

Environment, Food and Rural Affairs Committee

Oral evidence: Feeding the Nation: Labour Constraints, HC 1009

Wednesday 8 February 2017

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Members present: Neil Parish (Chair); Chris Davies; Jim Fitzpatrick; Kerry McCarthy; Dr Paul Monaghan; Ms Margaret Ritchie; David Simpson; Rishi Sunak.

Questions 1-99

Witnesses

I. Chris Chinn, Cobrey Farms; David Brown, Industry Policy Adviser, Horticultural Trades Association; Zoe Davies, Chief Executive, National Pig Association.

II. John Hardman, HOPS Labour Solutions; David Camp, Chief Executive, Association of Labour Providers; Chris Rose, Commercial Controller, The Asplins Producer Organisation Limited.

Examination of witnesses

Witnesses: Chris Chinn, David Brown and Zoe Davies.

Q1 Chair: Thank you very much for coming this afternoon to our inquiry into how the labour market for the agriculture sector will be affected by Brexit. It is very good of you to come. We are going to have a very focused inquiry, fairly short but bearing down into what exactly is happening in the labour market. Chris, would you like to introduce yourself first, please?

Chris Chinn: My name is Chris Chinn. I am from a family farm in Ross-on-Wye, Herefordshire, called Cobrey Farms. It is a fourth-generation family farm. My brother and I and our father mainly run the business now, alongside 30 full-time staff and 1,000 seasonal workers, harvesting asparagus, blueberries, rhubarb, greens and beans.

Chair: So you have real experience.

Chris Chinn: Absolutely.

Zoe Davies: I am Zoe Davies. I am chief executive of the National Pig Association. We are the representative trade association for commercial British pig producers, and we represent around 80% of the British sow herd.

David Brown: Good afternoon, everybody. My name is David Brown. I am policy adviser to the Horticultural Trades Association. We are the main trades association for ornamental horticulture. We represent the gardening industry, so suppliers, growers of flowers and plants, garden centres and domestic landscapers.

Q2 Chair: Thank you very much for coming. As I said, the Committee is naturally very concerned about the availability of labour in the future, both for the farming and horticulture sectors. I have a fairly straightforward question to start with: how much demand is there for non-UK staff in agriculture and food production? Shall I start with Chris? You seem to employ quite a number.

Chris Chinn: Yes, absolutely. In terms of demand on our business, we employ up to 1,000 seasonal workers through the months of April, May and June to harvest our asparagus crop. Our business has developed in asparagus over the last 10 years, trebling in size. A lot of that is based on the availability of labour to meet demand. Consumption of asparagus, in particular, is growing very rapidly, but that growth is fuelled and supported by the availability of seasonal labour. We simply would not have been able to grow our business in the same way without it.

Q3 Chair: I imagine that the asparagus will be growing now in the spring. What are you finding about the availability of labour for this spring?



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Chris Chinn: We recruit directly through a website application form and through recruitment events hosted in Bulgaria and Romania, which are 90% of our current seasonal labour supply. What we are finding post-referendum is a huge amount of uncertainty in that labour source. There is uncertainty about what happens after the referendum; some of them thought they were no longer welcome and had to leave straightaway. There is uncertainty over what happens after the vote today. There is uncertainty, certainly, after the vote and the Brexit event in March 2019. These guys are not political experts; they do not know what is happening and they are fearful.

We are in a competitive market. We are competing with Germany, the Netherlands and Scandinavia. There is a limited labour source for agriculture activities in the European Union. Roughly speaking, we are having to speak to eight people in order to secure one staff member now, compared to three people this time last year, to secure staff for this spring. It is having a very obvious and dramatic impact on our current recruitment.

Q4 **Chair:** Are you reasonably confident you will be able to get the staff?

Chris Chinn: We are in a relatively fortunate position with asparagus, in that the season starts before most of the other horticultural crops. I do not think it would be fair for me to sit here and say that we will not get the labour supply now for this year, but it is getting noticeably harder year on year, even before any of the Brexit referendum activity.

Q5 **Chair:** Just for the record, you said 90%. You have 1,000 workers, so 900 of those would be central and eastern European. Is that right?

Chris Chinn: I think it is more like 94%.

Q6 **Jim Fitzpatrick:** Chris, just to follow up on your answers to the Chair, you said that we are in competition with other EU countries. Does that mean that wage levels and conditions are relatively similar and therefore it is the employee who can basically say what is more convenient, or do the different countries pay different rates? In the evidence that we have received, which we have been reading in advance of this session, obviously the drop in the pound will be an economic factor in people making a decision. Notwithstanding the value of the pound, are we on a level playing field with our European competitors in terms of wages and conditions?

