

Environment, Food and Rural Affairs Committee

Oral evidence: Labour shortages in the food and farming sector, HC 713

Tuesday 16 November 2021

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[Watch the meeting](#)

Members present: Neil Parish (Chair); Ian Byrne; Barry Gardiner; Mrs Sheryll Murray; Julian Sturdy; Derek Thomas.

Questions 169 - 282

Witnesses

I: George Eustice, Secretary of State, Department for Environment, Food and Rural Affairs; David Kennedy, Director-General, Food, Farming and Bio-Security, Department for Environment, Food and Rural Affairs.

Written evidence from witnesses:

- [Department for Environment, Food and Rural Affairs](#)

Examination of witnesses

Witnesses: George Eustice and David Kennedy.

Q169 **Chair:** Welcome to the EFRA Select Committee. It is very good to have the Secretary of State and David Kennedy here this afternoon to talk about labour shortages and many other things as we go through the afternoon.

Secretary of State, would you like to introduce yourself very briefly for the record and the same with David Kennedy.

George Eustice: I am the Secretary of State for DEFRA.

David Kennedy: I am the Director-General, Food, Farming and Bio-Security at DEFRA.

Chair: Thank you very much. You are both welcome. I will start with the first question. The food and farming sector is currently facing severe labour shortages. Despite the measures the Government have introduced, the overall impression we have had from stakeholders is that this response has been too little, too late and that the Government failed to see these problems coming. Do you accept this assessment? We have taken evidence from the industry. I think we had better put you into the hot seat on that one, Secretary of State.

George Eustice: Of course, it is very easy for people to say "too little, too late" but the important thing to recognise is that we acted expeditiously to deal with problems as they arose. In particular, when we could see that there would potentially be a shortfall in labour to do the seasonal work on processing turkeys for Christmas, we acted quickly to stand up a visa scheme. Likewise, in the case of pigs, when we had that oversupply, which is linked mainly to rising UK production and disruption in other markets, exacerbated by the labour shortage, we acted there as well to put in place a temporary visa scheme.

I should point out that as recently as July, when we were taking soundings from the poultry sector, it had a reasonably high degree of confidence then that the 5,500 staff it needed would probably come back. They were EU citizens and it was thought that most of them had gone for settled status and would return. It was only a little bit later that the sector started to show less confidence and we acted quickly as soon as we saw the potential problem.

Q170 **Chair:** As far as I can see, the problem with the sector is that there has been a case where labour has become very short. In some ways, raising wages, which is not altogether bad for the workers, becomes a merry-go-round as staff go from one company to another. We have also had evidence to show that at least 500,000 people have left the labour force and, although not all were from the food sector, it had a knock-on effect. Yes, you can say it is partly up to the sector to come forward to ask you for things, but isn't it also a responsibility of the Government? We will go on to ask detailed questions about the pork situation, but we are seeing

quite a lot of pigs being culled on farms. There are all sorts of problems there. We will just about get through Christmas with the turkeys that we have but I do not think there seems to be a joined-up plan. Shall I be blunt with you: how well do you get on with the Home Office? Let's get straight to the point, shall we, Secretary of State?

George Eustice: Of course I get on very well with the Home Office, as indeed I get on very well and in a very collegiate fashion with all other members of the Cabinet.

If you step back from this, there are two points to be made. First, if you look at the most recent history around labour and where it comes from for the food sector, we all know that in the case of seasonal agricultural workers, work on farms in the fields, particularly in the fresh produce sector, it has always been heavily reliant on seasonal migrant labour and we had a seasonal worker scheme from the Second World War onwards. It is a relatively recent phenomenon that there has been a high reliance on east European labour in, say, meat processing and other permanent roles.

As recently as the early 2000s, businesses in the pork sector and beef abattoirs would successfully recruit staff locally. It was with the big accession of east European countries during the early 2000s that we saw that trend start to develop. In some cases, some meat processors changed their shift patterns. They used to have shifts that would accommodate, say, parents who had children of school age so that working mothers could drop their children at school, work for, say, five or six hours, and then pick their children up from school. Over time, those types of shift patterns have been displaced and those working mothers no longer were able to work in these sectors but we are now starting to see those patterns adjust back.

We have to have some confidence that it will be possible to get some people from this country back into these sorts of roles because they have done them in the recent past.

Q171 **Chair:** I quite understand that but do you think we should produce as much, or not more, British food, or do you think we should produce less? You will probably be able to work out where I am taking you but I will have your answer to that question first, please.

George Eustice: Yes, I think we should. Food security is very important. One of the things that we learned during the pandemic was that open markets and international trade are a big part of delivering your food security. It is not something you can rely on in all circumstances. At the peak of the pandemic, there was a period when there were genuine concerns that the world might start to turn in on itself and place export bans on things such as medicines, and there were concerns that that might spread to other products as well. Therefore, it is important for our food security that we do have healthy, profitable domestic food production.

Q172 **Chair:** Right, but what is happening is that the poultry industry is not

incubating as many eggs so fewer chickens will be produced. Fewer turkeys are being reared because we did not have the visas to get the workers in. Then the Home Office said, "Okay, right; you haven't used the visas that you were offered". All we have done is reduce the size of the industry. We have taken evidence privately from Northern Ireland. The situation is almost worse in Northern Ireland because a lot of stuff from there is going across the border and probably being sold back to Britain as EU product. This is the problem, and the trouble is that if you talk to the Home Office it says there is no problem. There is no problem in a way because we are reducing our industry. We will talk in a minute about daffodils and vegetables. We will not plant them if we do not have the workers and then what will we do? We will just import it all.

I am sorry but I am quite upset about this, because I thought we were going to at least maintain our production and we were looking forward to actually increasing it. We have a very efficient poultry sector that has never been subsidised, but it needs some labour for processing. What are we going to do about it? As far as I can see, all we are doing at the moment is staggering on. The pig sector is not profitable. Pig prices are on the floor. Cereal prices are on the roof. Julian and I are probably quite happy when we come to sell some cereals but, seriously, we have to feed the pigs. It is a double whammy. What is the situation? Are the Government going to get to grips with it?

George Eustice: The factor that could not be foreseen was a phenomenon that came out of the coronavirus and the lockdowns. We had some 5 million to 6 million settled EU citizens at the point at which we were coming out of the European Union; huge numbers had gone for settled status, many of them working in the food sector. It was reasonable to assume that they would stay but what happened during the global pandemic was that, for the most human reasons, many of those people decided that they wanted to be close to their families. Estimates are that about 1.4 million to 1.5 million of those settled EU citizens returned to European countries to be close to family during that difficult time, and to date it has been difficult to encourage them to come back. That has been exacerbated by travel restrictions in place over the summer.

However, there is some confidence that, while not all of those people will come back, an increasing number of them will, as the world returns to normal, as travel resumes, as people have the confidence to start travelling again. Certainly, businesses in this sector—many of whom had staff working for them for many years—are working very hard to encourage those people to come back. They are paying higher wages now and that will help.

Q173 **Chair:** Are you genuinely concerned, as I am, that the level of production in our poultry and our pig sectors, in particular, is dropping and that it will drop quite significantly because, bluntly, a lot of pig farmers will stop keeping pigs and poultry is being reduced? Sheryll Murray will ask some direct questions about visas, but all the visas are time-limited and half the time people do not want to come for a short time.

What makes me so cross is that we put these systems in place that are not working, and then, when the industry does not take them up, it will say, "The industry didn't take them up" so it will be all the industry's fault. No, it is not the industry's fault. We have a very good industry, which as far as I can see we are not quite destroying but are making it very difficult. What are you going to do to turn this round? Let's perhaps make it a bit more positive: what are you going to do to put the pig and poultry industries right?

George Eustice: For the short term, we have put the visa scheme in place for poultry and pigs to help clear the backlog.

You mentioned levels of production. It is the case that we are getting reports, from the NFU and others, that the number of turkeys that were being produced in the UK was eased back because producers could foresee that they might have labour shortages. I have seen some reports that UK production, among the big players, was reduced by something close to 10% for this season.

It is a different story on pigs. Pig production has increased by about 7% or 8% this year and that has contributed to some of the problems of oversupply. In normal circumstances that would displace predominantly Danish imports but, because of the shortage of labour in some of the abattoirs, the increase in production has caused a particular problem and that is why we have put the temporary visa scheme in place.

Q174 **Chair:** I think the pig sector will tell you that a lot of the so-called overproduction was because the animals could not be processed last year and so a lot of them ran over from December last year into January. Sometimes some of the figures are lies, damned lies and statistics. I am not for a moment suggesting that you are lying to us, but you can see where I am coming from. This situation has been building up and I don't think I necessarily accept that we could not see this coming. That is the bit I am not convinced that not necessarily you but the Government are sighted on.

George Eustice: I might ask David Kennedy to come in because we do run a regular dialogue, which David chairs, with industry to make sure that we are sighted on these things. Perhaps, David, you could describe the picture as it has developed over this last year.

David Kennedy: Of course you know that pig production goes in cycles and we are at a high point in the cycle at the moment. Two things were unforeseen. One was the dropping off of the China market, which was a consequence of Covid and the delisting of the plants and we have worked very hard to get them relisted. We have not been successful up to now. I will come back to that in a moment. The other thing was that the butchers who could have processed product for the domestic market have gone back to the EU. Those two things, consequences of Covid, we did not foresee.

The way out of the situation is to get the short-term backlog cleared, which is through the visa scheme. The 800 butchers we are bringing in

should increase throughput by 40,000 a week, which will very quickly clear the backlog and stop it from getting any bigger.

Q175 **Chair:** When do you think these butchers will get here?

David Kennedy: Starting from 1 December. We are in the middle of processing now. We are getting very good responses from the industry and the operators of the seasonal workers' scheme. That is all moving forward. We can talk a bit more about that if you want the details. Coming out of the short-term solution and beyond—

Q176 **Chair:** The National Pig Association is saying that the first butchers will arrive in January, so I suspect not too many butchers will arrive in December.

David Kennedy: I think they will be here in December. That is our assessment. We are working to butchers coming in from 1 December, but we will not have 800 on 1 December; they will come in progressively through the month and the industry is working with us on that. A lot of this is on the industry, on the pork processors, to do their part in expediting the process. For example, everybody who wants to come here has to record a video of themselves doing butchery and the videos have to be assessed before an application can be processed.

Beyond this short-term situation, we hope what is going to correct it will be the resumption of the Chinese market. That will make a huge difference because the Chinese market needs minimal butchery. There are also many skilled butchers coming through on apprenticeships. The domestic labour force is ramping up. As we have said, there is a production cycle and come next summer production will be lower; the year after, it will be higher again. Those things together mean that we will have a demand-supply balance beyond the short-term visa scheme.

Q177 **Chair:** Do you accept that the farmers are caught between a rock and a hard place? The problem is that, whatever their situation with the processing industry, they cannot sell their pigs at a decent price, the price is dropping all the time, feed costs are high. What is the solution? At the end of the day, it is not the farmers' fault that there is no processing. This is the bit that concerns the farming fraternity. I am sure you are aware of that, Secretary of State. Having stolen most of Sheryll Murray's question, I will hand the question over to her. I apologise for that.

George Eustice: The other thing to bear in mind is that we have intervened in the way that Government should when you have a particular market problem. We have opened a private storage aid scheme under the Agriculture Act.

Chair: Yes, we will talk about that.

George Eustice: That has given processors the confidence to run Saturday slaughtering so they can start to put unbutchered pigs into storage to help clear the backlog on farms.

Chair: Sheryll, off you go.

Q178 **Mrs Murray:** Secretary of State, I met with my own farmers from south-east Cornwall on Thursday. I cannot disappoint them by taking the opportunity to meet you without saying that they are extremely frustrated, not only concerning getting the assistance they need from people outside the UK, but because they see a lack of detail with the ATP. They are losing their patience, so please make sure that they get the details they require as a matter of urgency.

The sector has told us that it had been telling DEFRA about the looming labour shortages throughout 2021 and yet extra visas were only announced after the summer, as we have heard. Why were the extra visas not made available sooner and why were you not taking on board the messages that the industry has told us it has been giving you for the whole of this year?

George Eustice: First, on the agricultural transition plan, we did publish that document a little over a year ago.

Mrs Murray: They need details.

George Eustice: Yes, and that was a detailed document that gave the approach that we would be taking over the seven years,

Mrs Murray: They want details about how it is going to operate.

George Eustice: Yes.

Mrs Murray: You have to admit that farmers do not have the details.

George Eustice: I was going to explain the details that they did have in that document, around 60 pages of details about each scheme, the year we would introduce it and the trajectory for the reform. Last summer we announced the sustainable farming incentive that we are opening for next year, complete with the payment rates they could get and what they would have to do to manage their soils in order to qualify for that. We will be publishing even more detailed guidance on that in the coming weeks so that they will be ready for that for next year.

