data, the reliance across all sectors upon migrant workers, and demonstrates that the horticulture, dairy, pigs, eggs, poultry and meat processing industry are all likely to be affected by recent changes in immigration policy.

We asked respondents to our South West Farm Survey 2020 the extent to which they agreed with a series of statements about the availability of different forms of labour (contractors, skilled labour and seasonal labour) (see Figure 1). While 77% agreed they could find contractors when required, the picture was more mixed for skilled and seasonal labour. Responses to statements about seasonal and skilled labour roughly broke into thirds, with approximately equal sized groups disagreeing, agreeing and remaining ambivalent. One third of farm businesses in the South West said they could not find skilled or seasonal labour when required in Nov 2020. If we compare this with results from our South West Farm Survey 2016, where we asked the same question about availability of labour (see Figure 2), you can see that results for contractors and skilled labour are very similar. For seasonal labour, there is broad similarity, although 8% more respondents agreed they could find labour when it was required in 2016 than agreed in 2020.

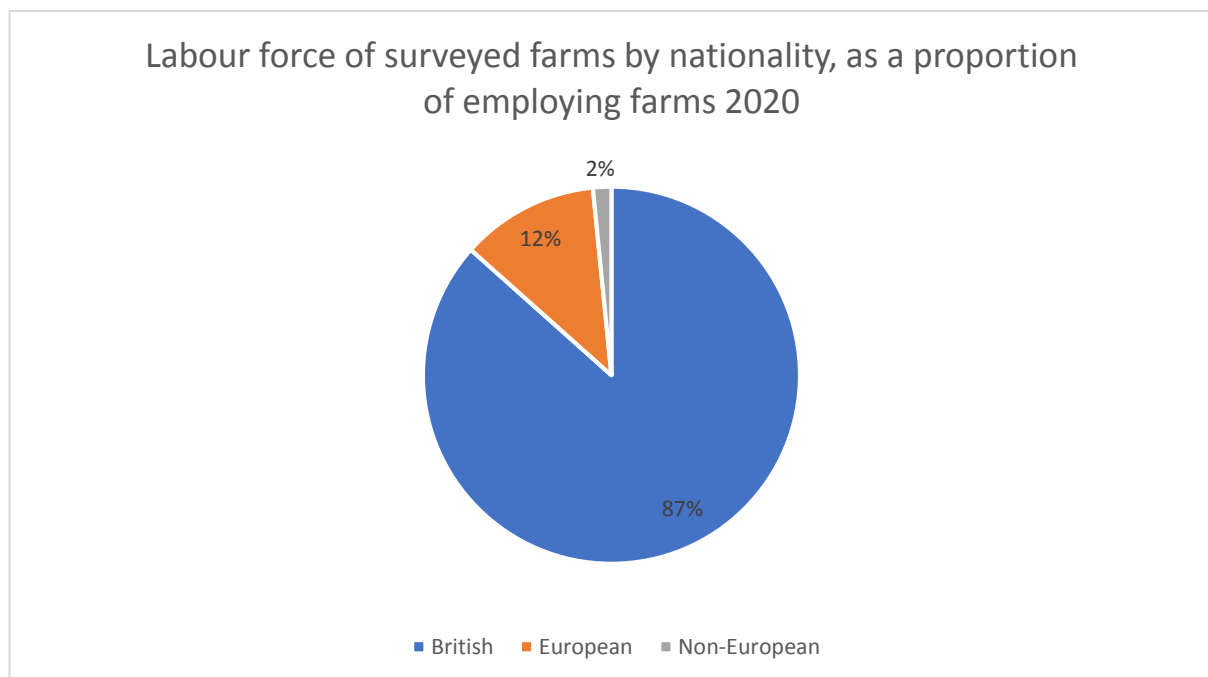


**Figure 1.** Extent to which farmers agreed with statements regarding ease of finding labour. Contractors (n=972), seasonal labour (n=578), skilled labour (n=784) (Source: CRPR South West Farm Survey 2020).

