

NFU Policy Proposal

A Seasonal Agricultural Workers Scheme (SAWS) for the Next Decade

In conjunction with labour providers and horticultural employers; including:

Concordia
HOPS
'50 Club' Horticultural Employers' Association

May 2012

Executive Summary

- It's an absolute priority that British growers have access to labour to carry out all their operations. Many of the crops produced in the UK are seasonal. This creates a structural problem to annually recruit sufficient seasonal workers.
- The Seasonal Agricultural Workers Scheme (SAWS) is a quota based scheme that enables farmers to recruit temporary overseas workers to carry out planting and gathering crops, on farm processing and packing. It is a robust and effective scheme, controlled by the UK Border Agency (UKBA) and managed by contracted operators, which has provided a pool of labour for the horticulture industry for the past 60 years.
- The current SAWS arrangements have been extended to 2013. However, the Government has not come to any firm view yet as to whether any successor scheme should be put in place when the current SAWS comes to an end.
- The industry considers that a new SAWS is needed that ties in all of the positives of the current arrangements with a new scheme with new criteria. The NFU, with the support of labour providers, has developed this proposal, which describes such a strategy and sets out a new architecture for a SAWS for the next decade, which include the following criteria:
 - Overseen by the Home Office and managed by licenced operators
 - Checks on arrival and departure for SAWS workers
 - Open to students of agriculture
 - Independently accredited scheme standards
 - Restricted to a maximum six month placement
- During a period of high UK unemployment, the horticulture industry must do everything it can to maximise the potential of the resident workforce. We propose that through a combination of training, welfare benefit adjustment and initiatives to challenge the perceptions of horticulture as a place to work, currently inactive citizens could become another potential source of labour for the horticulture industry.
- In developing this proposal for a new SAWS scheme the horticulture industry is offering to work together with Government to implement the solutions that are needed to allow the horticultural industry to respond to the demands of consumers and continue to compete with imports.

***‘The most important and most costly input in this business is labour. Insecurity over this input will, without doubt, increase risks, reduce investment and result in supply shortages. The SAWS scheme provides us with a reliable willing work force and must be retained.’
(Soft fruit grower, Kent)***

The Importance of the British Horticulture Sector

Horticulture is defined as “the cultivation of flowers, fruits, vegetables and ornamental plants¹”. This simple description illustrates the great diversity of British horticulture and it is this diversity that makes it so important to Britain in many ways. Nationally, the value of the horticulture sector in terms of its contribution to UK GDP is in the region of £3.1 billion (£2.6 billion in England); underlining its importance to job creation – particularly in smaller rural and local economies².

Food security is now a major political and social issue. With a growing global population to feed, rising domestic demand for British food, concerns over commodity price volatility and the spectre of food price inflation hanging over consumer shopping baskets, more than ever UK farmers are being asked to provide safe, healthy and affordable food. In 2009 the Defra Fruit and Vegetable Taskforce, chaired by agriculture minister Jim Paice, was set up to increase the consumption and production of domestic fruit and vegetables in England and reverse the decline in self-sufficiency.

An action plan was developed in 2010 by the taskforce, which has set a target to increase our self sufficiency of indigenous vegetables to 73% and indigenous fruit to 50%. In its action plan the Taskforce identified the need for a new SAWS as vital part to the future success and confidence of the horticulture sector.

What is the Seasonal Agricultural Workers Scheme?

The Seasonal Agricultural Workers Scheme (SAWS) is a quota based scheme that enables farmers and growers to recruit temporary overseas workers to carry out planting and harvesting of crops, as well as on farm processing and packing. It is a robust and effective scheme, controlled by the UK Border Agency (UKBA) and managed by contracted operators, which has provided a pool of labour for the horticulture industry for the past 60 years.

Workers arriving under SAWS are issued with a work card which gives them permission to work for one employer for a fixed period of five weeks up to six months. They must be paid at least minimum wage and be provided with accommodation by the farmer or grower employing them.

For employers, the SAWS provides a reliable, productive workforce that has enabled horticultural businesses to grow and compete by providing a consistent source of labour that is guaranteed to remain on farm during the crucial harvest period. For seasonal workers the scheme provides the opportunity to earn money, improve their English, enhance their cultural understanding of the West and, for some, learn skills that they can take back to their home countries in order to establish their own careers in horticulture.