We will also be saying a bit more about how the other schemes will roll out. I do not accept what you say. There has been quite a lot of detail out there. There is a separate thing that not everybody likes the detail they are seeing and sometimes say, "We haven't got enough information"—I do not accept that caricature—but there will be more information to come.

To your wider point on the labour, I think you have to bear in mind that during lockdown we had travel restrictions and visa schemes would not necessarily have made it easier for people to come here. It has been a difficult, turbulent time to predict, being in the lockdown. We did not know, for instance, as we came out and furlough was unwound, whether there would be a huge shakeout from the hospitality sector and whether that would then lead to there being quite a lot of labour coming onto the market and able to take these jobs. It is not that long ago—only the

beginning of this year—that some economies were predicting 3 or 4 million unemployed. Thankfully, that has not happened. That has not transpired.

We have a different sort of problem, which is 1.5 million job vacancies. People have to understand that, through this pandemic, it has been quite difficult to predict and understand exactly what was going to happen in the labour market. During lockdown, it was an extraordinary time. There were high numbers of vacancies due to people self-isolating, we had the pandemic, which was at top of the concern list for the food industry as recently as July. They said, “Just solve the pandemic and we’re okay”. It was only after that was solved that they said, “Actually, we’re still not okay” so we introduced some temporary visa schemes. It has been a difficult period in which to predict exactly what would happen with the labour market. That is why we have had to work quite quickly and at pace when we have seen problems arise.

Q179 **Mrs Murray:** I do appreciate that you are trying your best and I did explain this to my farmers when I met them.

Moving on to the second part of my question, is DEFRA getting its voice on labour shortages in food and farming heard across Government? I understand that you are one voice sat around the Cabinet table but is your voice loud enough and is your voice being listened to?

George Eustice: Yes, DEFRA always gets heard. Frequently, our warnings are heeded and lead to particular interventions. This is a Government that is clear: “We will not take risks with food supply”. The Prime Minister has been very clear about that throughout. As we approached the end of the transition period, and there were concerns about the possible impacts of that on some of the food sectors, we had special arrangements in place that would have prioritised, for instance, the export of fish from the UK to the EU. In the end, we did not need to use that provision.

Early on in the pandemic, we had our special provisions enabling seasonal workers to still travel here even though there were wider travel bans and restrictions elsewhere.

When the pandemic was at its peak, in July, the Prime Minister ordered immediately that there should be a special exemption for supermarket depots and food companies. Indeed, more recently, when we saw that there was a problem in the poultry and pig sectors, we stood up a visa scheme in short order to address that issue. DEFRA highlighted these issues along the way and, in every single case, the Government reacted and responded to the points that we had made.

David Kennedy: Can I add something? Pretty much every labour market intervention has been in this space, the food system, apart from maybe the fuel tanker drivers. As the Secretary of State says, we have had poultry workers, we have had the pandemic, we have had butchers and HGV drivers for the food system. Those have been the big interventions.

Mrs Murray: Thank you very much for that. I cannot emphasise enough that I spoke to people in my constituency, on the ground, on Thursday, so very, very recently. We met in an organic cowshed. Their concerns are that they need a longer period than the six months so workers can move around, and they also need to see a more inclusive scheme. They acknowledge what you have brought in for the poultry and pig industries. They are foreseeing food shortages if DEFRA does not act quickly now. I think I have given you that message. Thank you very much for your answers.

Chair: I think that leads almost into Julian Sturdy's question so thank you, Sheryll.

Q180 **Julian Sturdy:** I want to touch on the Government's actions to date. In answer to an earlier question, Mr Kennedy, you mentioned that you believed that demand and supply would be back in balance beyond the short-term visa scheme but there is no certainty to that, is there? Given that and looking at the sectors—poultry, HGV drivers and pork butchers—why were they chosen specifically for temporary visas and not longer term visas? I don't know if the Secretary of State wants to touch on that.

George Eustice: You go first and I will pick up.

David Kennedy: We worked very closely across the whole range of industry and particularly through something that I have set up called the Food Resilience Industry Forum, where we have 200 industry executives meeting regularly so that we can get intelligence and data. Then we hone in on wherever there is a problem.

Through Covid that took us to suspending competition legislation, to social distancing, to test and trace, and apps, and then, more recently although there are high numbers of vacancies across the food industry, on the other hand, they are manageable in the sense that production is holding up. We have to wait until the data says there is a problem. People were calling for us to change immigration arrangements for butchers, but the data did not bear that out. The minute it did, we could make a case and address it. Therefore, it is about very close monitoring of data, understanding what are the real problems and pinch points in the system and then acting very quickly to address them. That is what happened with turkeys; it is what happened with butchers; it is what happened with HGV drivers.

Q181 **Julian Sturdy:** You talk about data, but on both the butchers and the HGV drivers it has been shown that the change is too late. There is a lag, isn't there? The decision was behind the curve even though the industry—and we have had the industry here in the inquiry—was quite clearly saying that it had set out very early on that these problems were coming down the track. The industry and its sectors saw the trends, saw what was coming down the track, but the Government did not react straight away. You are saying they had to wait for the data to be quite clear but when the data is quite clear, the issue is already out there, isn't it, and the damage is done?

George Eustice: It comes back to the difficulty of predicting how things would happen in the pandemic. With HGV drivers, the biggest challenge—as Grant Shapps would point out to you if he was here—is that the average age of drivers is into the 50s. During the pandemic they were locked down. They were spending time with their families, again for the most human of reasons, doing that for several months. It gave them a chance to take stock about what they were doing with their lives, what they wanted to do, and many of them, for the most natural of reasons, said, “You know what? I’m just not going to go back to being a long-distance lorry driver, away from my family several nights a week and dealing with all of that. I’m going to get a different job”, so there was a huge loss of HGV drivers from the system coming out of lockdown.

As furlough ended, it was difficult to predict what would happen. Would those people come back? At the end of furlough, they chose not to come back, a lot of people became economically inactive or changed jobs, and that was particularly pronounced when it came to lorry drivers. Since that became apparent in late summer, competition for lorry drivers has been such that wage rates have risen sharply. All the supermarkets are telling me that there has been quite a sharp influx, a new generation of younger drivers who want to train for this work because they can see that it is going to pay well. That is the market working and reacting, so, yes, there has been a gap where we have had a shortage of lorry drivers while the new trainees come through.

I would suggest it is a feature of the pandemic that lots of things were quite unpredictable. For many people, it was a chance to take stock of their lives—the jobs they were doing, what they wanted to do—and it led to some quite fundamental changes in a sharp and condensed fashion that you would not normally see.

David Kennedy: Can I give you one example of HGV drivers? Over the summer, a lot of people in the industry were saying, “We don’t have enough drivers. It is making life very difficult. Can you look at the immigration rules?” At the same time, and going back to the data—I get a daily data feed and this was when I was on holiday in Scotland—I was getting daily data from all the supermarkets across a range of products that said, while there are not enough drivers, supply and fulfilment were holding up and the availability of food was also holding up as well. The data did not say there was a case to have an HGV driver scheme over the summer.

That turned us to look at Christmas, where there was potentially a problem just because of the big uptick in demand. We worked with the industry after summer, to make the case about the uptick in demand and what might happen if it was not met through the visa scheme and then we got the visa scheme. A number of other things have happened as well. As the Secretary of State said, the objective is to protect food supply. We are now reasonably confident—there are no guarantees—about food supply for Christmas.

Q182 **Julian Sturdy:** Drilling down a bit—and I accept and agree about the

domestic market and wage rises—would you accept that the temporary visa scheme has been slightly unattractive to people because of its temporary nature? Are you going to achieve the numbers that you need to achieve?

David Kennedy: I think it is true that it is difficult to attract people here, even with a huge premium: £40 an hour is being offered to people to come for three months. They are reluctant to leave a job and a family over Christmas and so on. Is that a problem for us? First of all, the consequence of announcing this scheme is that all the stories in the papers about needing drivers to avoid shortages have gone away. That trigger for panic buying is no longer there.

Secondly, the industry has realised that having HGV drivers coming from abroad is not a silver bullet, so they have done a number of other things. They are using more rail freight. They are using their own logistics in a more flexible way. They have been successful in recruiting from other sectors. They have reduced range. That set of things taken together, which is a consequence of the action that we took, has changed the risk assessment of food supply going into Christmas. At the moment, stocking in the supermarkets is on track for the Christmas period.

George Eustice: It will differ according to the types of visas. You asked earlier why we chose those sectors. There was a big surge in poultry because of the turkey season and so that was the rationale in that instance. We will probably have several thousand people coming through in that sector, which will top up some of the returnees. We expect a good uptake of that scheme. Likewise in pigs, the abattoirs: again, we expect to get all the people we need.

For the reasons that David gave, when it comes to HGV drivers, because their jobs tend to be more permanent and because there is a shortage of HGV drivers around the world, let alone just in the UK and Europe, it is harder to use the temporary visa route to get people here. However, as David also said, it is an option that it was right to offer to industry; it was a tool that they could try and they wanted to at least be able to try, knowing that it might be difficult. Alongside that, however, the industry has done lots of other things, including increasing lorry drivers' wages and they have been quite successful in recruiting lorry drivers from other sectors in order to make sure that food is prioritised.

Q183 **Julian Sturdy:** That does have a detrimental effect on other sectors, though, doesn't it? We are just shifting things rather than getting the required number of people we need.

George Eustice: Of course. When you have an absolute shortage and where labour is the absolute limiting factor on economic activity and driver capacity, that is going to be the situation. That is the short-term reality, but bear in mind that supermarkets make most of their money in the run-up to Christmas. It is their big season that they need to prioritise and they will pay large amounts of money to get the drivers they need to

get the work done, but post-Christmas, in January and February, we will start to see the new generation of trained lorry drivers coming through.

- Q184 **Julian Sturdy:** Have you got any specific figures on that, on how the new numbers are going to start feeding through? I suppose that information should come from the DfT.

George Eustice: The numbers would come from the DfT but I think there is some publicly available information about the number of tests that are being taken and several new training and apprenticeship schemes that have been stood up to deal with that. We can get the details and write to the Committee.

David Kennedy: I think it is 3,000 tests a week

- Q185 **Chair:** Yes, but there is still a backlog. I was at a remembrance service in Honiton on Sunday and a chap came up to me who was trying to get back into being tested. He had been a lorry driver previously and wanted to carry on and do some more work and he seemed to be in very good health, but he cannot get a test for ages, so there is a problem if we are to have our own drivers. Secretary of State, what pressure have you put through the Cabinet system on the Secretary of State for Transport to try to get this sorted out? There is an issue here but perhaps we could get more home-grown lorry drivers. A lot of things—testing—shut down because of Covid, didn't they? I am not convinced that they have opened up properly. What do you believe the situation to be?

George Eustice: Yes, I think they have. If I might put it this way, and I obviously talk regularly to Grant Shapps about issues such as this, he does not need pressure. He has been on the case with this right across the summer, making sure that we get the testing capacity back and get those testing centres open. They are looking at changing the way the test is done so that they can process more of them. It used to be that a qualified examiner had to also do the training on how to reverse a lorry trailer, which was unnecessary and has been removed.

They are also looking at issues, such as the more recent factor where somebody post the late 1990s with an ordinary driving licence cannot drive a 7.5 tonne lorry. That was not the case when most of us took our driving tests. Grant Shapps is looking at a host of things and I can reassure you that he is absolutely on the case regarding this matter.

- Q186 **Derek Thomas:** My main question is about what influence you have on DVLA because every constituency MP will have caseloads of those.

In previous evidence, by the way, we heard that a lot of the new drivers were just being taken from packhouses. I don't know if DEFRA is alert to that and whether you have a view about it and how it can be resolved. We did hear that a lot of the drivers are just coming from packhouses, meaning that stuff is not being processed. Lorries are waiting for hours at packhouses, where produce could not be processed because the people who used to do the processing were now sitting in the cabs. We heard that evidence last week, I think.

However, my main question is about DVLA and how it is responding because it is certainly not responding to constituency casework.

David Kennedy: As the Secretary of State says, there has been a great deal of pressure in the DfT space. I think the current situation is that the number of testing slots has been increased and there are more slots than people who want to be tested. That is the latest data. I think what is also happening in response to the higher wages is that loads of people want to become HGV drivers. They will come into the system and be tested in the first quarter of next year, so this problem will ease over time.

We can see if we can get the DfT to supply the latest data on that.

George Eustice: I think that is best because it is an area that the DfT holds, but the DfT has been quite open in explaining what it is doing and we can get you the latest test data.

Chair: That would be very good. Thank you. David, you had better tell that to my constituent from Sunday, that he can get a test straight away because he is not finding that to be the case. This is the trouble. All the time we are being told one thing and on the ground, it is not the same.

David Kennedy: There may be some geographical disparity.

Chair: Might there? Yes. All right. Your get-out-of-jail-free card. Carry on, Julian.