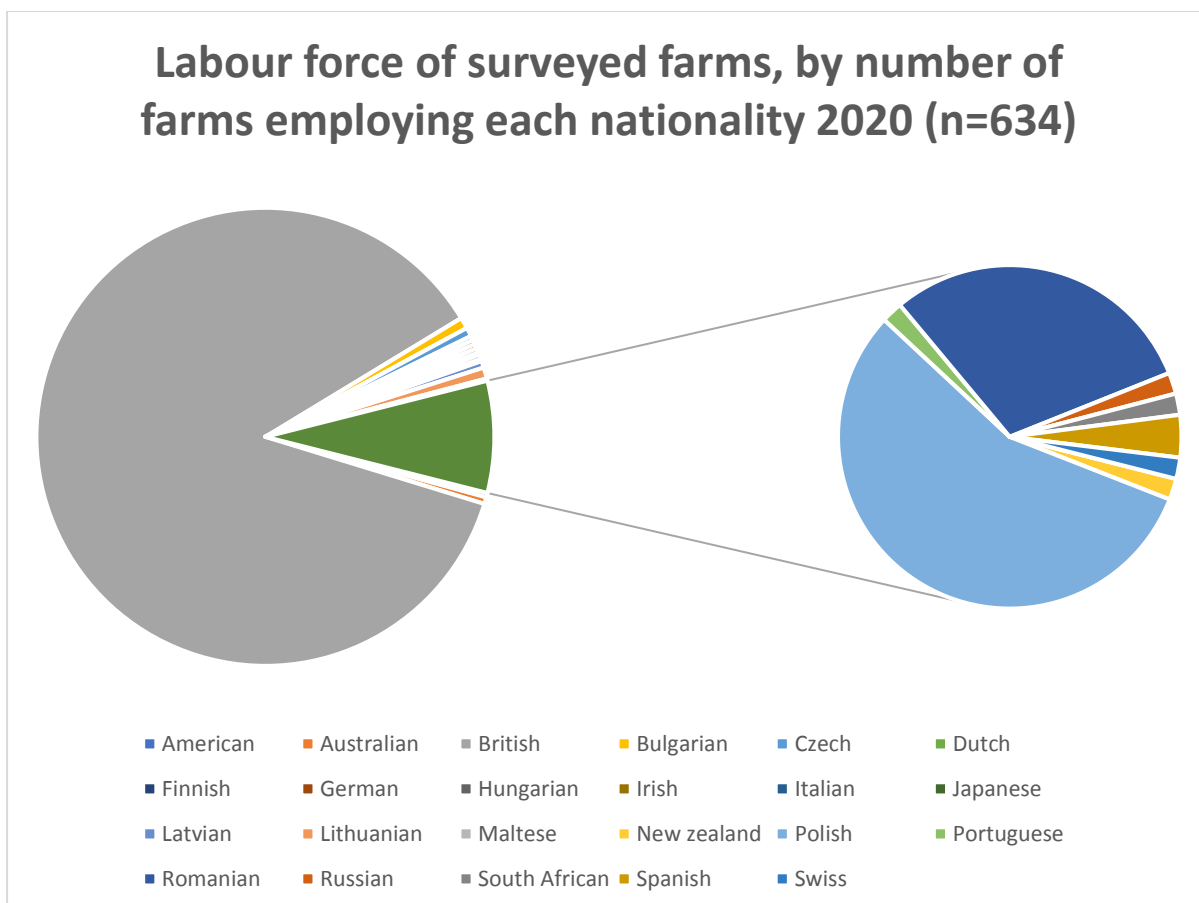


**Figure 2.** Extent to which farmers agreed with statements regarding ease of finding labour. Contractors (n=974), seasonal labour (n=585), skilled labour (n=755) (Source: CRPR South West Farm Survey 2016).

In 2020, 87% of surveyed farms in the South West employed British workers, while only 12% employed European workers (Figure 3), with almost no change in composition of nationalities since 2016. Figure 4 demonstrates that, of those farms employing non-domestic workers, the majority of those were from Poland or Romania. These figures illustrate the proportion of farms employing a particular nationality, rather than the number of nationals employed on each farm, which may or may not have changed over the four year period.