Chris Chinn: We are not far away, I think it is fair to say. The living wage now in the UK has increased our labour cost by about 15% over the last couple of years. Despite that, the change in the exchange rate has dropped the take-home pay for somebody operating in euros by about 20%. So, despite having our wage inflation at 15%, our guys are feeling a 5% reduction. That is having an impact, and it amazes me that we are not talking about that more.



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The reality is that we are not talking about that because the threat of closing the borders and not having any labour is existential; we cannot operate without labour. We have a fighting chance. It is a challenging environment if labour is very expensive but we cannot operate without labour. The exchange rate is having a big impact. It moves a bit depending on the exchange rate. There are certain different rights for workers in different countries, but broadly speaking, with the likes of Germany, we are somewhere level pegging.

Q7 Chair: Before I bring Chris in, can I just have a comment from David and Zoe?

David Brown: Thank you, Chairman. I need to give my thanks to the National Farmers' Union, with which we work closely, for allowing me to use some figures they provided from a survey of their members. They are estimating 75,000 temporary EU workers at present and approximately 10,000 permanent workers. From our point of view, because we also represent garden centres and have some of the big retail chains as members as well, such as B&Q, Homebase, etc, Oxford Economics is estimating on top of that 120,000 working in retail, a proportion of which will be in those big chains.

Q8 Chair: When you say retail, is that retail across the board?

David Brown: Yes. They did not split the figures any further than that. I would just like to follow on from the comments that have just been made. Certainly, from some of my growers I am getting reports of the economic impact of the exchange rate moves, in particular. I represent the UK at the European Nurserystock Association. I was at a meeting in Germany two weeks ago, sitting with my colleague from Bulgaria, and I mentioned some of the problems that we have been seeing in the press of letters being posted through doors in Huntingdon and Peterborough, and she said that had been very widely reported in Bulgaria. She was aware that it is deterring people from coming here when we are in competition with other countries for those same individuals. I suppose it is human nature; if they feel that they are going to get a much warmer welcome in Scandinavia, they are likely to go to Scandinavia first rather than the United Kingdom.

Chair: What we are probably going to have to make clear is that those growers and others who want labour very much welcome that labour, but of course when there has been a referendum in which we said we are leaving, naturally the message it will send to some is that they are no longer welcome. That is something we probably need to correct because, as we stand, we are still, for the next two years, in the EU. That is absolutely clear, but it is interesting how that message is going far and wide.

Zoe Davies: The situation in the pig sector is slightly different from that of these other two people, because we require permanent unskilled labour as opposed to seasonal. When I say "unskilled", I do not mean



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without skill; I mean not always educated to degree level. That is an important distinction to make. We are completely reliant on that. The EU June census showed us that there are around 115,000 regular full-time employees in agriculture, of which around 20% are thought to be migrant labour. We surveyed our own members, and 58% of the businesses employed at least one migrant worker, with 9% employing between 11 and 50. Twenty percent of those businesses said they would be unable to survive without the migrant workers, and a further 25% said they would have to completely change how they worked if they lost access to that model.

The issue for the pig sector is that it is not, unfortunately, seen as an attractive sector for people to go and work in. It is not very well promoted at schools, and is often seen as low paid, which is unfortunate as that is not the case. It often involves unsociable hours, hard work and rural locations. What has happened over a long period of time—this is not anything to do with Brexit; this is an issue we have had for a while—is that the UK workforce finds it easier to find jobs elsewhere rather than working in agriculture, and of course the eastern Europeans, who we largely employ, have filled that void for us.

Q9 Chair: In the pig industry you are looking for permanent staff, so it is not necessarily just seasonal, because the pigs will be farrowing all year round and will need attention.

Zoe Davies: Yes, it is not seasonal at all. It is year-round, and of course these eastern Europeans will live here and bring families here and will be here the whole time. Their concern is that they do not know if they will be able to stay. In addition to the fact that lots of them have lost 20% of their wages as a result of the currency shift, they want to know that they are still welcome.

Chair: The attitude is a big issue, actually, and what might be here when they come, which I can understand.

Q10 Chris Davies: I want to discuss a point that Mr Chinn raised. First, may I say, as someone who lives in Hay-on-Wye, that Mr Chinn has some of the finest asparagus in the world, not just in that little part of the Marches?

Chair: A good free advert today.

Chris Davies: Realistically, with what you said, there are many reasons why you cannot get labour, but one rings out. As you also said, the wages are similar right across Europe and if someone is now taking home a fifth less than they would have done at this time last year or any time before, that is the reason why they are not coming to Britain, not because of anything else. We hide a lot behind Brexit, but in my little mind, that is what I would be thinking; if I was taking home a fifth less in wages by coming to Britain instead of France or somewhere else, that would deter me from coming here, not the other reasons.