Prior to 2007 SAWS applied to students from outside the European Economic Area, however, since January 2008 it has been restricted exclusively to Bulgarian and Romanian nationals as part of the transitional controls on migration from these ‘A2’ states when they joined the European Union.

¹ NFU Report: Why Horticulture Matters, 2009.

² Grow EM, 2010

History and experience suggest that when the restrictions on A2 (Romanian and Bulgarian) nationals' access to the job market are lifted in 2013 the horticulture sector will have insufficient labour to meet its seasonal requirements. Therefore a new SAWS will be required.

Labour use in Horticulture – the current situation

It's an absolute priority that British growers have access to labour to carry out all their operations. Many of the crops produced in the UK are seasonal, which creates a structural problem to annually recruit sufficient seasonal workers. This is compounded by the fact that in developed countries like the UK, the resident workforce has a preference for permanent employment. To help overcome the employment difficulties this presents, SAWS provides an ideal contribution to the industry's seasonal labour requirements.

The importance of securing an on-going, reliable source of seasonal labour for the horticulture sector is already well recognised within Government. The recently published Independent Farming Regulation Task Force Report, chaired by former NFU Director General, Richard Macdonald, described the adequate supply of seasonal labour as being '*critical, particularly for horticulture.*' Additionally the report urged '*the Home Office to introduce a replacement for the Seasonal Agricultural Workers Scheme to enable workers from prospective accession states to provide seasonal labour for UK agriculture and horticulture.*'

Defra's 2011 June Survey of Agriculture and Horticulture estimates that a total of 56,100 non-permanent workers were employed across all sectors of agriculture and horticulture in 2010³. Of this, 38% were recruited through the SAWS scheme for employment in the horticulture sector. Aside from the seasonal agricultural workers scheme (SAWS) with its fixed quota of work permits (currently 21,250), it is difficult to be definitive on the numbers of seasonal migrant workers employed in horticulture and agriculture⁴.

A particular priority for the horticulture sector therefore is to secure the continued availability of seasonal migrant labour after the current SAWS arrangements come to an end 2013.

Why do the horticulture and agriculture sectors employ seasonal labour?

Employers within the agriculture and horticulture sectors, along with those further down the supply chain (i.e. food processors) have hired seasonal migrant workers in response to the increasing difficulty to recruit a domestic workforce in recent years. Jobs in these sectors often involve hard physical work and long hours and the domestic work force has been generally sought alternative employment. Add to this the seasonal nature of horticultural production in particular, where peak planting and harvesting periods may only last a few months, and it becomes almost impossible to attract a permanent domestic work force. Growers supply to multiple retailers who demand that orders are delivered on time with penalties imposed on growers if they are not. Growers simply cannot afford to be left in a position where they do not have sufficient labour.

³ Farm Labour and Wage Statistics 2011, Defra at p.42

⁴ The workers registration scheme (WRS) provides an indication of the numbers of people that have come to the UK and the sectors in which they have registered to work but does not reflect those that have left the country or accurately record where people have changed from one sector of the economy to another. WRS data shows that in 2006 19,900 A8 workers registered agriculture/horticulture as their intended employment source, this made it the third biggest employment sector after 'administration, business and management' (99,220) and 'hospitality and catering' (38,675). Since 2006 WRS figures have highlighted a continuing downward trend in the numbers of A8 nationals coming to work in the UK both in general and specifically in agriculture/horticulture.

Overseas workers are generally employed from March to September, with the peak months for total employment being between May and July. The arrival of overseas workers appears to be getting earlier, with peak months shifting from May and June to April and May.

UK growers do try to employ local labour. Many regularly advertise vacancies through local job centres, the internet and advertisements in the local press in an attempt to recruit local candidates for available positions. However, despite their efforts the response from the local population is often poor with either a failure to respond to adverts or, when individuals do turn up, they frequently fail to stay on (see Annex 1).