**Figure 3.** Nationality of labour force of surveyed farms 2020 (n=634) (Source: CRPR South West Farm Survey 2020).



**Figure 4.** Labour force of surveyed farms by nationality 2020 (n=634) (Source: CRPR South West Farm Survey 2020).

The recorded responses to the 2016 survey were received and processed before the United Kingdom European Union membership referendum in June 2016, therefore it appears that labour issues were already proving to be an issue at this time. These results also suggest that, for the time being, the impact of Brexit and the COVID-19 pandemic on farm labour in the South West has not been as substantial as in other areas of the country. This is likely due to the fact that fewer horticultural units are present in the South West, and possibly that the surveyed farms transitioned any European staff to pre-settled or settled status prior to the requisite deadlines.

In our COVID Food Business survey (n=164) circulated in April-June 2021, we asked food businesses from across the supply chain (from food processing through to retail, but excluding producers) to rank five impacts of COVID on business performance in order of severity. These were changing demand for products/ services, changes in the supply chain, cashflow, COVID-safe measures and staff availability. Staff availability was ranked as having had the most severe impact on business performance by just 13% of respondents; 58% ranked staff availability as 4<sup>th</sup> or 5<sup>th</sup> in terms of severe impact, i.e. as having a less severe impact on business performance in comparison to the factors ranked. We also asked respondents to score how effectively the business had responded to a range of impacts of COVID including 'staff/labour issues'. Respondents reported answers on a scale of 1 to 10, where 1 was not at all effectively and 10 was extremely effectively. The mean score was 7.38 indicating that the surveyed businesses felt they had dealt with staff/labour issues arising from COVID, effectively. The sample for this survey was mainly micro businesses (44% had less than 9 employees, 34% had 10-49 employees, 16% had 50-249 employees, 6% had more than 250 employees). So the sample is skewed towards micro and small businesses who may have experienced and responded to staff issues in

particular ways. This survey is a snapshot in time (April to June 2021) and the sample is not necessarily representative of all UK food businesses. As the country has unlocked the severity of the impacts may have changed.

### **What are the factors driving labour shortages in the food supply chain?**

With regards to farm labour, multiple drivers are influencing the ability of employers and the industry to attract and retain labour. These differ slightly for seasonal and more permanent positions, as well as for domestic workers and migrant workers, although some of the influencing factors do overlap.

#### *Migrant workers*

- The principal driver affecting accessibility to migrant workers is the change in immigration policy and the limitations exercised by the new seasonal worker pilot permits. The current allocation of 30,000 permits is not sufficient to meet all labour demands across all sectors and the Pick for Britain scheme demonstrated that domestic workers will not make up the shortfall (see below and our *Farm labour in the UK* report). Failure to include applicable workers and sectors on the Shortage Occupation List augments this issue.
- A change in attitude has been reported whereby some non-domestic workers feel less welcome or even in danger, post- referendum.

#### *Permanent roles and seasonal roles*

- Low pay, or the perception that agricultural work is low paid. Pay is largely affected by tight margins and contractual obligations effected by supermarkets, as well as a consumer base accustomed to cheap prices and import competition.
- Lack of affordable accommodation in rural areas.
- Poor local infrastructure in rural areas, e.g. public transport.
- Poor farm culture, including a lack of people-management skills, a lack of time or willingness to train workers, the lack of off-farm training opportunities provided by employers, poor delegation of work tasks, and a lack of 'forward thinking' on the part of the employer.
- Lack of career progression opportunities.
- A poor, antiquated public image of farming across the general public.
- Other industries/countries more attractive to potential workforce.
- Associations with poor health and safety.
- The cost of R&D into automation and technologies has, up until now, been prohibitive.
- General lack of operational labour within the domestic workforce.

#### *Mainly seasonal roles*

- Poor working and living conditions, the drawbacks of which became particularly stark during the pandemic.
- Lack of planning permission to build suitable dwellings for workers.
- Humiliating, disrespectful treatment by senior staff. Withholding of work, and therefore pay, due to lack of skill (see FLEX (2019) and Robinson (2021) reports for further details).
- Vulnerability to exploitation and insufficient enforcement of regulations and farm inspections for illegal behaviours.