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Chris Chinn: It is a fair question. The reality we are finding is that the labour pool is simply not available within the EU for the work that is required, and therefore that completion is real. Granted, if we paid double—

Q11 **Chris Davies:** If the labour market is not there, again, are we hiding behind Brexit rather than saying that the labour market is not there to start with?

Chris Chinn: I am not trying to hide behind Brexit.

Chris Davies: I am not saying you are, but—

Chris Chinn: Brexit is another factor in this discussion. The threat of the borders closing and therefore us not having any access to that European labour pool is disastrous and cataclysmic for our industry; we just do not exist. Currently, we are struggling with a shortage of labour within horticulture. The belief and feeling is that when you go out to these countries and you try to recruit, the labour pool is reducing very rapidly and there is real competition.

The question of affordability comes in to whether we could just pay double, or at least a significant increase. We are already facing labour cost increases of 15% on what is 60% of our cost of production. This is huge at a time when the retailers are in a fair old price battle. We are not seeing those prices passed on to the consumer. Therefore, the retailers are squeezing their suppliers. Yes, we could pay more but it would cost more, and in the current climate that is not very palatable.

Q12 **Chair:** Was it getting difficult to get labour before this situation or has it just happened partly with Brexit and partly the point that Chris makes on the value of the pound?

Chris Chinn: Going back to when the A2 countries were allowed in, previously we had access to the Bulgarian and Romanian labour market through the SAWS scheme—the seasonal agricultural workers scheme. That allowed up to 20,000 people from those two countries in on a limited visa. At the point those two countries were allowed freedom of access to the labour market, the SAWS was disbanded. The SAWS had run since the 1960s, approximately, as a way of bringing seasonal temporary workers into UK agriculture. We said at the time, as an industry, “All right.” For that moment in time, we suddenly had access to two large countries with a large labour resource. However, look at our experience with Poland. If we look back 10 years, 90% of our seasonal non-UK labour supply was from Poland; it is now about 5%. We can see that that labour source disappears into different markets as their economy improves and more are employed locally, or they will move into full-time roles within hospitality or haulage or other sectors.

David Brown: I think this is the 28th year that I have been involved in casual labour issues in horticulture—I was having a count-up on the train. About six or seven years ago, when the pound was at a very similar level



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to the euro, as it is now, I do not recall my members saying that they were having these kinds of difficulties getting people in. I think it is a culmination of factors. Certainly, where I live in Cambridgeshire, where we have some significant employers in horticulture, they very often comment to me that the other people they are in competition with for labour in the local market is the construction industry. That probably had an effect back then because the construction industry was on its knees. Now it is picking up. That is also, I believe, having an impact.

Chair: Yes, competition in the market for the labour.

David Brown: Yes.

Q13 **Chair:** I think our minimum wage, having gone up, is probably competitive with many countries of Europe, and possibly with the currency change. Are we still a relatively good place to come and work, from a financial point of view?

Chris Chinn: I do not have the stats to be exact, but we know from our activities directly recruiting in these countries that we are relatively competitive, and they like the fact that we speak English and we have well-developed employment rights. We are a nice place to come and work. Those things have advantages. Fundamentally, economics is why they come to the UK, and that has significantly changed.

Q14 **David Simpson:** You are very welcome. The message you are giving is the message that we get in Northern Ireland from agriculture, from the processors. What we have seen there over the past five years is a pool of workers who come, but other companies and industries are now attracting them into new companies, making the pool very small. Five years ago it was big because farmers and processors were getting them but now that is getting more difficult. Zoe, you are the only one who mentioned skilled and unskilled labour. From the three of you, what is the breakdown? It might be less from yours, Chris; it is more labour-intensive, but what is the breakdown of skilled and unskilled and the demand there in your industries?

Chair: How does the labour market fit into the skilled and unskilled?

David Simpson: Again, going back to Northern Ireland, our processors have as high as 60% from other countries. Some of those are 40% but the highest is 60%, from the Moy Parks of this world and others who are producing poultry. So it is a massive issue for us. On the skilled and unskilled, Zoe, you mentioned it, so you fire off.

Zoe Davies: Obviously, it depends on whether you include the allied industries as well as the farm workers. There is also not the processing sector, but feed companies, genetics companies, nutritionists and all of that sector that equally employs home-grown as well as imported labour, and also there is the fact that there are a lot of so-called skilled roles being undertaken by people who come from other countries. It is quite difficult when you want to try to break it down, but if you look at it in terms of on-farm, the vast majority of people working on farms would be



in these so-called unskilled roles. A stockman obviously has to have a good level of skill, but you do not need a degree to be a stockman. Maybe when you go into management level you need a degree, but when you get higher above that—regional managers, farm managers—then you are probably entering into more graduate territory.