Q187 **Julian Sturdy:** We have touched on HGV drivers, but where are the figures on the extra visas for poultry workers and pork butchers at the moment? How are the numbers of people coming in looking?

George Eustice: Broadly, what we would expect—and bear in mind that they are still being processed—is that we would be in the realms of several thousand, which is what we would need on poultry and butchers. That is within the range that we expected. As you may recall, we made provision for 5,500 poultry butchers. That was on the basis that we knew each year, with quite a bit of precision, that we needed 5,500 to come. There was some uncertainty about how many of them would return from the EU. We did not know whether it would be half the usual figure or three-quarters, or fewer, so we just set it at the level that we knew was required.

Q188 **Julian Sturdy:** Do you know how the figures are looking? You are saying we are looking as if we are on track but do you have any handle on the exact figures?

George Eustice: I don't want to get into a running commentary because, as you can appreciate, it changes day by day. I think broadly, on the butchers' side, both poultry and pigs, it is going to be in the realms of several thousand that we can expect to be coming. When it comes to poultry, some of them have already started to arrive. They were processed first. We expect the 800 pork butchers we had planned for to start arriving from the beginning of December.

Q189 **Julian Sturdy:** Do you expect to meet the target of 800?

George Eustice: Yes.

David Kennedy: We do. Yesterday and this morning I met with the scheme operators who run the seasonal workers scheme and each of the four big processors—Cranswick, Pilgrim's, Morrisons, Karro—just to make sure that everything is on track. Demand is high, so is the supply. There should not be a problem getting butchers in. There are a few logistical issues to navigate through, and some process issues, and that is all happening.

Q190 **Julian Sturdy:** I will finish with this, touching on some other sectors that have given evidence to us, for example, the hospitality sector. There is a huge shortage across the board in the hospitality sector, for a number of reasons, Secretary of State, as you have set out. Covid, the pandemic, has played a key role as has the furlough scheme and people not coming back from furlough. Why was hospitality excluded from any of these temporary visa roles and positions?

George Eustice: The visa roles were aimed at food supply in the run-up to Christmas. The hospitality sector is slightly different because a lot of staff have been on furlough for some time, and it was unclear whether there would be any casualties as a result of the pandemic and that might have released staff. Also, the hospitality sector is better able to recruit a domestic workforce than are some of the other sectors that have had a particular problem.

Q191 **Julian Sturdy:** It is struggling and gave evidence to say so.

George Eustice: Yes, but the labour market is tight across the economy. We have 1.5 million job vacancies and some estimates suggest that about 500,000 of those vacancies are in the food and drink sectors. The labour market is tight. Some businesses are starting to adjust their practices.

My own family—I declare my interest—has a large restaurant business that has started changing shift patterns in order to bring into the workforce, for example, some of those mothers with children of school age for whom the previous shift patterns did not suit, designing shifts that do suit and starting to get people re-entering the labour market. They are often people who had been economically inactive for some time. The fact that businesses are starting to think about how they can accommodate different shifts to get people in has to be positive.

Q192 **Chair:** Before we leave this topic, one last question to you, Secretary of State. When did the Food Resilience Industry Forum first flag concerns about labour shortages?

George Eustice: I will ask David to respond on that one. He may not want to, but David attends it.

David Kennedy: Yes. I chair it jointly with Chris Tyas, the industry representative. We have had labour issues of one kind or another flagged up from the start of it. That was back in March 2020, almost two years ago. The latest round of issues, in the summer, labour shortages around

butchers, poultry and HGV drivers, started to grow the need to do something about it. When we have been able to make the case, we have done so. We have acted at pace and we are bringing people in.

Q193 **Chair:** Julian Sturdy made the case to you about whether the data was fast enough. Is it up to date? I do have to say to you that I think you just decided that the industry was crying wolf, that there wasn't a real problem, and now there is a problem. You have data that you can stack up, which may or may not prove where you are and we are just seeing less food being produced, less labour.

Talking about lorries—and we will talk about it in a minute—you are now letting foreign lorries deliver a load of stuff all across the country. I thought that we were supposed to be bringing back control in order to have more business in this country, fewer foreign lorries on our roads, but all we are doing is getting more. On this food resilience thing, why did you not take more notice of what the industry was saying? I think you hid behind the data. I will be quite blunt with you.

George Eustice: I think that is unfair. Bear in mind that, through the pandemic—and I have been meeting chief executives of supermarkets and food manufacturers regularly during that period—the predominant issues that were being raised were about staff absences. During the first lockdown, there was a lot of concern about the anxiety of staff about working during lockdown. There were lots of challenges there. There were lots of challenges to resolve around PHE guidance about working and protection for people at work.

As the infection rate rose, there was quite a lot of isolation and absence levels were getting up to around 15%, close to 20% in some cases. That was the primary concern weighing on the minds of the food industry at that time and it was the case as recently as July this year; the so-called pingdemic was top of their concerns. As soon as we saw some stress on order-fulfilment levels, which gave cause for concern, we immediately created an exemption for the food industry.

Q194 **Chair:** Charlie Dewhirst, of the National Pig Association, said they had been having crisis meetings with DEFRA since February this year, recognising the battle that was building up, the numbers of pigs building up on farms. Up to 14,000 pigs have been culled. Surely you should have seen that coming?

George Eustice: I met representatives of the pig industry—not just the NPA but the businesses concerned—on several occasions over the last year. I can say that, throughout that period, up until probably September, their biggest concern was access to the Chinese market. As recently as late summer, processors were telling me that labour was difficult, it was tight, but they could manage that if we could get access to the Chinese market. The biggest concern on their minds throughout this year has been the difficulty of getting re-listed to supply the Chinese market, which is quite crucial.

Q195 **Chair:** I think the issue of the Chinese market is that the pigs are sent

not entirely whole, but not carved up much, so this has been the perfect storm in a way. We now have pigs that we cannot butcher properly.

George Eustice: It is important for carcass balance to get the right value for the pig.

Chair: I had better not steal all the next questions as well, so I will leave it there for a moment. Ian Byrne, over to you on the HGV side.

Q196 **Ian Byrne:** We will touch on the HGV issue again. Tom Southall of the Cold Chain Federation said there had been “quite a few short-term interventions” from the Government and that “there is an argument that quite a lot of those came too late”. He also said that there was a “real mixture” of those interventions that had “made a difference” and those which “may have had a detrimental impact on the overall situation”. From the Government’s perspective, what impact do you believe the recent measures to support HGV drivers will have on the estimated shortfall of 100,000 drivers?

George Eustice: If you want to explore this in detail it would be worth the Committee getting Grant Shapps in, or evidence from DfT, because he has been looking very closely at this. The way I would summarise it, the point that Grant Shapps has been making, since early summer to be fair, has proved to be right. That visa schemes for HGVs—while it is something that the industry was calling for and wanted to have—as it has turned out, had a more limited impact than people would think because there is a tight labour market and a shortage of HGV drivers across Europe, including in countries such as Poland, and across the world. Countries such as the United States have driver shortages; Ireland has driver shortages.

The solution here is to try to persuade and encourage more of those HGV drivers, who are qualified but have recently left the industry, to return. A lot of that is about sorting out some of the renewal testing and so on. I think it is the CPC test, or something like that—there has been a lot of emphasis on that—and also training the next generation of drivers, seeing wages rise so that you can attract people to the industry, and trying to improve some of the infrastructure on our roads networks, because that is another problem.

If people are away from home and there are no adequate showering facilities, no spaces for lorries to park and, frankly, a lack of respect for lorries on the road from other road users who take for granted that their goods will arrive: all these things matter and we need to address them all if we are to fix this for the long term.

Q197 **Ian Byrne:** That is a good point about getting Grant Shapps in because there are lots of questions to be asked, certainly about the extension of the ability for drivers to be longer on the roads.

During the evidence you have mentioned the pandemic and Covid a lot. You have not mentioned the B-word, Brexit. What effect do you believe Brexit has had in the shortage of the labour, drivers? Would you quantify that?

George Eustice: When it comes to HGV drivers—I will be honest—I think the effect has been limited. That is because most of the HGV drivers were British employees, they were here. Many of them were in their 50s, and this problem has been caused because they have left the sector. For reasons I have given, because these are full-time jobs, full-time careers, the ability to attract others from the EU, even when we have made that option available, has been limited.

In other areas, we did have 5 million or 6 million settled EU citizens, which we thought would give us a buffer. Some of them have returned to Europe and that has undoubtedly contributed to our now having 1.5 million or so job vacancies. The end of free movement has been a contributing factor in some sectors within the food sector. However, you also have to see it in the context of the wider issues around the pandemic. Travel restrictions and people wanting to return to be closer to their families have probably contributed far more.

Ian Byrne: I think we have covered the HGV drivers. David, would you like to add anything?

David Kennedy: Only on the impact of the interventions; they were to protect food supply at Christmas. At the time we made the case, working very closely with the supermarkets, they were projecting that they would not be able to put the stocks in—of packaged goods in particular—ahead of the Christmas period. That has changed and they are on track with their plans so now, in our risk assessment of Christmas, we think that the food supply will be protected. We cannot guarantee it, but the risks have changed significantly.

Ian Byrne: Thank you, Chair. It has been well covered.

Q198 **Chair:** Dare I say it, you seem a little bit obsessed with the supermarkets. I know that they are the biggest players in this country, but what we have also taken evidence privately on is the fact that they will pay higher wages, they will take the drivers, and everybody else suffers. When you are gathering all this data, do you also gather data from some of the smaller players? We have a perfect storm going on out there and I am afraid it is no good the Government just saying, “There isn’t a problem” because there is one. With this data that you are always quoting, do you look at the smaller abattoirs? There are lots of smaller shops out there as well. They still have to be supplied. What data do you have on them?

David Kennedy: The Food Resilience Industry Forum has 200 representatives. The vast majority are not retailers. There are several retailers on it but the rest of them are manufacturers; for example, farming representatives, the distribution sector, the whole supply chain. We have an end to end approach. I quote the supermarket data because it is a useful barometer of the food system.

Q199 **Chair:** They are big players, I accept that, but do you accept that everyone is taking drivers? Amazon is taking drivers. At the moment, because there is a shortage of drivers, a shortage of workers, everybody

is sucking them in so, in the end, the more you pay—great for the people getting the wages and I don't blame them for moving—in the end you are depriving somebody else of their labour. It is just not sorting it out.

David Kennedy: Yes. Absolutely. We are alive to that. Let me give you an example. You will remember that during Covid we did the shielding food parcels for the vulnerable. The consequence of that was that the set of products in those food parcels were either going to Brakes and Bidfood, who were doing the exercise for us, or going to the supermarkets, and the smaller retailers had no supply. That is something that, first, we learned about through the Food Resilience Industry Forum. Secondly, we did something about it so we changed the balance of supply within the system to make sure that all the channels were properly supplied. That is one of many examples.

George Eustice: I think there is another important thing to say. Some of the shortages are leading to something of a culture change, which in some ways is positive. I can remember when I was working in the food industry 20 years ago and somebody telling me a story about a lorry that had got stuck in a traffic jam. There was a bad accident on the motorway. They phoned the supermarket depot and said they were sorry but they would be 40 minutes late. The supermarket buyer said, "I will give you 20 minutes. Then you will be turned away". It is a brave supermarket that would say that at the moment.

All of this, "You have your five-minute slot. You have to be here. Drivers can wait over there. They are not allowed here, not allowed there", everybody now has to be a bit more respectful to the drivers who are keeping things moving. I hope that culture shift might last even when we get the drivers back because, to be honest, it has been unacceptable for some time, the way some of these powerful purchasers in the supply chain have thrown their weight around.

Q200 **Chair:** Major retailers have too much power, do they, Secretary of State?

George Eustice: In the past. It has led to a culture like that and I think all of them now have to think twice before they complain.

Q201 **Mrs Murray:** Picking up on the Chair's question—and you said you do look at the different sectors—are there any statistics that you could share with the Committee? I don't expect you to do that today, obviously, but it would be helpful if you could share them in writing.

David Kennedy: I will see what we can share. I will give you one more example as well, to take a different perspective. The CO₂ interruption, which happened a few weeks ago was not about retail. It was all about poultry, pigs, slaughtering, small players. It was about the carbonated drinks industry as well. Those are the people we faced and worked with because that was the nature of that problem. Therefore, whatever the problem, whoever it is with, that is where we work; we will know about it and we will solve it.

Yesterday, the British Poultry Council—which is not just about big players, not just about 2 Sisters and Bernard Matthews but about the whole industry—came out and said that, because of the interventions we had taken, the Christmas turkey supply, albeit a bit reduced because of decisions in the summer, has been secured, but let's see what statistics we can get for you.

Mrs Murray: That would be very helpful. Thank you.