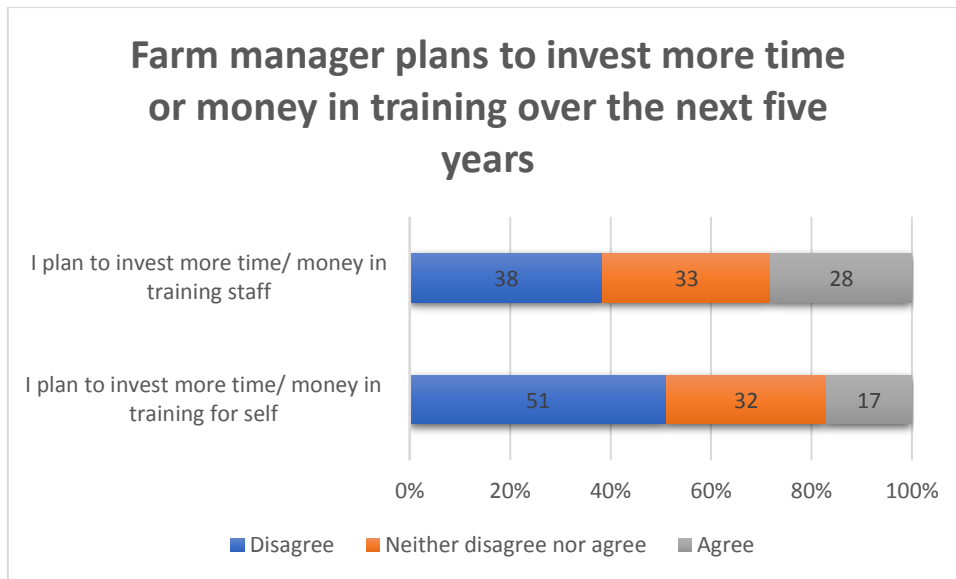
#### *Mainly permanent roles*

- Tentativeness of training/employing people without a 'farming background'.
- Inefficient recruitment processes.

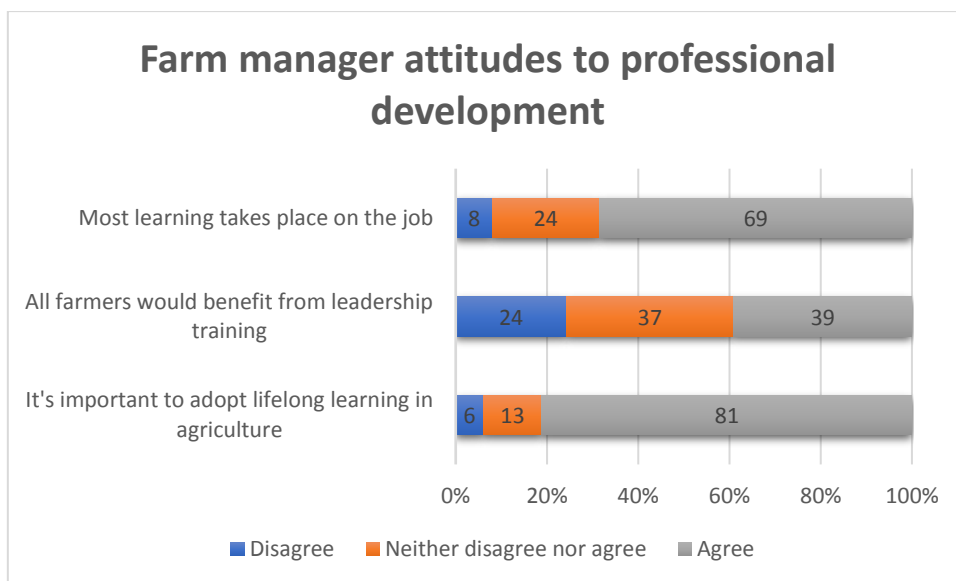
- Mismatch between further and higher education training and actual needs of employers (See Nye 2021 for further information).
- Lack of general education/awareness about food production at primary and secondary school levels.
- Lack of promotion by industry and key influencers (e.g. careers advisors, teachers and parents).
- Few apprenticeships in operation at the farm level.