Case study: Place UK Ltd, Norfolk: *Place UK Ltd is a soft fruit grower and SAWS operator. Table 1 demonstrates the company's experience of recruiting local labour during 2008. This experience is reflective of the challenges faced by growers nationwide⁵.*

The process of recruitment for Place UK Ltd was as follows:

- Vacancy placed in Evening News and Eastern Daily Press advertising for Strawberry Pickers.
- Total of 73 enquiries received: all applicants were spoken to and advised of the job requirements, piecework rates etc.
- From the initial phone calls 21 applicants were no longer interested due to reasons including: no transport to get to field, only interested in hourly paid work and not worth coming off benefit system for temporary work.
- Of the remaining 52 applicants, 30 were selected as suitable and offered work. All were informed that they would be contacted on Friday 19th to confirm start times etc.
- All 30 were contacted, but only 25 were still interested. All 25 were advised to be on site at 08:00am on the following Monday.
- All wages met NMW and AWO legislation, with holiday pay being paid accordingly.
- By day 11 only 6 people turned up for work, after a steady decline throughout the week.

Table 1:

	Number Reported for Work	Total Piece Work Earnings for day (Before top up and holiday)	Total Hours Worked	Average Hourly Wage	Comparative earnings per hour for same field on same day with SAWS Workers
Day 1	20	£591.20	135	£4.38	£6.84
Day 2	18	£582.10	121.25	£4.80	£6.96
Day 3	16	£477.40	104.5	£4.57	£6.56
Day 4	11	£372.90	76.5	£4.87	£6.43
Day 5	11	£304.70	68.5	£4.45	£6.61
Day 6	11	£312.10	67.75	£4.61	£6.66
Day 7	9	£205.70	48.25	£4.26	£6.32
Day 8	11	£226.60	56	£4.05	£6.48
Day 9	9	£154.00	49.75	£3.10	£6.39
Day 10	5	£124.30	36	£3.45	£6.22
Day 11	6	£141.90	41.25	£3.44	£6.51

⁵ Annex 1

Case study: The Berry Scheme

Some employers have created initiatives to increase the number of local candidates applying for horticulture jobs. For example, in the Angus region of Scotland an initiative called the 'Berry Scheme' was developed by industry and local authorities during the 2011 soft fruit harvest with the aim of providing opportunities for the local long term unemployed. The scheme involved placing a group of four long term unemployed candidates into seasonal agricultural positions with growers. The results were disappointing, as described by one of the Angus based soft fruit grower participants "*after one week all four candidates of the Berry Scheme had left the farm stating the work was 'too hard and not for them'. Their productivity was between 20 and 60% below other seasonal workers with a similar level of experience*".

A seasonal labour shortage on the horizon

Since 2006 there has been a downward trend in the number of seasonal workers coming to the UK from A8⁶ countries to work in agriculture and horticulture⁷. The availability of labour reached crisis point in 2007 and 2008 when insufficient A8 nationals could be sourced to meet the horticulture industry's labour demand. The result was crops being left un-harvested in fields and produce being imported from overseas to fill supermarket shelves.

Following this experience an increase in the number of SAWS permits by 5,000 was granted taking the total number of permits to 21,250. Alongside this increase the availability of A8 nationals improved in 2009 and 2010 as a side effect of the recession, as more candidates applied for seasonal jobs on farms as jobs in the construction and hospitality sectors disappeared. However, anecdotal reports suggest that in 2011 shortages of A8 nationals were already beginning to reappear.

On arrival to the UK SAWS employees are provided with readily available employment and accommodation, are assisted in opening bank accounts and applying for a National Insurance number. Anecdotal evidence from growers suggests that some workers are using farms as a stepping stone to alternative employment by seeking out jobs in other sectors once they have established themselves. In addition, growers report that an increasing number of A8 candidates are turning down the offer of seasonal agricultural work, as they find it unappealing.

At the same time the demand for seasonal labour on UK horticulture units is increasing. A recent survey conducted by The Herefordshire Partnership (August 2011)⁸ revealed that the total number of seasonal workers from overseas expected to be employed in 2011 was 10% higher than in 2010, increasing from 5000 to 5500 in Herefordshire alone. This is the first real increase since 2008.

The removal of the SAWS channel at the end of 2013, coupled with a lifting of restrictions on A2 nationals to allow them access to the wider job market, could see workers move away from horticulture into other sectors of industry where the work is perceived to be more comfortable, consistent and, importantly, permanent. It is therefore critical that a replacement SAWS scheme is in place ready to meet the demand from the industry from 2014.