Q202 **Barry Gardiner:** Secretary of State, I was fascinated that you said there has been a problem here for some time with supermarkets treating drivers disrespectfully. What did you say about it at the time? It is all very well to say that now it has got better. Did you say or do anything about drivers being treated so terribly when it was going on?

George Eustice: I was on the committee that brought forward the Groceries Code Adjudicator and put that on statute. That had codes on these things and, for instance, prevented things such as supermarkets designating their own hauliers and then collecting a fee from those hauliers. Some practices of that sort were addressed.

I suppose I am making a more general point, which is that it is slightly more of a seller's market than it has been for some time for people in some of these sectors. Recently I talked to a haulier who had had a major retailer complain that a pallet had fallen over and asked what they were going to do about it and the haulier said, "I am going to stop working for you because I can't deal with all the customers that I have now, so find someone else to deliver your pallets". That sort of thing is requiring supermarkets—and they tell me this—to be very lenient about delivery slots and so on because they have to be. They have to cut people some slack during difficult times.

Q203 **Barry Gardiner:** That is the social market working its way through, people getting their comeuppance, but is there any way that you feel that you can give greater direction and control the supermarkets so that in future, things stay on the better balance of power that exists between them and the drivers and their other suppliers so that they stay on that more even balance than they have been on in the past? Are there more things that you could do, writing to the heads of the supermarkets, drawing this to their attention, codes of practice, and so on?

George Eustice: It may be that they discover that it is a better way to live your life and run your business, to just be a little bit more relaxed and a bit more flexible and a bit more human around the way these things are approached and hopefully that is something that we can all learn from. A bit more kindness.

Q204 **Barry Gardiner:** We could certainly hope so but I was looking for more than hope.

George Eustice: We could certainly hope so. I think it is difficult—

Barry Gardiner: I was asking what you could do rather than what you could hope.

George Eustice: It is very difficult to regulate for kindness.

Barry Gardiner: Indeed.

George Eustice: I think kindness is something that we have all to show one another.

Q205 **Chair:** I think what we can regulate for, Secretary of State, sometimes, is the way that the big retailers dictate to so many growers, so many processors. In the past they have put huge pressures, particularly on processors, haven't they, over getting that supply at a certain price, "If you don't knock your price down, we won't buy it from you". I think the code has helped with that and I think the adjudicator has helped with that, to threaten to look at them. As Barry has said, I think we will probably need to have more than goodwill in the end. We might have to have a little bit more from government on the behaviour of retailers. I know it is one of my pet subjects but there is an issue there and you probably recognise it. Further to Barry's question, are you going to look at that in the future?

George Eustice: I am going to have hope in human nature that there will be certain cultural changes that will endure even once we have rectified the current shortage of labour.

Q206 **Chair:** I am going to move on to the cold storage system. The Government said—and you have had a lot to do with this—that you would provide a cold storage aid scheme for pig farmers. Is there enough capacity in England to provide additional cold storage for the Government's scheme and when will the scheme start or has it started already?

George Eustice: The answer to the first point is yes. We checked that. There is never any point in running a storage aid scheme if you do not have the storage. You may recall, when we considered a storage aid scheme for dairy in the first lockdown, it was not a viable proposition. The storage capacity is there. The feedback from the industry is that this storage aid scheme will give them the incentive and impetus to process and store pigs and in particular run Saturday slaughters so that they can clear the backlog on farms. The scheme has either started or is imminent but I will ask David to confirm.

Q207 **Chair:** How imminent is imminent, Secretary of State? The Government's 'imminent' isn't the same as the rest of the population.

David Kennedy: Yes, it has started. The challenge is for putting extra shifts on at the moment because the system is totally flat-out for the Christmas period. We are working with industry. We think there will be some use of what we call the welfare slaughter payment. That is for pigs that are taken off farms and they are butchered just to get them off the farm. They are cut into six and either put into storage or exported to markets like Poland and the Philippines.

There will be some of that but probably the storage will be most useful in January after the Christmas peak when we have additional butchery

capacity and still a backlog on farms. Those two things will come together and we will see products stored. It will come out of storage in May or June when we expect supply probably to be below demand, particularly if the Chinese market comes back.

Q208 **Chair:** Sorry to interrupt. We did take evidence from the cold storage industry where it was saying that there is not a great deal of spare capacity out there because you do not keep cold storage going if there is nothing in it.

The other part of my question is the National Pig Association said the original scheme was for minimally butchered pigs but now it believes it is for boneless joints. This seems a very odd decision and it may not be right, but I would like you to put on record one way or the other because we are still waiting for these butchers to arrive so why do we not put the pigs in in halves or whatever and then wait for the butchers to come to carve them up? I do not get the logic of this.

David Kennedy: There is a timing thing here. For the period before the butchers come—we have limited butchery capacity—we wanted minimal butchery with storage and bone-in storage. The industry is very clear that it cannot take stuff out of storage that has not been butchered and then butcher it in the way that you would if it had not been frozen in the first place. For November and December that is the solution. It is one option to get pigs off farm, it is minimal butchering and then storage or export.

For January, when we have butchers and when demand is not as high as it will be in December, the preference of the industry is to store butchered product because it is higher value for them.

Q209 **Chair:** I understand that. As it stands at the moment, the pigs will be gutted, to put it bluntly, and put into storage, more or less as a whole pig or half a pig.

David Kennedy: Cut into six, yes.

Chair: That scheme will be for minimally butchered pigs up until December and then in January it will be much more for boneless joints. I want to be absolutely clear.

David Kennedy: That is it. From a legal point of view, we did not want to have to change the statutory instrument so we just said it is for stuff that is not butchered or butchered, the storage aid, but it is with that time profile in mind. I do not think anybody will be putting butchered product into storage ahead of Christmas because whatever they can do they will sell to the domestic market.

Q210 **Chair:** How long can you keep a pig hung at 1 degree or 2 degrees or just about freezing? They must keep for some time, do they? There must be an idea to be able to keep these pigs cold until the butchers arrive or not. Is that not possible?

David Kennedy: It is a case of putting them into storage for three or six months frozen, or put them into the market. The domestic market has to

be fully butchered. There are markets where you can send pigs cut into six, like Poland or the Philippines, and China, if we can get that relisted sooner rather than later, and things are looking a bit better there.

- Q211 **Chair:** Finally, Secretary of State, you must be concerned about the pig industry, because the value of the pigs has virtually halved, the cost of the feed is half as much again. There is not an easy solution, I accept that. Do you believe it will right itself? Will we be able to see an increase in the value of pork so that farmers will be able to feed high-priced cereals or even high-priced substitutes to fatten the pigs?

George Eustice: It is a difficult time for the pig industry. Those of us who have been in farming for some time know that there has always been the pig cycle, the famous pig cycle that goes back to the beginning of time in this sector. It is just an unfortunate coincidence of events that when we are at the peak of that cycle, when production has increased by 7% or 8% this year and there is an oversupply in the market, that has coincided with considerable stress internationally in global supply chains, particularly in China, and some other challenges as well in some other markets. That has all been exacerbated by the shortage of labour. Therefore, it is a coming together of several different issues.

However, the projections that we have done with the policies that we have put in place are that we will clear the backlog on farms probably by roughly the end of February or March. They will be gradually working that down and the trend will be in the right direction from now on. Then the gestation period for pigs and the fact that farmers are now culling some sows and reducing their output to bring supply and output back into balance means that by next summer we anticipate things will be stable again.

Chair: Yes, three months, three weeks and three days, is it not, the gestation of a pig? Therefore, it does not take long to build it back up again but it is trying to keep the pig industry going in the meantime that is the issue. Sheryll, you can ask, please, the one about the situation on a cull on farms?

- Q212 **Mrs Murray:** In addition to additional cold storage, what else is the Government doing to avoid a mass cull of these animals caused by the labour shortages? Do you have anything else planned?

George Eustice: The best thing that we can do, the best solution of all, is to increase the slaughtering capacity of the big four abattoirs, to get them to do Saturday slaughtering so that they can start to work down the backlog and then get them into storage. That combination of private storage aid, the additional incentive payment for welfare culling that David just referred to and the short-term visas are the tools that we have at our disposal and we have used and deployed every tool to try to deal with this issue.

There is not much more that we can do beyond that but, as I said, the projections that we have based on the policy interventions that we have

announced, are that this will be an improving situation and that we will have solved the backlog by the end of February or March.

David Kennedy: We have just changed the situation for farmers who are thinking, "Shall I carry on feeding this pig?" There was a prospect that it would not get off the farm. Now we have the butchers coming in so from the beginning of December onwards there is more butchery capacity that can clear the backlog very quickly. That affects the calculations of the farmers, many of whom now can see a way out and will keep the pigs on the farm until they can be butchered.

Q213 **Mrs Murray:** Just as an aside, Secretary of State, before I go on to the second part of my question, you mentioned there the four main abattoirs. I know we have seen such a decline in small abattoirs. A lot of them would slaughter pigs. I know the one that was forced to close in my constituency dealt mainly with pigs. Do you think it was a mistake not to give them some sort of support to keep them going?

George Eustice: Do you mean historically, in the past?

Mrs Murray: Yes, and are there are plans to encourage them to reopen?

Chair: We put it in our last report, did we not, and we are awaiting a response from you Secretary of State, so we expect to have small slaughterhouses all over the country immediately.

George Eustice: The issue for some of the small slaughterhouses was the growing regulation, but which had an important purpose, principally coming from the European Union. The big moment for many of them in recent history, talking 20 years ago, was the requirement for full-time official veterinarians on site. For some of the smaller ones that was not something that they could accommodate given their throughput. That was one of the big drivers. It would be quite a big thing to try to unpick that, given where we are now. Our assessment is for most sectors that, while we had fewer abattoirs than we once had and fewer small abattoirs, we do nevertheless have fairly good distribution of abattoirs in England in the areas where we need them. It is less so in Scotland in particular and also in Wales.

Mrs Murray: I think you will find it is less so in Cornwall as well, Secretary of State.

George Eustice: I still have an abattoir in my constituency that does still slaughter pigs.

Mrs Murray: It is probably the only one in Cornwall now. I wonder why that is.

David Kennedy: Maybe because that is where our pigs are.

Q214 **Mrs Murray:** If there is a nationwide mass cull of animals, how will the Government support farmers? If we are forced into a cull, how will the Government support the farmers?

George Eustice: On pigs? We have announced our scheme to support them and the answer is not to do those sorts of culls and pay them for that. You would not normally make a payment; that would be seen as a commercial loss. It is just a commercial risk in those sorts of circumstances. The circumstances in which we would compensate farmers is if there were a disease outbreak, and the 1981 Animal Health Act makes provision for compensation but it would not be normal for there to be payments of that sort.

It is not something that we have traditionally done but the power is there to make interventions as and when we need them. The Agriculture Act has a very broad power for the Secretary of State to create a statement that there is a market disruption and to take action, but our priority is to avoid anything like that happening, through the schemes we have already done.

Mrs Murray: Do you have anything to add, Mr Kennedy?

David Kennedy: I think that covers it. We are not expecting that there will be a mass cull. We have said the figure is 14,000 that have been culled to date over the last couple of months. We are not expecting that number to go up very significantly, because of the actions we have taken. We will continue to watch it very closely.

Mrs Murray: We will as well. Thank you very much.

Q215 **Chair:** On that last question that Sheryll asked you, Secretary of State, you say that it is not for you to intervene but is it the farmers' fault that they can no longer get their pigs processed? Is it the farmers' fault that they have to keep those pigs on the farm and feed them more until they get fatter? They will then be overweight and they will get probably half the price for that pig, having probably used a quarter more food. I do ask that in all sincerity. Is it the farmers' fault?

George Eustice: Commercial risk affects businesses in all sorts of sectors.

Chair: Yes, but a commercial risk, Secretary of State—the Government have said all along that we are going to make a success of leaving Europe, we are going to make a success of everything. Good, I hope we do, but I do not think you can say that that is a normal commercial risk to a pig farmer, that he or she cannot sell their pigs to be processed. I have been a dairy farmer for a lot of my life. I expected my milk to be picked up and expected it to be processed. I did not expect to have to tip it down the drain. Dare I say it, I suspect if the dairy farmers had to tip their milk down the drain, there might be some form of compensation.

Mrs Murray: Absolutely.

Chair: The pig sector again is unsupported, unsubsidised, the same as the poultry sector. I think you are being a bit harsh when you say it is just a commercial risk, because I don't think you would expect to have that as part. Yes, commercially pigs will go up and down—I accept your argument—but this is all about not being able to process your pig and

having to keep it on a farm.

Mrs Murray: Not being able to sell your product.

Chair: Why is there not some form of compensation?

George Eustice: As I say, we live in a free-market economy and it is not the role of government to interfere in markets in all circumstances. We have clear circumstances when we do. If there is an animal health issue, under the terms of the 1981 Act we will issue compensation for animals that we require to be removed for disease purpose.

Chair: Answer my question: is it the farmers' fault that they cannot get their pigs processed?