The above drivers were identified both through empirical evidence obtained for our *Farm labour in the UK* report, as well as via earlier studies (Nye 2021). They were also corroborated at our twelfth Exert Panel on the Food Systems Impact of COVID-19 project, where panel members discussed topics relating to the nature and extent of the current labour shortages in the food supply chain. First, they acknowledged the lack of skilled labour, discussing examples of businesses employing staff with no or little experience in order to plug labour gaps and the use of students on food technology training placements being used to help plug holes in businesses labour forces. Second, they discussed a cultural perception of jobs in the food industry as dirty and low paid as contributing to shortages. Third, they commented that the lower availability of food sector-relevant skills and training courses contributes to labour shortages. Fourth, it was noted that meat processing labour not being eligible for skilled labour visas was contributing to shortages. Fifth, the food industry was recognised as competing with other industries including Amazon and the NHS for workers. In addition to competition with other sectors, within the food sector, there is of course competition between food business employers. One panel member spoke of an 'Amazon effect' on the labour market where food businesses are needing to benchmark wages against Amazon to compete for labour. Apparently, work force loyalty is low, with workers moving jobs for between 5p and 50p an hour additional pay. This has a destabilising effect and raises cost of agency labour.

Another issue which has emerged across all of our projects is lack of training. In the CRPR South West Farm Survey 2020, we asked respondents whether they planned to invest more time or money into training for themselves or their staff over the next five years (see Figure 5). A third of respondents were ambivalent about whether they would invest more time or money, 38% of respondents disagreed that they would invest in more training for staff, and 51% disagreed that they would invest more in training for themselves. This indicates an unwillingness or inability to invest in training, especially when that training is for the farm manager themselves. Discussed in the *Farm labour in the UK* report also, and earlier studies (Nye 2021) this is certainly an issue driving labour shortages. We might explain this unwillingness or inability to invest by looking at farmer manager attitudes to professional development (see Figure 6). Most (69%) respondents agreed that learning took place on the job which may negate the need for external training. However since 81% of respondents agreed it is important to adopt lifelong learning in agriculture and 39% agreed that all farmers would benefit from leadership training, there does appear to a drive to develop professionally. An inability or unwillingness to invest in training appears to be at odds with perceptions of the importance of lifelong learning and the perceived benefits of leadership training.



**Figure 5.** Extent to which farmers agreed with these statements? Staff training (n= 859), training for self (n= 990) (Source: CRPR South West Farm Survey 2020).



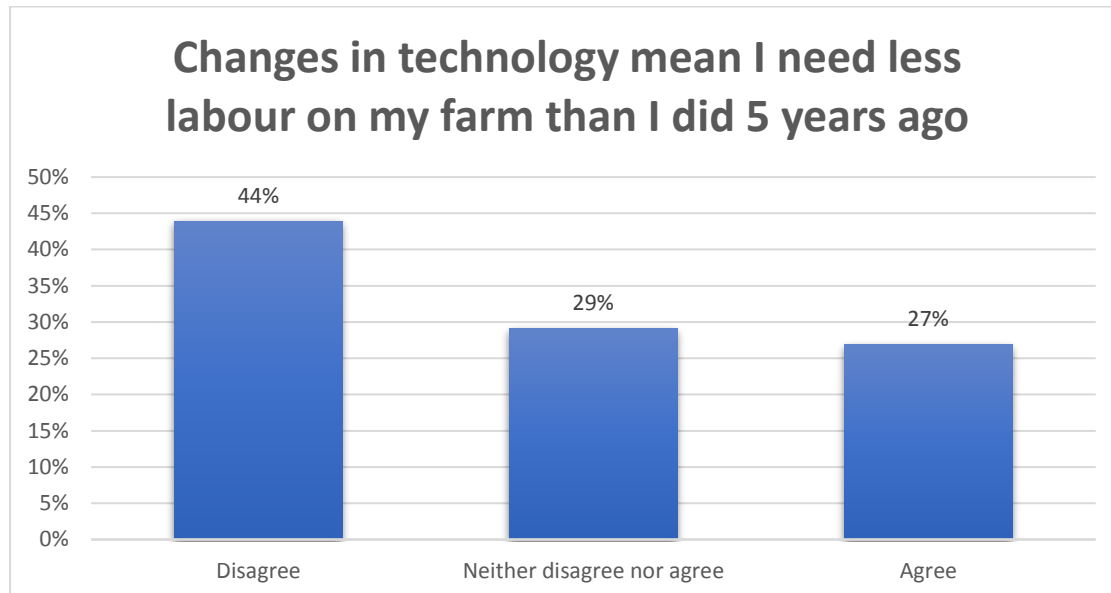
**Figure 6.** Extent to which farmers agreed with these statements? On the job learning (n=1060), leadership training (n=1002), lifelong learning in agriculture (n=1035) (Source: CRPR South West Farm Survey 2020)

