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NFU End of Season Labour Survey 2015

Background

The NFU has always argued that ending the Seasonal Agricultural Workers' Scheme (SAWS) in 2013 would result in a decline in the availability of migrant seasonal workers, upon which the industry depends. With the removal of SAWS, growers face an uncertain labour supply to meet the growing demand for British produce. Consequently, the NFU position in recent years has been to ask Government to introduce a seasonal labour scheme open to agricultural students from around the world, to undertake seasonal harvest work on UK farms.

This proposal was supported by the findings of the Migration Advisory Committee, which concluded in its Migrant Seasonal Workers report¹ 2013 that "in the medium- and longer-term, farmers are likely to experience increasing difficulties in sourcing the required level of seasonal labour from the EU (including the UK) labour market," and that, "A new source of seasonal labour is likely to be required or the horticulture sector will need to consider alternatives."

More recently, the Sussex Centre for Migration Research report² (November 2015) argued that the removal of SAWS was "a triple loss" for government - leading to labour market shortages, loss of skills transfers between countries, and migrant workers being potentially more vulnerable to exploitation in a less-regulated post-SAWS environment.

To direct our lobbying, the NFU has been actively monitoring the labour situation in the industry through the NFU End of Season Horticultural survey. This goes out to all NFU horticultural and potato grower members.

The survey looks at growers' experiences of labour supply as well as their expectations for labour availability and cost in the short (2016), medium (2017) and long term (2018 onwards).

The results of the 2015 End of Season Horticulture Survey have been analysed and the key results are outlined below.

¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/257242/migrant-seasonal-workers.pdf

² <https://www.sussex.ac.uk/webteam/gateway/file.php?name=mwp83.pdf&site=252>

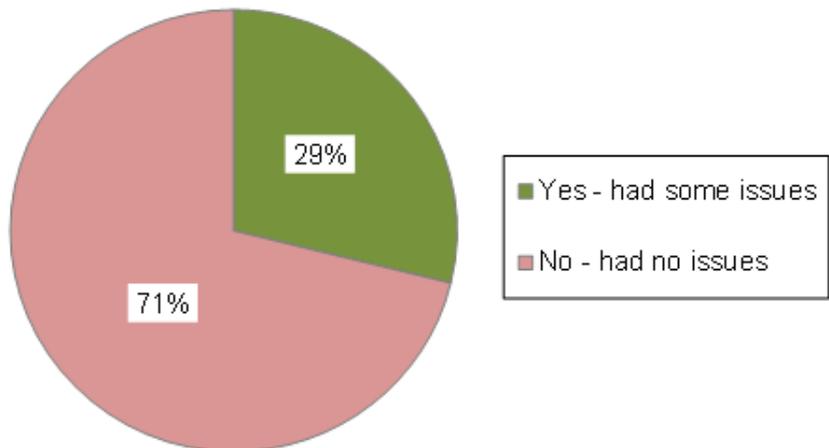
Key results

The questionnaire was sent out via email to 3385 NFU grower members. We received 289 responses (an 8.5% response rate) which is considered a good response rate for this type of survey. Collectively, these responding businesses employed a total of 13,749 seasonal workers in 2015: approximately 34% of England’s total seasonal workforce (40,819 seasonal workers – source: Defra).