George Eustice: No, but commercial risk does not necessarily imply fault, whenever it comes. If an arable farmer has his crop hit by aphids, that is not necessarily his fault but it is still a commercial risk.

Q216 **Chair:** I think that would be considered almost as an act of God or act of nature, but I am not convinced that not having enough process workers and not being able to slaughter your pigs is an act of nature or an act of environmental change or whatever.

Mrs Murray: That may be insurable against.

Chair: I think it is out of the control of any shape or form of an expectation that a farmer would have to cover that as a commercial loss. I do take issue with you. It is not a normal commercial loss.

George Eustice: We have powers under the Agriculture Act to intervene pretty much wherever we see fit, having deemed there to be a market disruption, but it is a power that should be rightly used sparingly in a free-market economy. We have chosen to use it in a particular way, which is to support private storage aids and particular interventions to help deal with this problem. We think that is the right way to approach this rather than to go down the road of some sort of compensation. We think that the measures we have taken will correct this problem.

Chair: I hope you are right. Over to you, Barry.

Q217 **Barry Gardiner:** The Chair is being so nice to you, Secretary of State, because he is asking do you think this is the farmers' fault, whereas what he actually means is—let me state it bluntly—is this not your fault? You talk about where there is deemed to be a market disruption. The point that the Chair is making is that you have been the market disruption, haven't you? Because you changed the ground rules here and you did not take enough precautions beforehand to ensure that people would not economically feel the fallout of it.

George Eustice: I do not accept that. As I said earlier, the pig production increased by about 7% or 8% this year. As it transpired, that coincided with a disruption in the Chinese market, which was partly linked to delisting that came from Covid. That is not the Government's fault, that is a disruption in international markets. Are the Government right to act in the way that they have done to help shore up a position?

Absolutely, and that is what we have done. We have used those powers in the Agriculture Act, not long passed. Some people doubted whether we would use those powers but we have used them and deployed them at an early stage to do the right thing. I think the measures that we have taken are the right measures.

Q218 **Barry Gardiner:** Do you feel that pig farmers feel that you have done everything that is required of you and that they are content with the way in which the Government have handled the entire situation?

George Eustice: Of course people will always want more but the judgment I have to make is have we done the right thing and I think we have. We have created a temporary visa scheme; we have opened a private storage aid scheme and we have created an additional welfare payment to clear that backlog on farms. It was very much welcomed by the industry at the time.

Q219 **Barry Gardiner:** Yes, and the labour conditions that meant that you were required to do that were imposed by the Government in the first place. That, I am sure, is what some of the pig farmers might say to you.

George Eustice: All I would say is to repeat what I said earlier, which is that for most of this year the comments that I have been getting from the pork processors is that labour is an issue but not their biggest issue. Their biggest issue is very much around access to the Chinese market.

Q220 **Chair:** You said in answer to Barry, Secretary of State, that you acted early, or acted early enough. I would suggest to you that you did not. I am not sure that it was your fault. It might well have been the Home Office's fault, but the fact that we are having to slaughter pigs, cull them on the farm, blatantly shows that you did not act, the Government overall—I will not say you—did not act in time. Again, like I said, you believe that is just a commercial responsibility of the pig farmers, do you?

George Eustice: I would say that it was as recently as September that some of the pork sector was telling me that, yes, labour was short but that access to the Chinese market was their biggest concern and causing them the greatest problem.

The difference is that we acted first on poultry because it was foreseeable that we had a big need for seasonal labour for turkeys in the run-up to Christmas and that we needed to act on that. We considered pigs at that stage. However, when we looked at their absence rates, it was not much different to any of the other sectors, such as sheep or beef and others. We very much took the view that it was less clear that they were going to have a spike in labour need and that their position was not that different to other sectors, and that therefore there probably was not a case, and they were telling us that the lack of access to the Chinese market was their biggest concern.

Q221 **Chair:** When is that Chinese market going to be open again?

George Eustice: It is something that we are working on and it is something that the Prime Minister discussed quite recently with China. It is something that we have been raising consistently with it. It has been difficult to get it to relist some of those abattoirs but we are making some progress.

Chair: All the time the pigs get fatter. That is the trouble, Secretary of State, and you know that because you have been a pig farmer, or your family have.

Q222 **Mrs Murray:** I don't understand this, "They told you that they would like the Chinese market opening". They also flagged up that there was a labour problem but you dealt with one thing first. Surely it is not beyond a reasonable expectation that your Department can multitask and you could have looked at both situations at the same time.

David Kennedy: The answer is that we did. There was potentially a different solution to the—

Mrs Murray: Why did the Secretary of State tell us he dealt with the Chinese market in the first instance?

George Eustice: I did not say that. I said that the industry was telling me as recently as September that lack of access to the Chinese market was their No. 1 concern.

Mrs Murray: They also flagged that there was a labour problem.

George Eustice: Yes.

David Kennedy: They said there was a labour problem. There was a way of dealing with the labour problem, potentially, which was to bring butchers in via the skilled-worker route, which was allowed under the immigration framework. As far as we understood, they were pursuing that and was going to bring butchers in. They identified butchers in the Philippines and Brazil and various other places. It only became clear in October that that was not going to work.

Q223 **Mrs Murray:** "They" being the Home Office?

David Kennedy: No, "they" being the processors, the Cranswicks and the—

Mrs Murray: Surely the Home Office would be the ones issuing the visas.

George Eustice: Only if it receives an application. One of the challenges—it is important to recognise the context here—is that butchers have been able to come in under the skilled worker route and all you need is a sponsor, ie a business, to recruit those people, identify them and then sponsor their visa application. We understood that the industry was exploring that but it turns out that in most cases they had not progressed that. In some cases, they reported it was difficult to get people who had the right proficiency in English but in most cases they had not even registered as a sponsor with the Home Office.

Q224 **Mrs Murray:** Surely you could have provided them with some assistance, possibly working with the Foreign Office and with the Home Office and the International Trade Department to ensure that that was happening. Surely DEFRA does not just sit back and do nothing when it knows there is a problem and it is told that there is a labour problem.

George Eustice: We did. We would have explained to these businesses exactly what they needed to do in order to register as a sponsor with the Home Office and what they needed to do to progress that. To be fair to the Home Office, where it has heard applications for the skilled route it tended to process them quite quickly, within a matter of weeks, and it has data that shows that.

Businesses tell us that they found it difficult to identify people with the right levels of language proficiency. That has been one of the factors that they highlighted, but for whatever reason most of the businesses in the meat-processing sector, including in pork, have not tried to progress applications through the skilled route.

Q225 **Mrs Murray:** Chairman, I am happy to pass on to Derek now to progress this a bit further, but it would be nice to know that that is being looked at now and, if necessary, that DEFRA is on top of this and will be ready to provide assistance if it is necessary in the future.

David Kennedy: Both DEFRA and the Home Office on the skilled worker route, and making that that brings people through in a way that it has not done up to date.

Chair: We will take direct evidence from the industry, to drill down on whether it is a case that they are not applying or that the system is too complicated and too expensive. I think there is more than one side to this story and I am absolutely certain that by the time we get the Home Office Minister in here we will have direct evidence.

Q226 **Barry Gardiner:** I think Sheryll Murray's elucidation of what was going on has been really helpful. Secretary of State, would you share with us the correspondence that your office had with the Home Office to ask how that visa scheme was progressing and to inquire of them how many applications had been submitted for these skilled workers to come from the Philippines and other places? That would show that your Department was on top of things, was carefully monitoring the likely risks and making sure that you were doing everything in your power to have those risks under control. Of course, were you not to be monitoring in that way, that would suggest that you had adopted a rather lackadaisical approach, that you had let the industry fend for itself and that you were not on top of what was actually going on.

George Eustice: The principle of collective government is that we have our discussions privately about the approach that we should take and there is a discussion and a consensus and then a collective view. I am afraid, Mr Gardiner, I am not going to get into some—

Q227 **Barry Gardiner:** Sorry, Secretary of State, I am not asking for any policy discussions at all. What I am asking is did you at any time, or your

Department officials at any time, ask the Home Office how many of these skilled butchering applications had been given and submitted to the Home Office. That is what I am asking for. It is a simple factual question. We could have it on an FOI if need be but I am sure that your Department would be able to provide it.

Chair: Can you provide that in writing, Secretary of State?

George Eustice: For the reasons I have explained, we have discussions with the Home Office regularly, including on issues like this, but we stand together collectively and you should judge us collectively as a Government.

Barry Gardiner: It is about policy.

Q228 **Chair:** I understand that but if you look at the evidence that we have from the National Pig Association, it believes it has been in crisis talks with DEFRA since last February. What we are trying to get to grips with is that there has been a crisis there for a long time and it has only just been recognised by government. The question that Barry asked you is quite legitimate.

George Eustice: I will consider what further information we might be able to give you around the number of visas. It may need to be anonymised because there could be confidentiality issues around individual businesses. But the numbers that have sought to be sponsors and what they had intended to do.

Q229 **Barry Gardiner:** I have no desire to penetrate the veil of secrecy and commercial confidentiality. I ask for simply the dates on which your Department, Secretary of State, contacted the Home Office and asked for the information.

Chair: If that is possible, please do.

David Kennedy: To be clear, we know from the industry that they had not applied for visas under the skilled worker scheme. They were progressing this. The first thing they have to do is recruit people, find if they can reach language requirements. Once they have got through a lot of hurdles they can put the application in. There is nothing for the Home Office to tell us there.

Where somebody has put an application in—not in pork processing; for example, one of the poultry companies—to be a licensed operator under the skilled worker scheme, they have come to us, they have said there was an issue getting the application through and could we do something. We worked with the Home Office and we made that happen very quickly.

Q230 **Barry Gardiner:** Mr Kennedy, my point was that the Secretary of State had said, "We were led to believe that the industry was pursuing its own solution to the problem that we had identified might take place". That solution was to recruit people—skilled butchers—from the Philippines and other places abroad, and apply under the skilled workers' route. Fine. If that were going on, fine. My question is: did you monitor it? Did you keep in contact with the Home Office—as Sheryll Murray was suggesting—and

make sure that the risk was not either materialising or that your confidence in the industry was borne out? That is the question. If it were borne out, we would not be in the mess that it is. The question then is: were you monitoring it. If you were not, it explains why you were not able to take remedial action in a timely fashion.

Chair: Can I also ask with Barry—because you just said, David, about the possible complexities of the scheme and I think this is where a lot of the problem lies—to what extent were you talking to the Home Office about the complexity? What we do is we create a very complex scheme and then we blame the industry for not applying.

Mrs Murray: And we expect them to understand it.

Chair: “It is all your fault and it is your commercial risk and you should take it on the chin.” I do not think that is right.

Mrs Murray: No.

Chair: This Committee intends to try to get to absolute grips with what the Home Office requires for this to happen. I cannot quote your exact words but you did say complexities. Did you talk to the Home Office about the complexities?

George Eustice: I was very open about some of this. The industry specifically had told us that they had attempted to recruit people through the skilled route but that they had challenges getting people with the right level of proficiency of English. I was very open at the time and said that I would raise this with the Home Office to explore it. The Home Office did look at that claim but found that only one of the big four had even attempted to make an application through the skilled route.

To be fair, in all of this—Mr Gardiner can say that we should have been involved in doing this—there is also an element that businesses that need access to labour should be taking some responsibility for that as well. It is not for us to do all of this for them. There is a scheme there. We can point them to it, we can help them understand how to navigate it. If they raise particular concerns about it, we can raise that with the Home Office, and we did. Ultimately, we do need businesses in this to take some responsibility for getting the staff that they need and for navigating that route.

Chair: I will let Sheryll in and then Barry but we must move on.

Q231 **Mrs Murray:** Very briefly, what concerns me is the Secretary of State saying that he thought everything was okay and that they found that only one of the big four businesses were applying. However, we have heard constantly from the Department announcements that there is not a problem with labour. We have had so many people apply for settled status and the message your Department has been giving out, Secretary of State—I think you will agree with me here, it is not a criticism—is that there is not a problem. We have raised the matter in Chamber at questions and we keep getting the response, “It’s not a problem”. So, you cannot blame the industry when the message you were sending out was, “There’s plenty of labour there, you can find it”.

George Eustice: I don't think I have ever sent that message out, because I have recognised and have been acknowledging, first during July, that there was a particular challenge around the so-called pingdemic.

Mrs Murray: This was before July.

George Eustice: We were aware in August that Grant Thornton, for instance, had carried out a survey of some of the big food manufacturers, which showed a 12.5% structural vacancy rate, which relates to roughly 500,000 job vacancies in the food sector. I have acknowledged that right the way through. Indeed, it is partly in recognition of that that we did put in place the temporary visa schemes that we had.

Chair: One last question from Barry and then we must move on to the other labour situations across the piece.