It is possible that as part of Croatia's accession to the EU the UK Government will apply restrictions on Croatian workers' access to the job market which could favour the horticulture and agriculture

⁶ On 1 May 2004, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia and Slovakia joined the EU. Collectively, these nations (excluding Cyprus and Malta) are often referred to as the A8. This is because there are eight of them, and the 'A' refers to 'accession' – accession is the technical name for joining the EU.

⁷ EU Workers Registration Scheme (WRS) data.

⁸ [Seasonal workers from overseas farms in Herefordshire, Herefordshire Council Research Team, August 2011](#)

sectors. With Croatia due to accede to the EU 1 July 2012 this would provide an opportunity to admit Croatian nationals to the SAWS scheme from that date.

However, whilst the admittance of Croatian workers to SAWS would be welcomed by the industry, it is widely accepted that Croatia with a population of just 4.4 million and a strong economy is unlikely to prove to be a source of many SAWS recruits. Further ahead, there are presently five states with EU candidate status: Turkey, the former Yugoslav Republic of Macedonia, Serbia, Iceland and Montenegro.

The horticulture industry believes that a long term approach must be taken to maintain business confidence in the industry and allow growers to plan for the future. The industry considers that a new SAWS is needed that ties in all of the positives of the current arrangements with a new scheme with new criteria. This paper attempts to describe such a strategy under the themes of:

1. A new SAWS for the next decade;
2. Initiatives to channel inactive British citizens into horticultural vacancies;
3. Changing perceptions of a job in the horticulture industry.

1. A new SAWS for the next decade

To win support for the introduction of a new SAWS the new arrangement must respond to the broader concerns over immigration voiced by society and represented by government. We consider that the following criteria are critical to the architecture of a new SAWS scheme:

- **Overseen by the Home Office and managed by licenced operators with an annual quota decided by HO and MAC** - A new scheme should be overseen by the Home Office in much the same way as the current SAWS scheme and managed by licenced operators. This model of operation has proven effective and could operate on a work card system (or a specific visa category). An annual quota could be decided by the Home Office based on a recommendation from the Migration Advisory Committee (MAC) and reflecting the sector's requirements.
- **Checks on arrival and departure for SAWS workers** - A new scheme should include a robust system for checking arrivals, departures and return to home country. Passports with exit stamps can be presented to the Embassy or Consulate in the home country on return. Alternatively, this could be achieved by giving operators responsibility to receive copies of 'return' stamps from individual's passports and logging them. These can be checked by UKBA during regular operator audits. Operators would also audit during their visits to the university or overseas representative.
- **A scheme open to students of agriculture** - A replacement SAWS scheme should return to the origins of the original scheme as a youth work experience programme. As a student scheme, a replacement programme is an opportunity for young people to experience the UK, save some money, develop cross cultural awareness as well as taking specialist, job and life skills home with them.
- **Preference given to students from within the EU** - A replacement to the SAWS scheme should require that operators continue to recruit from the EU in preference to non EU applicants. This is consistent with the Community Preference Directive which states that job vacancies should be filled by EU citizens before Non EU citizens. However, a new scheme should be available to university level students of agriculture or agriculture related subjects (not in their final year) from outside the EU. University level students are most likely to return home to complete their studies on completion of their placement. As noted by the Farming

Regulations Task Force Report in May 2011, EU expansion is transitory and finite. Therefore a scheme extending to non EU participants would be most logical to ensure continuity. This should be open to students from any countries with 'returns' arrangements with the UK.

Positioned under the Temporary Workers and Youth Mobility Tier of the Points Based System - To be consistent with government policy the new scheme should be contained within Tier 5 of the Points Based System – Temporary Workers and Youth Mobility, which prohibits participants to enter the country with dependants.