#### What is the outlook for the labour shortage situation in the coming months and years?

The potential implications of labour shortages in the short term are that a lack of skills will lead to a drop in production, some farms will be forced to cease production entirely, some businesses will relocate to countries where access to labour is less of an issue, there will be an increasing reliance upon imports (potentially affecting the food security of the UK), an increase in slavery and worker exploitation is highly likely, permanent year-round roles underpinned by the seasonal workforce will face the threat of unemployment, and as is already the case for so many employers facing uncertainty, stress related to labour shortages and uncertainty will increase.



We asked farmers in the South West whether changes in technology meant they needed less labour on farms; 27% agreed, 44% disagreed and 29% neither disagreed nor agreed (see Figure 5). Technological solutions take time to bed-in. In the long-term, it is likely that some labour issues will be remedied by mechanisation and automation of tasks but this should not be relied upon as the panacea as many farms will still require workers for certain roles.



**Figure 7.** Extent to which farmers agreed with the statement ‘Changes in technology mean I need less labour on my farm than I did 5 years ago’ (n=817) (Source: CRPR South West Farm Survey 2020).

**What measures has the Government taken to alleviate the problems being faced by the food supply chain this year? To what extent have they been successful?**

With regards to farm labour, the government implemented the targeted *Pick for Britain* campaign in 2020, with the intention to rally a domestic ‘land army’ to assist with labour shortages in response to the COVID-19 pandemic. While one organisation stated that 50,000 people expressed an interest in applying for the work, the suggestion is that the seasonal workforce as a whole was, at best, only made up of 11% of the UK resident labour market. The reasons for this tie in with those highlighted above. However, further reasons for the campaign failing are outlined below:

- Those applying were not made sufficiently aware of exactly what the job entailed at the time of application (leading to a rapid drop in interest).
- Furlough acted as a safety net for those who had shown initial interest.
- Timings of the campaign did not coincide with peak demand.
- Rural locations and lack of parking acted as a deterrent.
- On-site housing was not appealing to potential domestic workers.
- Lack of skills were of detriment to the employing business (crop damage, wastage or too slow).
- Many employers preferred to ‘hold out’ for the return of migrant workers (which worked for many as restrictions eventually eased).
- Candidates were not ‘work fit’ for the physical work required.

While the experience was not a complete disaster for all employers, for many the cost far outweighed the benefit. Running a recruitment campaign based on a national conscience of working to save the nation is unsustainable and not a sufficient motivator for productivity.

## 7. Does the Government need to take further steps to support the food supply chain?

### *For research and policy*

- The seasonal worker scheme must accommodate the needs of all sectors currently reliant upon migrant workers, including those requiring year round staff, so as not to discriminate between sectors.
- Definitions of, and value placed upon, the skills of farm workers need to be revisited by the Migration Advisory Committee to ensure that the farming industry is not disadvantaged by the new immigration policy.
- Research should be undertaken to establish the attitudinal baseline of prisoners, service leavers, young people, and potential career changers to identify current attitudes towards careers in agriculture. This should be mirrored with farmers (i.e. their attitudes to employing people from these groups).
- Use of online portals should be encouraged to facilitate the exchange of workers between businesses, such as the Association of Labour Provider's (ALP) Extra Workers Needed Portal.
- Introduce new data collection strategies to identify, with more certainty, where labour shortfalls exist across all sectors.
- Defra should commission a thorough evaluation of the seasonal worker pilot scheme prior to introducing any new worker scheme.
- Ensure provision of greater resource for inspection of licence-holding operations (by the GLA) to avoid further licensing breaches and worker exploitation.
- Payments under ELMs and other schemes should include 'social conditionality' such that any farm payments are conditional upon the social and human rights of farm workers being respected and enforced, and penalties introduced for businesses not adhering to the policy.
- Establish a cross sector working group to identify ways to encourage gender and ethnic diversity in recruitment to the industry.
- Liaise with the MoD to include explicit inclusion of agricultural opportunities within the Career Transition Partnership.

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