Q232 **Barry Gardiner:** Secretary of State, I want to give you the opportunity to answer the Chairman's initial question once again. When he first asked you if this was the businesses' fault, the pig farmers' fault, you said no, but you have just finished by saying that industry must take responsibility here and it is not your role in government to be doing that for them. Forgive me, but my interpretation of that is, "Yes, it is the pig farmers' fault". That is what you are saying, is it not?

George Eustice: Pig farmers have not particularly had the issue with the lack of labour, it has been in the abattoirs. There are two separate questions.

Barry Gardiner: Sorry, it is the pig farmers who cannot get their pigs butchered and, therefore, cannot sell them. That is a most ridiculous answer.

Mrs Murray: They are not corn fed.

Chair: If you cannot sell your pigs, if you cannot—

George Eustice: They are two separate questions and I can see what you are trying to do.

Mrs Murray: For God's sake.

George Eustice: They are two separate questions. First is: does the concept of commercial risk in a free-market economy imply fault? The answer to that is no. A farmer who loses a crop due to frost or there is a market disruption or any other business that can be affected by events, that is commercial risk and often it is not fault, it is bad luck.

Chair: They have been pointing it out to you since February, at the very least.

George Eustice: Often it is bad luck. That is the point I was making there. In the context of the abattoirs, the point that I was making is that there is so much the Government can do. We can set up the right schemes. If concerns are raised about those schemes, like around the language, we can raise that with the Home Office, which is the relevant

Department, and get it to explore it, which we did and which it did. Ultimately, if there is a scheme there and there is a visa route that is available to businesses but they do not even register to use it, there is only so far that we can take them. We can take them to water but you cannot make a horse drink.

Barry Gardiner: Secretary of State, I have never yet seen anybody ski backwards uphill but I think I have just witnessed it. Thank you very much.

Q233 **Chair:** I will make this the last question because Derek is desperate to come in. Again, if it is the processors that are having a problem with the Government joining it all together, it is still not the farmers' fault that they cannot sell their pigs to be processed. That is where there needs to be a degree of sympathy and a degree of support rather than just pushing this around and saying that it is somebody else's fault.

George Eustice: There is sympathy and there is support. That is why we opened the private storage aid scheme and the other schemes and the temporary visa scheme to solve the problem.

Q234 **Chair:** A final one on the private storage scheme: can you guarantee us this afternoon that there will be enough storage to take the pigs off the farms so that there will not be any more culls on the farms?

George Eustice: In the discussions we have had with the industry, this is something it specifically requested. We explored whether there is storage capacity and were told that there is. We can write to the Committee with further information.

Chair: We were told there was not enough, you see, so that is interesting. Was that directly from the industry?

George Eustice: It is something that the industry specifically requested and said that it would help.

Chair: Are you confident there is enough cold storage?

David Kennedy: Yes, and we have worked with the six biggest processors to establish that. There is cold storage commensurate with the size of the scheme, yes.

Chair: It is on record, thank you very much. Over to you, Derek.

Q235 **Derek Thomas:** Thank you, Chair. This is my pet subject, the Seasonal Workers Pilot, obviously a very easy one to do now. DEFRA and the Home Office obviously came up with the need, quite rightly, for the Seasonal Agricultural Workers Scheme. How do the two Departments decide the size and the scope of the scheme in terms of judging what the need might be?

George Eustice: There is no perfect science to this. We had a Seasonal Agricultural Workers Scheme that ran from the Second World War until 2013. The number that were allowed in under that scheme fluctuated from around 12,000 to close to 30,000. The key data that tended to be

looked at were returnee data—how many people were returning from one year to the next and how long people stayed, if people drifted away earlier, that would be seen as an issue—and general labour market survey data of the industry. It would be a combination of those things that would lead to an assessment, but there is no perfect science to it.

In this instance, the reason we arrived at the figure that we did of 30,000 is having done quite a bit of detailed analysis we established that the total number of seasonal workers needed is in the region of around 60,000. The number of total roles is higher than that but that is because an individual worker might do two jobs. On that basis we judged, looking at a typical returnee rate from the settled EU citizens of between 40% and 60%, that it was right to pitch a seasonal workers scheme at a level that would provide roughly half of the seasonal labour need.

Q236 Derek Thomas: Thank you. When in your view is the ideal time to announce such a scheme for a calendar year?

George Eustice: In time for the next calendar year, obviously. At the moment we are in a pilot scheme. We have always been clear that it is likely that we would need some kind of ongoing seasonal workers scheme. We are in discussion with the Home Office now about what that might look like but it is important to note that although the scheme legally runs calendar year to calendar year, some of the visas run longer than that. If there is a successor that is put in place, once we put that in place it is relatively easy to give the legal basis for people who are here.

Q237 Derek Thomas: Do you think that Home Office colleagues fully understand the lead-in time? We are close to January now. We have been talking for a long time about the need to agree and to commit to a pilot scheme or even a longer-term scheme starting from next year, but we are still not there and we still do not know and now farmers are screaming at us, saying, “What are the options for us in January?” Do Home Office colleagues grasp the time that it takes to trigger the scheme before someone arrives, having got their visa?

George Eustice: I think they do, on the basis that we have been running a pilot scheme now for several years. Home Office Ministers will hear from colleagues and members of this House just as much as I do and will no doubt have people like you, Mr Thomas, raising this issue with them and explaining it to them. I am sure that they are aware of the time that it can take, the lead-in times for recruitment.

Q238 Derek Thomas: We have heard evidence that it might be needed to extend to nine months—maybe the 30,000 is sustained—possibly and hopefully to include ornamentals. Is that something that we can be hopeful for? If so, when do you believe that we would be getting that announcement? How much pressure can you apply?

George Eustice: Last year’s pilot scheme was announced during the course of December, quite close to contract. I hope that we might be able to say something earlier than that, but we are currently in discussion with the Home Office. It is its policy area. It is an announcement that it would

need to lead on, but what I can say is we that obviously have a constructive dialogue with it about these matters.

Q239 Derek Thomas: One thing that we hear from Home Office officials is that the 30,000 has not been used up to full capacity, which we believe, on the surface, weakens its argument. We also believe that it is partly because, as you say, it was announced so late that it took until possibly April or May before people could arrive in that calendar year. Are you able to support the argument that 30,000 is about the right figure and must be announced quickly, or do you accept that maybe 30,000 is too many?

George Eustice: I am fairly confident in the methodology that we applied last year. As I said, there is no perfect way of assessing these things but we do know that the need is roughly 60,000 seasonal workers a year. We do know that some of them will be returnees coming from the European Union. Typically, businesses, including in the daffodil sector, will get a returnee rate of around 50% to 60%. That was the basis for the calculation last time.

The numbers that come in this current year will be close to the 30,000 that was set. We do not know the final number yet but it will be close to that. Of course, that has been during a pandemic year, where there have been a lot of travel restrictions, where people have not been able to come, where there have been other requirements and quarantine requirements and so forth. That has complicated it significantly and that is also something that we would take into account.

Q240 Derek Thomas: I understand from your own Department that asparagus, for example, and daffodils if they could be included, are very difficult to harvest with automation. For some crops, because of the lack of advanced automation—we are not there yet and probably will not be for a long time—would you argue for a permanent visa scheme for seasonal workers?

George Eustice: Technology is coming on here. The greatest challenge you have and the reason that there are some sectors that have an ongoing need for seasonal labour is down to the physiology of the crops. If you have a crop of wheat or barley or even something like blackcurrants that you can harvest in one pass, it is relatively straightforward at that point to design a mechanised system. It could be a complex piece of machinery but it can harvest the crop in one pass. Where you have the challenge is where you need sequential harvesting for cauliflowers, strawberries, other soft fruit, because it easily bruises as well and that is another complication. There are certain crops where the physiology of the plant means it is sequentially harvested over a period of time. That is something that robotics is not yet able to deal with.

That said, we have been doing quite a lot of work looking at automation. For instance, on the spectrum of what could be automated and what is harder to automate, if you look at the brassica sector, particularly processed cabbage—red cabbage going for freezing or for pickling—for

that processing sector GRIMME has designed a machine that can harvest that mechanically. At the other end of the spectrum, you start to get to things like strawberries where you need—

Q241 **Chair:** How many machines are in the country and how quickly are you going to get all these machines to get the cabbages? Again, all of this is very interesting and it is right but it is all slightly in the future. It is not dealing with the present: 20% of the daffodils were not picked last year. How many daffodils do you not expect to pick this year, Secretary of State?

Mrs Murray: That costs money.

Chair: How many fields of asparagus are not going to be planted, how many cabbages are not going to be planted? We have evidence from the NFU telling us that they are not going to plant cauliflower because they don't have the labour.

George Eustice: I was trying to explain.

Chair: I know and I accept what you say but it is not here, it is not now.

Mrs Murray: There is no urgency.

Chair: We need the labour now and we need more daffodils picked, do you not, Derek and everybody else does.

George Eustice: I was acknowledging, Chair, precisely that point but I was pointing out that, in terms of what could be mechanised or automated and when, there are some sectors, such as the processed cabbage sector, that could be automated relatively quickly. It is harder for, say, strawberries because you need—

Q242 **Chair:** It will not be automated this year, will it? It might be automated next year but probably not. You try to get steel; you try to get anything in this economy at the moment. It is not being produced.

Mrs Murray: Sometimes they have to be designed.

Chair: Therefore, you are not going to get these machines to do the work in five minutes. In the meantime, we need labour.

George Eustice: Exactly. In recognition of that, that is why we have had the seasonal workers scheme that we have had in place.

Mrs Murray: It has not included ornamentals, though.

George Eustice: On the ornamentals—and Mr Thomas asked a specific question around daffodils—it is the case that our analysis at the moment shows that crops like daffodils are probably the most difficult to automate because, unlike processed cabbage, it cannot be done in one pass. While there has been some progress on robotics in the soft fruit sector, it is harder for that to work at the moment in daffodils. There is a spectrum at which automation could be deployed but it is probably hardest for daffodils.

Q243 **Derek Thomas:** Would it be reasonable for us to argue that a permanent

visa scheme is needed for daffodils or those hard-to-reach—

Chair: Then move on to other vegetables. This is what used to happen.

Derek Thomas: Is that something that you think is likely or are we going to stumble from one product to the next?

George Eustice: I have argued previously for the need for the Seasonal Workers Pilot that we have. I think it has been largely quite a successful scheme.

Mrs Murray: Would you include ornamentals?

George Eustice: All I would say is that in the context of ornamentals you will appreciate that this is a policy decision for the Home Office ultimately, because it is its area.

Mrs Murray: Have you argued for them?

George Eustice: Of course. I am in dialogue with the Home Office about what that scheme should look like.

Q244 **Chair:** In your dialogue—a similar question that Sheryll has asked you—have you included daffodils?

George Eustice: I am going to repeat what I said earlier, Mr Parish, which is in collective government you have your discussions in private and then there is a consensus and a collective position and that is where we are. We have not yet announced—

Chair: Surely you could come to us and be able to tell us whether you have had a discussion or not, whatever the collective decision was. We accept that, Secretary of State, but we do need to know that you actually raised it.

Q245 **Mrs Murray:** Could I just make the point that the Secretary of State is the Secretary of State at the Department of Environment, Food and Rural Affairs, which includes farmers? Surely you are making the case to the Home Office to make sure that your farmers can operate in a profitable way, whether they farm ornamentals like daffodils or plug plants, or whether they operate selling vegetables, or fruit farmers, as your family does. Surely you are making the case to the Home Office to make sure that all of those farmers can operate in a profitable way?

George Eustice: The original Seasonal Agricultural Workers Scheme that ran from the Second World War until 2013 was open to ornamental horticulture as well.

Mrs Murray: Why is it not now?

George Eustice: It was not in the current scheme because it was a small pilot initially and the view at that point was that we should focus on one part of horticulture. At the moment it is still a pilot but, as I said, we are in dialogue with the Home Office. Obviously it is an issue that does affect our sector so, you are right, Mrs Murray, that it is an area where we clearly have an interest and where we are in dialogue with the Home Office.

Q246 **Derek Thomas:** On this last one and possibly on the collective government bit, at the moment there are four operators that can deliver the Seasonal Agricultural Workers Scheme. In my conversation with the Home Office, it has said that that can be extended to other labour providers because, as you know, in our neck of the woods they are much smaller and they are not getting access to the scheme through those operators. The Home Office says that it is DEFRA that can make that decision. Is DEFRA going to make the decision that the SAWS can be extended to other operators?

George Eustice: This is something that we would do in conjunction with the Home Office. We did expand it last year. There were two under the 2020 scheme. We doubled that to four operators for this current year, given the increase in numbers.

As a longer aim, if we had a long-term scheme and we moved beyond the pilot, you would at that point try to seek opportunities to get others—particularly some of the businesses that do their own recruitment, for that to be an option. We would also need to make sure that there was proper compliance with the rules of the scheme as well. There would be an open point about the extent to which and how quickly you could add additional operators.