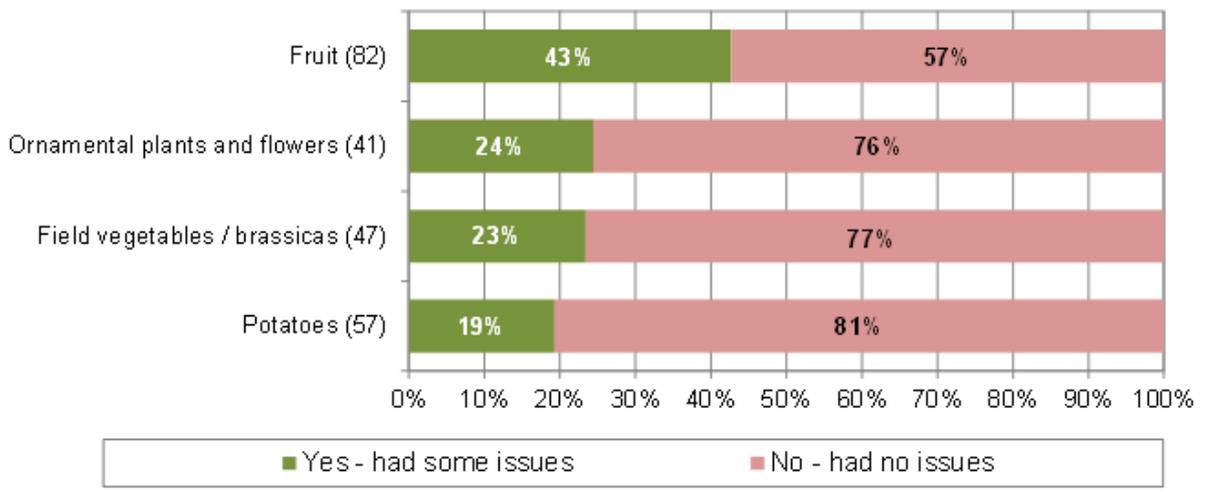
The survey captured a full range of business sizes, from those employing a single seasonal worker to businesses employing 1,200 seasonal workers. Business turnovers ranged from under £400,000 to £5,000,000 or more. We received responses from across England and Wales and representation from every sector of the industry.

Experiences in 2015

- 29% of respondents (nearly 1 in 3) experienced problems securing an adequate supply of seasonal workers to meet their needs.



- Those employing a higher number of seasonal workers experienced more problems securing an adequate supply, with the labour-intensive fruit sector being most affected (43% of respondents experienced problems).

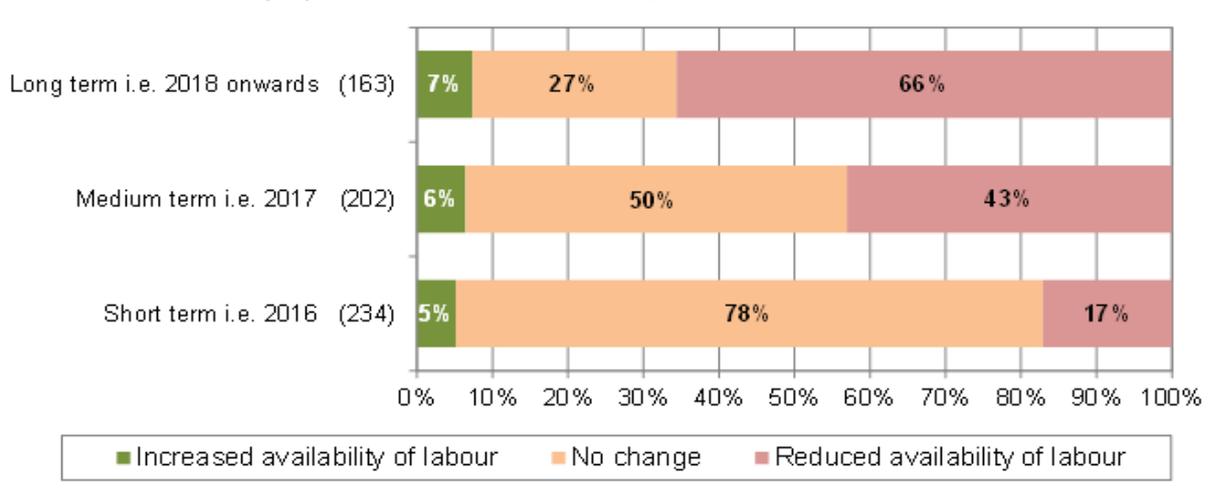


- The top 3 problems experienced by respondents were:

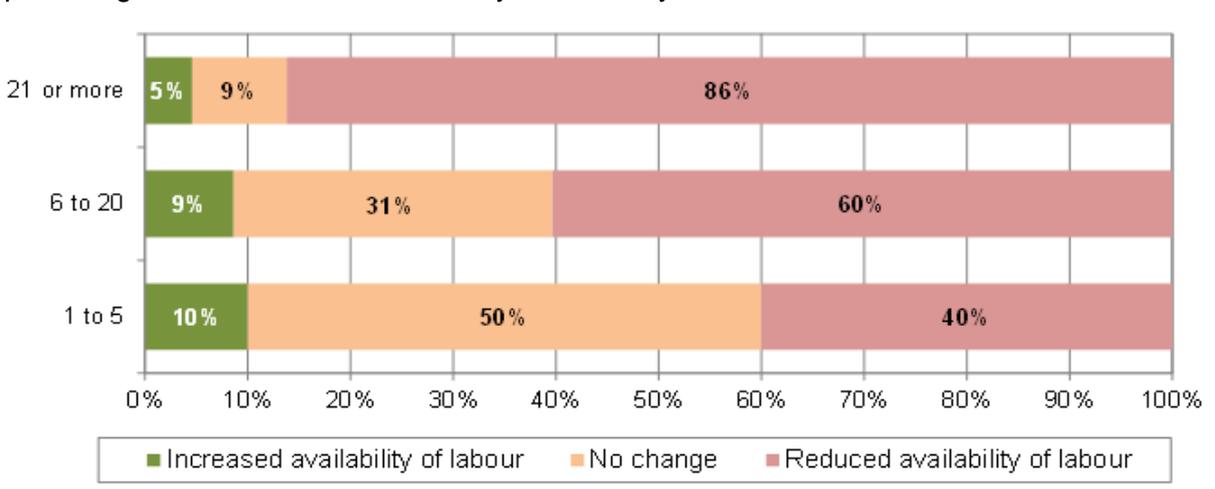
- > Insufficient numbers
- > Problems with quality and/or reliability of workers
- > Problems with retention or acquiring staff late in the season

Expectations of availability of seasonal labour in the short, medium and long term

- Between 2016 and 2018, growers are expecting the availability of labour to decrease, with 66% respondents envisaging reduced labour availability come 2018.



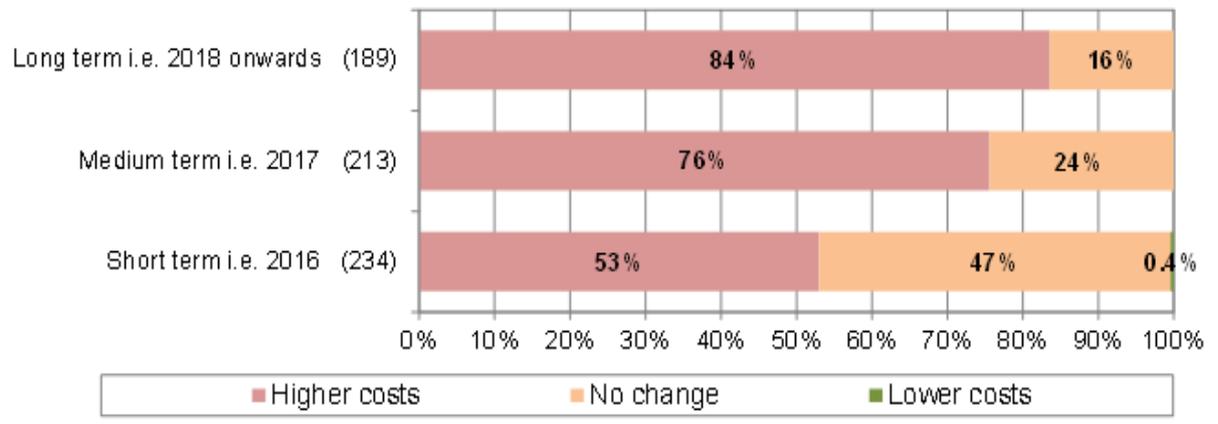
- Growers employing the highest number of seasonal workers are most likely to expect issues with future availability, with 86% of respondents employing 21 or more seasonal workers predicting a reduction in the availability of labour by 2018.