- **A new SAWS scheme should have a set of independently accredited scheme standards** - which are subject to an accreditation scheme, managed by SAWS operators.
- **Restricted to a maximum six month placement** - Permission to work and remain in the UK should be via a work card or specific visa category and restricted to the dates on the work card and a maximum period of 6 months.
- **An educational element should be incorporated** - Under the previous SAWS programme agriculture students were often set assignments to complete during their placement. This should be encouraged under a new scheme. A more robust educational element could include the provision of English lessons and on the job training. There may also be potential to further formalise training for some employees by introducing a Level 1 certificate in food hygiene from Chartered Institute of Environmental Health, Health and Safety or Emergency First Aid training. These first two courses can be run in a half day and would be of genuine benefit to most growers. However, given the considerable cost burden and the requirement for students to have a good level of English, this enhanced training option would not be available to all SAWS workers.
- **Growers should be encouraged to provide cultural activities** (for example, excursions to local areas of historic interest, visits to sites of artistic or architectural significance).

We believe that the architecture described above, coupled with a properly enforced accreditation scheme of a specific set of standards for SAWS workers will provide Government, NGO's, trade unions and opposition parties with the assurances that they need to support a new SAWS for the next decade.

2. Channelling inactive British citizens into horticultural vacancies

All too often the horticulture industry's experiences with British citizens has not been positive with relatively few British nationals willing or able to undertake the demands of seasonal work, which often involves hard physical work, early start times, long hours and, perhaps most importantly, relatively remote locations.

While the response from the local population to local, seasonal employment opportunities in the horticulture sector is reportedly poor, during a period of high UK unemployment the horticulture industry must do everything it can to maximise the potential of the resident workforce. The Reducing Regulation Taskforce Report also identified the need to encourage UK citizens to take seasonal horticultural and agricultural work. We believe that through a combination of training, welfare benefit adjustment and initiatives to challenge the perception of horticulture as a place to work currently inactive citizens could become another potential source of labour for the horticulture industry.

We stress here though that the horticulture industry cannot be expected to bear the burden of this approach alone and we will be looking to integrate this approach with other stakeholders involved in

the delivery of social programmes. We have identified several groups of British citizens that could be viewed as targets for recruitment as follows:

- Unemployed people claiming jobseekers allowance;
- Prisoners and ex-prisoners;
- Students.

For the solutions that are needed to get these groups of people to consider working in horticulture we have turned to the Freud Report 2007 (Reducing dependency, increasing opportunity: options for the future of welfare to work). We applaud the recognition in the Freud Report of steps to remove the impediments to labour market participation including:

- Implementing well designed unemployment benefit systems and active labour market policies;
- Making other non-employment benefits more work orientated; and
- Adjusting taxes and other transfer payments to make work pay.

There are things that both industry and Government can do to encourage UK citizens and, in particular, students to take on seasonal work, including adapting the benefit system to reduce financial disincentives. One example of how such a solution to encourage the **unemployed, benefit claiming** citizens into the industry might work in practice, particularly on a seasonal basis, is the approach taken in Spain.

Case study: The Spanish Model

In Spain a system operates that allows those on benefits not to lose their entitlement while undertaking seasonal work on a daily call basis. The so-called fixed discontinuous contract allows a worker to have an indefinite contract with the company, but is called to work only when there is a suitable job. The days when the company does not have suitable employment and the worker does not work, s/he is allowed to claim unemployment benefit. A tally is kept of the days that the worker has worked, not worked or has been sick. Not only does this system provide the company with access to seasonal workers, it also offers a route out of benefits for individuals, the opportunity for training and increases in self-esteem.

We consider that adapting the UK benefit system to allow those on benefits not to lose their entitlement while undertaking work on a daily call basis would reduce financial disincentives to take on seasonal work.

One of the other groups identified as potential recruits for the horticulture industry is **students**. Here the issue is not so much about inactivity, but about understanding why students are not willing to work in the horticulture industry, particularly on a seasonal basis. We consider that a summer programme carrying vocational or academic credits in addition to cash pay would be the key to attracting agricultural and horticultural students to work in the industry. However, it should be noted that the extension of the growing season goes well beyond the traditional summer holiday period for students and so this could only ever be a small part of the solution.

The employment of **prisoners and ex-prisoners** is something that employers approach with a certain amount of caution. Making use of this potential labour resource can invoke concerns around trust, confidence and acceptance as well as other emotions.