Derek Thomas: You do not need to hear from this Committee how urgent this situation is, I know you get it. Thank you, Chair.

Q247 **Chair:** One final point on this one before I hand over to Barry for question 10. We are taking evidence from the farmers union and others that farmers are not planting as many vegetables and they are concerned that they are not going to be able to have them picked. You are very keen on data. To what extent is DEFRA looking into the situation and the amount of reduced production in this country? As we reduce our production, we will import more. It will affect our economy over all. We had the deputy governor of the Bank of England last week talking to us.

Are you, Secretary of State, concerned or it is just a case of it all being market forces and it does not matter what we produce in this country? Like a lot of people, I am beginning to get a little bit concerned about where we are. Do you have a strategy? Does DEFRA have a strategy to maintain production? I thought it was about increasing, especially vegetable production, but where is that?

George Eustice: Our assessment at the moment is that when it comes to winter veg, anecdotally I am getting some reports that in Lincolnshire, in particular, there has been some reduction in some crops. We are not seeing that at the moment in Cornwall, which is the other big area for brassica production, in that there seems to be reasonable confidence that they have the labour that they need for the winter season, but it may affect—

Q248 **Chair:** In Lincolnshire you have found some evidence that they are cutting back?

George Eustice: I have heard that there is some evidence that they have reduced some, although in Lincolnshire the big areas are on leeks and Brussels sprouts and those are two sectors that are quite automated.

Q249 **Chair:** Do you want to see more vegetables produced in this country? Do you want to see more horticulture? Do you want to see more plants grown? I would have thought it is all part of building up our economy, and all we are seeing at the moment is everything going into reverse. Surely you must be disappointed by that, Secretary of State.

George Eustice: The horticulture sector has always been an unsubsidised sector of agriculture and it is one of our most innovative sectors. We have seen a big increase in production-to-supply ratio, on soft fruit in particular, over the last 20 years. Over the last 15 years we have seen a significant increase in the number of homegrown apples that we have. We are close to self-sufficient in most root crops: carrots, swedes and so on. Indeed, we are even exporters in some of those sectors. It is a vibrant, successful sector and absolutely I would like it to remain so and like to ensure that it has access to the labour that it needs.

Chair: At the moment, it is restricting the amount of production. Barry, over to question number 10.

Q250 **Barry Gardiner:** Secretary of State, I want to talk with you about the changing labour market and the impact that that is having. Ian Wright of the Food and Drink Federation has said that the Government's economic, social, food and drink, labour and immigration policies are all drawn around a labour market that no longer exists. Is he wrong?

George Eustice: He is right in some elements but wrong in others, is how I would put it. The point that Ian Wright often makes, and I discuss this with him regularly, is a point that I made earlier, that there had been an expectation that there would be 5 million to 6 million settled EU citizens. Many of them would have been working in the food sector. We now know that probably—and it has been difficult to get precise data—around 1.5 million of those have returned to the EU. We do not know how many will return. Some will, but there is a question mark about how many will.

The other point that he has pointed out, which I think is also right, and that links to the earlier discussion that we had on HGV drivers, is that through the pandemic we now have—again an estimates range—possibly around an extra 500,000 people who are economically inactive; not unemployed as such but just deciding to opt out of the labour market, having stepped back and decided to do something different. Those two factors are real and that is why we have vacancies in the food sector at the moment.

However, the bit that is harder to predict at the moment is first how many of those 1.5 million will start to return once we get back to normal and travel restrictions are removed and wage rates rise.

Q251 **Barry Gardiner:** Which travel restrictions?

George Eustice: The travel restrictions have been removed now but, as people regain their confidence from other European countries to start travelling again and working abroad again, once they have confidence that there is not going to be some other lockdown in the winter, I think with rising wages it is likely that we will see some of those return.

I understand the point that he is making is that the original judgments around here were predicated on an expectation that a lot of our labour needs short term would be coming from settled EU citizens.

Q252 **Barry Gardiner:** It is a labour market that certainly in parts you have agreed no longer exists and 1.5 million people have opted not to stay in the UK to participate in the labour market here. Another 500,000—we are talking about 2 million people who we are short of expectation. Can you tell me, within the next three years, how many people who are employed in the food and drink industry are scheduled to retire?

George Eustice: I do not have that specific data but I am looking to DEFRA to see whether it is so.

Q253 **Barry Gardiner:** I do. It is a report by Grant Thornton and it says, “A third of the UK food and drink industry workforce is due to retire by 2024”. If you add that into the mix, what concern does that give you for a long-term labour strategy, which many of the sector say simply does not at this stage exist from Government?

George Eustice: I would say, on an annual basis, the Migration Advisory Committee, who advises the Home Office, do a review of the labour market. They review which sectors we have shortages in. They review which job types should go on the skilled list and which jobs should go on to the shortage occupation list. That is reviewed on an annual basis.

Q254 **Barry Gardiner:** However, they are aware of all of this?

George Eustice: Yes, they will be doing a—

Q255 **Barry Gardiner:** They know all this data?

George Eustice: They should do, yes, and obviously the Migration—

Q256 **Barry Gardiner:** What steps are they now taking to ensure that that flow out of the labour market that has already taken place, and that flow out of the labour market that is predicated on people retiring when they have said they are going to, is compensated for in policy?

George Eustice: The policy tools under our immigration policy that we have now are to review the roles that will be on the skilled list and the shortage occupation list. Those judgments are based on an assessment of labour market needs that the Migration Advisory Committee conducts for the Home Office.

Q257 **Barry Gardiner:** The British Retail Consortium has asked for and I quote, “A real policy from the Government to help us solve that problem”

of the labour shortages. It has warned that unless this comes within the next couple of years, it thinks it will start to see production being lost from the UK and going offshore.

This goes to the Chair's question just before he passed over to me. It is about production. Are you aware of the NFU Scotland member survey asking about the impact of labour shortages on its members, and what members said about their ability to expand or retract their businesses?

George Eustice: I have not seen that particular report but I do talk regularly to individual businesses, particularly in the fresh produce sector. Therefore, as I said earlier, I am aware that labour is a—

Q258 **Barry Gardiner:** Let me tell you for your information that 45% of NFU members in Scotland said that they will retract, limit the expansion of their business, or consider leaving the industry altogether due to a lack of confidence in this Government having a long-term labour strategy. You are now aware of that, because I have just told you about it, but how do you then translate that into action across Government? What are the arguments that you feel moved to make on the basis of all that data to your colleagues in cabinet?

George Eustice: With NFUS, obviously they are a significant producer of raspberries and soft fruit on their eastern coast. In that context, a Seasonal Agriculture Worker Scheme is the right tool. Those businesses in places like Angus who produce significant quantities of raspberries, will have benefited quite significantly from the seasonal workers scheme we have had in place.

Q259 **Barry Gardiner:** However, no general low-skilled or temporary work route? As a Government, you will recall that when you introduced the policy statement on immigration at the end of last year, you wanted that firm points-based system. There was to be no general low-skilled or temporary work route and you said at that point employers will need to adjust. The question to you is: first, do you think employers have adjusted and, secondly, if you do not think they have adjusted, what are you going to do about it?

George Eustice: Your first point, I think, yes, they have adjusted in that they are all paying higher wages now. They are paying more money to attract the labour that they need, so in that sense they have responded but if the Government—

Barry Gardiner: Responded, I grant you—

George Eustice: They just wanted to get the labour as they needed.

Q260 **Barry Gardiner:** Yes, but the fact is they are not getting the labour that they need and they have said that very clearly. They have responded; they have tried to do what they can do but what they are all crying out for is for Government to do what they can do. That is why I asked you about a general low-skilled or temporary work route; that was something that you did not see fit to put in place at the end of last year when you said that, "Well, employers will need to adjust." Are you still of the mind

that it is up to the employers to sort this out, or do you now think that the Government ought to be doing it with them?

George Eustice: As you set out, the Government position is that there should be no general low-skilled route but, equally, it has also been the Government position—and the position of the Migration Advisory Committee for some years—that horticulture and agriculture are a special case and that seasonal labour is a special case. That is why we have had the particular Seasonal Workers Pilot that we have had in place, and why we are in a dialogue about what to do in that area in future.

Q261 **Chair:** Thank you. The Migration Advisory Committee, which you make a lot of, told the Home Office to expand shortage occupation list for lower skilled workers in September 2020. The Home Secretary overruled that and declined to do it. You say that this Migratory Advisory Committee can do some good work, which we hope it can, but what is the point if Government are then going to ignore it? The situation we find ourselves in now is that we do need to add some lower skilled jobs, some process workers, all sorts of people, to that list and if we had done that, we may not be in the situation we are now. Why can we not rectify it? There is no point in having these people and you lauding them to a degree here this afternoon and then the Home Office ignoring them.

George Eustice: I was not involved directly in that particular decision. I think you did say, surprisingly, you had a Home Office Minister coming later in the evidence session. I think—

Q262 **Chair:** Let me rephrase the question. Would you like to see some lower skilled jobs added to that shortage occupation list in order to make sure that we can process our pigs, our poultry, we can pick our vegetables, we can pick daffodils, and we can grow more ornamentals? Would you like that to happen?

George Eustice: What I would say is the—

Chair: We do not want the answer about collective responsibility.

George Eustice: The design of the migration policy that we have has the tools we need to respond to needs in the labour market, through both the shortage occupation list and also through the skilled list route, and has provision to have salary thresholds and so on for people coming here.

As regards your specific question about a recommendation that the MAC made at the end of last year, as you know Kevin Foster is the Minister who has overall and direct responsibility with the MAC and it reports directly to him. I presume you may be having him before your Committee and perhaps you will want to explore with him—

Q263 **Chair:** Don't you want to give us an answer as to where you stand, Secretary of State?

George Eustice: I support the Government position, as always, on these matters.

Q264 **Chair:** Secretary of State, it is not really the answer that I think you

should be giving us as the Secretary of State for Environment, Food and Rural Affairs. You don't want to change that answer, do you?

George Eustice: I have been invited here as a Government Minister and I am answering as a Government Minister.

Chair: Indeed, you are.

Mrs Murray: The Secretary of State has been invited here as the Secretary of State for the Department for Environment, Food and Rural Affairs, not any Government Minister. Surely, he can give us a better answer.

Chair: You are and, as the Environment, Food and Rural Affairs Select Committee, we would expect—

Mrs Murray: I do think he is questioning our integrity as well.

Chair: —an answer where at least you can say to us that you have gone to the Home Office, you have talked to the Home Secretary, you have talked to the Home Office Ministers to see whether this occupational list of shortage for workers in lower skilled jobs could happen but you are not prepared to say that, are you?

Mrs Murray: It is not acceptable.

George Eustice: As I have said several times—and I appreciate where you are coming from—the way collective government works is you have discussions about these things in private, you reach a consensus, and then there is a collective view.

Q265 **Ian Byrne:** We have heard from business about the steps they are taking to attract UK workers. Do you think there is more they should bring into this space?

George Eustice: Which sectors in particular? The food industry in general?

Ian Byrne: The food industry in general, yes.

George Eustice: I think there are things they could do at several different levels. One is in the case of some of the meat processors, in particular, and those food manufacturing areas. They have evolved shift patterns that have excluded mothers with children of school age from their workforce over the years in many cases. They could look at their shift patterns to try to create the openings for those people to return to the labour market, and I think many of them would and so we need them to work on that.

In the case of agriculture, while there is always going to be a need for some kind of seasonal workers scheme as I have said many times, when it comes to full-time careers that sector could probably do more to create a career path for young people growing up in the local village—to become tractor drivers or supervisors, or irrigation managers, or herdsman—and I think there has been an over-reliance on migrate labour for some of

those full-time roles. We need to try to rekindle that career path for some of those other roles.

More broadly in the food industry—and they recognise this—it has been a sector that has had a problem with perception for some time. There has been a lot of work done to try to change that to attract more people to the industry. However, getting the right kind of apprenticeships and skills in place to support a new generation is going to be really important. You tend to find sometimes that some of the big processors, like your Associated British Foods or people like Cadburys and other big players, often have quite good apprenticeship programmes and do quite well, but other parts are less good at bringing forward apprenticeships for the next generation.

Q266 Ian Byrne: I would not disagree with any of that and I will not set you down the path about affordable childcare. I don't think that is your role. With regards to what you have just outlined, how is the Government supporting the skills developments in this sector to encourage UK-based people into the sector? What are you doing to achieve what you have just outlined?

George Eustice: There is a huge amount of work going on with apprenticeships. This is a big focus for the Government; something that Nadhim Zahawi is working very hard on across the piece, but trying to support more apprentices is definitely a big part of it. We work with businesses across the piece to try to encourage this, making sure that they can make use of the apprenticeship levies that they bring forward to support training opportunities.