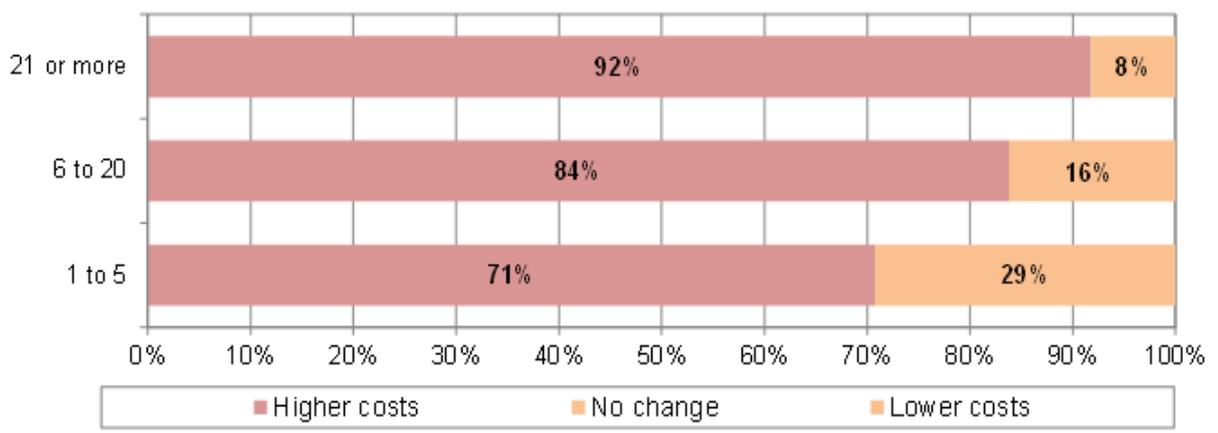
- 43% of respondents believe that, as a result of these availability reductions, their business will be affected by labour shortages within the next 2 years (56% for those that employ more than 21 seasonal employees).

Costs of seasonal labour in the short, medium and long term

- Putting the costs of National Living Wage to one side, 53% of respondents expected an increase in labour costs in 2016, with this proportion rising to 84% by 2018.



- Growers employing the highest number of seasonal workers are more likely to expect labour costs to increase, with 92% of members employing 21 or more seasonal workers predicting an increase in labour costs by 2018.



Impact of National Living Wage

- Of the comments received on National Living Wage, 90% expressed concerns over the negative impact that National Living Wage implementation will have on their business.

Conclusions

This survey is the first demonstration since the ending of SAWS in 2013 that growers are starting to struggle to source an adequate supply of seasonal workers to meet their needs, with 29% of respondents stating they experienced problems in 2015. 66% of respondents envisage reductions in labour availability by 2018, with 43% believing that this will result in their business experiencing labour shortages.

The importance of seasonal labour for horticultural production is well understood and documented by policy makers. Horticulture contributes £3 billion to the UK's economy³ and employs around 37,000 people in England alone⁴. However, a further 40,819 seasonal workers (source: Defra) are needed every year to help grow, harvest and pack the produce.

Harvest seasons with insufficient seasonal labour have led to British crops remaining unpicked, businesses facing massive losses and retailers being forced to fill shelves with imported produce. SAWS provided a closely managed pool of 21,250 seasonal jobs to help meet this need and provide growers with some business certainty about labour supply.

When SAWS ended, the NFU predicted that opening up seasonal agricultural work to all EU migrant workers, with no requirements to return to home countries when they had finished working in the sector, would encourage migrant workers to use agriculture as a stepping stone into other sectors of the economy, leading to shortages in seasonal labour for the horticulture sector.

The NFU's 2015 End of Season Horticultural Survey has shown that, just 2 years after the removal of SAWS, growers have started to experience problems securing an adequate supply of seasonal workers to meet their needs. Their expectation is that these difficulties will increase with time, with labour becoming more expensive and harder to find.

Ask of government

The NFU wants Government to introduce a new seasonal student worker scheme that is open to agricultural students from around the world to undertake seasonal harvest work on UK farms. Such a scheme would provide certainty about future labour supply. It would facilitate a transfer of skills between countries. It would also help provide a well-incentivised and more productive workforce. All these factors would be critical in avoiding labour shortages and the resulting higher food prices, increased imports and loss of full time UK jobs that seasonal work supports.

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/449502/hort-report-30jul15.pdf

⁴ <https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june>