“...the prisoners I employed were hard working, polite and determined individuals who took the opportunity to get from behind bars and out into society. All the prisoners on the scheme were carefully selected, and this adds comfort to doubts employers may have. I have tried to make this a permanent arrangement. However, I believe that the government must recognise that we are helping society to bring back these people into work and normality by providing some financial

support. *Employers have to invest a lot of time in training and providing direction and as the Prisoners were only with us 6 to 8 months, a request to share in financial costs was reasonable*" (Tom Salmon, Hedon Salads, East Yorkshire).

While the experience of this employer who employed prisoners on day release from a local jail turned out to be a positive experience, there are clearly financial barriers to overcome that may encourage more widespread take up, namely an offer of financial support for employers to train and mentor ex-prisoners.

3. Changing perceptions of a job in horticulture

The third tranche of a strategy to improve access to labour, particularly seasonal labour, is to change the perceptions of people about a job in the horticulture industry. There is a perception amongst people (both seasonal migrants and British citizens) that the industry is either not a pleasant place to work and/or does not offer career opportunities.

Unless action is taken by industry and government to change this perception and attract new entrants, there is a good chance that the options described previously are doomed to failure, as individuals decide to take their labour and their skills elsewhere. This change in perception is a medium to long term aim, but it is an important part of the strategy for achieving success.

Within the horticulture industry the importance of this issue has already been recognised, and is being acted on. In November 2008 a web site called GROW was launched, which is an initiative set up by a group of influential organisations⁹ within the horticulture industry to inform people about horticultural careers and the range of fantastic opportunities horticulture has to offer. The web portal is backed by a schools pack which includes series of posters and careers information leaflets. The web portal challenges young peoples' and careers advisers' perceptions of the horticulture industry and re-introduces to them the concept of a rewarding career in the industry. The address for the web portal is www.growcareers.info.

The introduction of a Diploma in Environmental and Land-based Studies for 14-19 year olds is yet another positive development which will contribute to the further recognition of the potential benefits of a career in agriculture/horticulture. The Diploma gives practical skills, knowledge and understanding needed by industry and is studied alongside GCSEs and A-levels. Available at three levels, it helps learners to move into employment and further and higher education¹⁰.

The industry must also compete to attract British nationals from other industries. Here there is a role for apprenticeship schemes that encourage British nationals to choose the potential of a career in horticulture. Apprenticeships are work-based training programmes, open to anyone over 16 and not in full-time education, including existing employees. The profile of apprenticeship schemes has been raised in recent months as the current Government has put them at the heart of its skills strategy¹¹, with increased investment and commitment.

In an early attempt to stimulate a greater uptake of apprenticeships in horticulture the NFU has recently launched a business guide for its members. The guide helps sign-post employers to all relevant information on how they can hire an apprentice; including information on the financial

⁹ Grow is supported by organisations including: English Heritage, Lantra, NFU, Corporation of London, Horticultural Trades Association, The National Trust, Royal Botanic Gardens Kew, Royal Horticultural Society.

¹⁰ www.lantra.co.uk

¹¹ <http://www.bis.gov.uk/assets/biscore/further-education-skills/docs/s/10-1274-skills-for-sustainable-growth-strategy.pdf>

support; an outline of the schemes within agriculture and horticulture; guidance on rates of pay, health and safety considerations; and employment legislation. The benefits of taking on an apprentice can include a more motivated and satisfied workforce, a more productive workplace and assist with succession planning for employers. An NFU survey on apprenticeships earlier in 2011 revealed that although many businesses would like to take on an apprentice, there are still many myths, including perceived barriers, which in reality are just not there. The launch of the guide and active promotion with key trade media partners will help to break down these barriers.

Summary

Ensuring a sufficient supply of seasonal migrant labour for the horticultural industry is vital to the future success and viability of the British horticulture sector. Like other horticultural industries around the world, British horticulture has come to rely on the supply of seasonal migrant labour as other sources of labour have dried up.

We want Government to ensure that, where there are opportunities for providing channels to seasonal labour through sector based schemes like SAWS, these are facilitated. However it is also incumbent on the industry to recognise the need for a strategy that includes a number of solutions for securing labour that includes the potential of channelling British citizens back to work and finding new ways to compete with other industries for available labour, which includes challenging the perceptions of the industry as a place to work.

In developing this proposal for a new SAWS scheme the horticulture industry is offering to work together with Government to implement the solutions that are needed to allow the horticultural industry to respond to the demands of consumers and continue to compete with imports.