Q267 Ian Byrne: I am dumbfounded because certainly the Apprenticeship Levy—speaking from a Liverpool perspective—has been a complete failure. I would like to speak to Nadhim Zahawi on that, but if you look at something that the Government have done that affects you directly, which was the closing down of the Union Learning Fund in 2018, it upskilled a quarter of a million people. I have impressed on this Committee before, and I would impress on you, if you could have a word with the new Minister of State for Education and look at revisiting that catastrophic decision, which has hugely impacted on the ability to upskill people into jobs that we need where the gaps are available.

George Eustice: Again, we are drifting somewhat off the area that I am responsible for, but I can tell you that apprenticeships and skills—

Q268 Ian Byrne: Minister, you are the one getting it in the neck here for skill shortages.

George Eustice: It is a huge focus for the whole Government. Obviously, the apprenticeship programme is one that is led by Nadhim Zahawi and he has raised it many times. This is an area they want to make work and also working very closely with the Department for Work and Pensions as well to ensure that, where people are economically inactive, we can also get them engaged in some of these sectors.

Q269 **Ian Byrne:** This may be directed at David. Is there any data available for the actual vacancies that are going to be filled by these new apprenticeships? Have you some sort of plan about how we are going to enable this UK workforce to be built, because I do know the apprenticeship system obviously over the last eight years has gone backwards because, as you said, we have relied on elements of labour? By the look of that now, we can see verifiable data from the success of these schemes.

David Kennedy: As the Secretary of State says, the big focus is on apprenticeships and, as much as we have talked about it, I think the solution going beyond the next few months in butchery is through apprenticeships. They are coming through the system already. We have very good data on that.

The other thing is there is cross-Whitehall and cross-Government work on apprenticeships and skills training. There is a dialogue that we are having, particularly with the food industry, on both those issues: apprenticeships and skills training. If I was not here this afternoon, I would be chairing the Food and Drinks Sector Council and that is very much on the agenda.

Q270 **Chair:** The food and drink sector did give us evidence to say that they think the Government really ought to have some sort of plan for labour, because I think, at the moment, we just seem to be blaming absolutely everybody for the situation. People decided to leave the European Union. Fine. The Government have put forward a brave new world where we would be taking back our decisions. We will be producing more. That is great, but what we are seeing is all this going into decline because, as we do not get enough labour in, we export our industry. I have said this before.

Do you plan to have a plan? I am being serious now because I do not think you can just sit there as DEFRA or the Home Office or the Government and just say, "It is all the industry's fault" because in the end the industry does not decide a policy like leaving the European Union. I do not blame the Government for one moment for Covid but, again, it has an effect and is it all the industry's responsibility to sort out these problems?

Further to Ian's question, do you have a plan for labour? Let's replace our imported labour with homegrown labour. Nobody is more supportive of it than me, but where is the plan and how quickly and how much labour do we need in the meantime to get us to where we are? I don't see any of that anywhere. Is it part of your plan in DEFRA, as far as farming, food and the environment is concerned, and do not tell me it is collective responsibility because that is your responsibility, Secretary of State?

George Eustice: First of all, DEFRA obviously has a very specific role in the Seasonal Agricultural Workers Scheme. That is why we have been involved with that pilot and we have covered that in quite a bit of detail. Obviously, yes, of course, we are involved in other sectors as well—for

example, the temporary visa schemes that we have set up in poultry and pigs, something we have been very instrumental in making the case for.

On your wider question, the Home Secretary has said many times that she is interested in doing a detailed piece of work on the labour market in the round so that we understand this. I think she recognises the need for a significant piece of work to be done on that. I am sure, if you have a Home Office Minister coming to give evidence, they can tell you more about that, but obviously the labour market is reviewed annually at the moment by the Migration Advisory Committee.

Q271 **Chair:** Is Rome not burning now? How much more of Rome needs to burn before you will put some sort of plan together because we are processing our food, we—

Mrs Murray: Chair, if I may? I was told this week by my farmers that your Department, Secretary of State, needs to come up with a lot more planning rather than just looking at pilots and holding meetings. At the end of the day, if we don't pick vegetables and flowers our farmers will not have the confidence to plant for next year. We are going to plant less and we are going to be importing things, and that will never reverse. Your responsibility in your Department is to come up with some real action and real plans now, not hold more pilots or hold more meetings on the off chance that, in two or three years' time, you might have a plan that will then be out-of-date. For goodness' sake, let's hear you say something that will give our farmers hope, please.

George Eustice: We demonstrated last year that we expanded the pilot, first of all, the year before from 2,500 to 10,000 and then to 30,000 last year, so we have been running a significant Seasonal Agricultural Workers Scheme over the last year. As I said, that has worked quite well. We are in discussion with other Government Departments including, most importantly, the Home Office, which owns this area of responsibility. We are in discussion with it about what approach we should take in the future.

Q272 **Chair:** The needs of the industry, your part of food, farming, our economy, and when is the Home Office going to do this detailed work? I am absolutely serious now. Rome is burning and all you are saying is, "Well, we will think about bringing a fire engine to put it out at some stage in the future". I am sorry, it is not good enough.

Mrs Murray: It is not good enough.

Chair: Again, it is collective responsibility but you raise the issue that the Home Office and the Home Secretary is talking about this. When is it likely to be done?

George Eustice: I think you have a chance to ask the Home Office Minister about that. As I said, as well—

Chair: You put it in as an argument, Secretary of State.

George Eustice: Yes, exactly.

Chair: Give us some idea when it is going to happen or do not use the argument here today.

George Eustice: In addition to a piece of work to properly understand the labour market and how things are working—which as I said the Home Secretary has mentioned a number of times—it is also the case that, on an annual basis, the Migration Advisory Committee gives advice to the Home Office that covers many different aspects of the labour market. It also has the option to commission the Home Office to do interim pieces of work on individual sectors. I am aware that it is doing one, for instance, on social care. The advisory committee is there on a regular and ongoing process of assessing the labour market.

Chair: I realise advisory committees are only there to advise but, if they are overruled by the Home Secretary, there is no point in having them there in the first place.

Q273 **Barry Gardiner:** Secretary of State, if Lord Frost gets his way and we trigger Article 16, what do you think the impact of that might be on the labour market in the UK? How do you think that might affect things? I presume it is something you have considered.

George Eustice: The first thing to say is, obviously, we set out our command paper with our approach to getting the way the Northern Ireland Protocol operates on a proper sustainable footing; lots of very powerful suggestions there. Those negotiations are ongoing. We have always been clear that we would not rule out using Article 16, when and where that was justified. However, in terms of whether the approach we are recommending for the Northern Ireland Protocol would have any impact on labour availability, I don't see it as being a relevant factor or having any impact.

Q274 **Barry Gardiner:** You do not think it will make any difference to that 1.5 million people that you referred to earlier, who had chosen not to pursue their settled status in the UK and who had returned to their country that you are hoping might come back?

George Eustice: No, because it would simply be that the types of things that were proposed under the command paper, for instance a different approach rather than requiring an export health certificate for every consignment going from GB to Northern Ireland, you would have a different traceability system instead of that. I don't think that is something that would in any way trouble somebody who was choosing to work either in GB or, indeed, in Northern Ireland.

Q275 **Barry Gardiner:** You don't think the overall relationship between the UK and the EU might be impaired in such a way as to affect the zeitgeist, as we did not expect that 1.5 million people to disappear? It did affect the zeitgeist at that stage. You don't think that would be a possibility?

George Eustice: I think the figure of 1.5 million people is often used but no one has been able to get a precise analysis of that.

Barry Gardiner: You used it, in fairness.

George Eustice: It is a figure that is used quite regularly and I think it is probably about right. Those people left to be closer to their family during Covid. I don't think there is any evidence that had any linkage to Brexit, otherwise they would not have bothered going for settled status in the first place.

Barry Gardiner: Not a problem?

George Eustice: I don't think it is a relevant factor for this particular discussion.

Q276 **Chair:** Secretary of State, businesses have said that they were ready for the introduction of checks and controls on products of animal origin imported from the EU. To what extent was the delay driven by Government concerns that the introduction of checks would add pressure facing the food supply chain? Because we were going to have appropriate border control in place. On 10 February we announced it was going to be January 2021. On 12 June 2020 we said it was going to be July 2021. On 11 March we said it was going to be January 2022, and on 14 September this year we said it is going to be July 2022. Are we ever going to bring in these checks on imports while we have all this trouble with exports, and are we ever going to bring the EU back to the negotiating table if we don't bring in some sort of checks? What on earth is going on?

George Eustice: Yes, we will but the short answer is, while we were ready to introduce these checks, we were ready to run the borders and had identified the staff that would do that, and while we had a high degree of confidence that importers here were ready to do the administrative things they would do, what was difficult to predict was the extent people were prepared on the EU side. The extent to which they had sufficient veterinary capacity, for instance.

It was an uncertainty and we took the view that, given the stresses we were seeing on supply chains more generally—and turbulence on supply chains as we came out of the pandemic—it was not an appropriate time to put an additional potential stressor on that system. It was a very conscious decision that, with post-pandemic turbulence in supply chains and with Christmas approaching, the prudent thing to do was to delay those particular border checks.

Q277 **Chair:** In taking back control, Secretary of State, we have allowed the EU to control their borders with all of our food, fish, and others being exported into the EU having to have all sorts of health certificates and checks. Yet we are just waving everything through. I have to be really blunt with you: how is that bringing back any form of control?

George Eustice: Because simultaneously we have passed an Agriculture Act that is going to transfer agricultural policy; a Fisheries Act—

Q278 **Chair:** I am talking about the trade policy on food now. Yes, I accept the changes in agricultural policy moving away from the CAP—that has some benefits—but where is this bringing back control when all we seem to have done is given away control on fishing, farming and exports? We

seem to be giving it away day in, day out. How are you expecting the EU to be more reasonable about electronic systems in the future, as we have made the point in our report, if we don't do checks on their goods coming in?

George Eustice: Of course, we do want to bring in those checks and, as you will understand, there is a revised timetable for that but—

Q279 **Chair:** Could you give me a guaranteed date? That would be an interesting one, wouldn't it? Why do you not put that on record, because we have four dates here in front of us now so you may as well have a fifth one?

George Eustice: We can explain the plan. David?

David Kennedy: Let's put it on record. We have pre-notification of all products of animal origin coming into the country. That has to start on 1 January. That date is not going to change. We are working very closely with industry to make sure that happens and the arrangements are in place. Beyond that, the key date is 1 July. That is when we will start to have certification requirements. That is, export health certificates together with physical checks on products of animal origin together with checks at border control posts of high-risk plants, of low-risk plants, of live animals. That will all happen from 1 July.

As the Secretary of State says, we were well prepared to do those checks on the previous deadlines. I think our analysis said it was risk related. I am not going to name the countries but there are three countries, in particular, that were important for our food supply who we worried did not have the vet capacity to meet the requirements and that would pose a risk to us.

Q280 **Chair:** We have been asking all along to put all these certificates in place in order to get our food into the EU. They have been bloody awkward—excuse my language—over the whole thing, and we are worried about three countries coming from the EU who cannot meet their requirements so we wave it all on through? I mean, for goodness' sake, what is that about? Politically, what is that about?

Mrs Murray: However, we have put up with what they have thrown at us.

George Eustice: At a time where we have seen post-pandemic turbulence in supply chains, it is really a calculated decision not to cause additional stress and aggravation on that over the next few months in the run up to Christmas.

Chair: Ian, I am sorry, we will do a very quick question on that one. We are in the Division. We have had one minute. Go on, you have one minute and then the rest will be in writing on the food.

Q281 **Ian Byrne:** Secretary of State, the Committee, post-Covid-19 food supply in April, asked the Government to consult on the rights of food to be given legislative footing and it should be done as a matter of urgency.

In light of what we heard last week regarding the evidence from the Bank of England expecting food price inflation as high as 5% in the coming months, what steps would the Government and DEFRA take to protect those on low incomes from food and inflation and so avoid food poverty, and will he consider the rights of food going in the response of the National Food Strategy?

George Eustice: Obviously, we monitor this closely. DEFRA is responsible for the annual survey on household expenditure on food. It has been stable for around 10 to 15 years at about 16% for the poorest 25% of households. It fell to under 15% last year. Food prices have increased a bit but by about 0.8% this year, so we don't anticipate that in the current year it is going to have a huge impact but there is potential inflationary pressure for next year. We recognise that.

We have in place, first of all, the holiday food programme to help support that. There are additional hardship grants: £5 million was made available by the Chancellor around a month ago.

Q282 **Ian Byrne:** At the moment, we have 32% of adults in food insecurity and that will be measured across the country so what you are saying is sticking plasters.

George Eustice: Of course, we are seeing wages rise—

Chair: Sorry to interrupt, Secretary of State. I think perhaps we can have the rest in writing, please, because two minutes have already gone. The Division has been called. Thank you, Secretary of State, and David Kennedy for your evidence this afternoon. We will go and vote. Thank you very much.