Q15 Chair: The husbandry required to farrow sows and look after pigs is quite high, really. It is interesting. They do not necessarily fit in as skilled workers.

Zoe Davies: That is the problem we have, and of course the focus at the moment is on encouraging skilled labour into the country. It is trying to get across the point that just because you do not have a degree does not mean you do not have skills. What we have found is that many of the eastern Europeans who come across have pig experience. They have been working on farms. These are very agricultural countries. Not only are they highly motivated, because they are leaving friends and family at home to come and work here, but they also have the right work ethic and experience. The only issue sometimes is the language barrier.

David Simpson: Zoe, what you said ties in with the fishing industry. Margaret will know about this. People come in from other countries who have experience within that industry, which is looked upon as a skilled side as well.

David Brown: We see very much the same in ornamental horticulture. We have seen a rise in automation, particularly in some of the bigger companies. There are some very technical pieces of kit being used, which obviously require a high degree of skill. In my experience, there was a tendency for people to relate skills to formal qualifications and not recognise actually the skill, which is a problem to overcome. In this country, I believe that starts at school. I am very proud of what we are doing with the Royal Horticultural Society on improving gardening in schools, but the bottom line is that if you think about the coming weeks, when we will see the first influx of pickers into daffodil fields, we still need that type of manual labour.

Chris Chinn: I echo exactly what they are saying. We need skilled staff but they are not technically skilled based on the points-based system that I think is being discussed at the moment. Just to give some context in terms of investment in automation—I think that is an area where the skills discussion goes—we have invested as a family £3 million into automation in improving productivity over the last five years. This is because labour is a massive part of our cost and we are aware of the threat and increasing cost of that.

Fundamentally, it is making us tread water in terms of cost of production and is not really reducing our reliance on unskilled and harvest labour significantly. If we can change it by 5% or 10% we are quite happy, but that is knocking a very small number off the total. As I said before, 60% of our cost of production is labour. There is growth in the horticultural



sector. Asparagus consumption, both from demand and supply in the UK, has trebled in the last 10 years. Soft fruit, with which we are also involved, with blueberries, has doubled over the last 10 years. That is all on the bedrock of a consistent, reliable and skilled—maybe not in the technical sense of the term—labour source.

Q16 Chair: Most of what you grow actually goes directly for human consumption. I imagine it has to be handled very carefully. I imagine very little of the picking and drawing up of the asparagus can be done by machine. When you start to wrap it and do all those sorts of things is when you bring in the machinery, is it?

Chris Chinn: You touch on a good point, which is that in order for us to really automate and mechanise, we need plant breeding, because it is through the development of yields and moving towards much more intensive production. We might harvest 50kg per hectare of asparagus in one day, and then the following day we have to walk through that field again. I have people walking 1,000 acres every day to find the asparagus spears, because it yields very little every day. If we could move to a system where I have plant that can send up multiple spears in one go within a glasshouse production system, or something similar to that, then I could have a mower-type device to go through there and remove significant portions of labour. You can imagine that linking through to pack-house machinery and becoming much more automated.

The reality is that we are starting to see plant breeding on soft fruit but not on a small-scale industry like asparagus. If you look 10 years ago, with the movement in soft fruit, yes, with table-top substrate production we have reduced the labour requirement by 20-plus percent. However, we are 15 or 20 years away from really having a significant impact in terms of plant breeding that would allow automation.

Chair: We better not get into any argument over biotechnology today, one way or the other. We will leave it there.

Q17 Ms Margaret Ritchie: You are very welcome. Why does the agriculture sector find it hard to attract UK resident labour, Chris?

Chris Chinn: If I can speak bluntly, because it is not there.

Q18 Ms Margaret Ritchie: Why is it not there?

Chris Chinn: Unemployment where we are, in Herefordshire, our home county, is 769, in terms of jobseekers, as of July 2015, which are the latest figures I could find. There are four large farms of soft fruit and asparagus in Herefordshire who, combined, employ 3,400 people. There are not the people looking for work to fill the roles. The numbers do not equate at all, notwithstanding the efforts we have put in with a few trial activities.

In 2015 we worked with an agency called HOPS, which I think will be represented later on. They recruited, working with Jobcentre Plus, 200



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UK nationals from the cities, where unemployment is higher. It was a work-based training scheme. They had six weeks' training and then went into the role. We tried to make it as easy as possible. Of course, it was still taking people away from home because these jobs were not in the city. 50% left within a week and only 4% were there at the end of the season, which is a handful. Following on from that, last year we worked with the Jobcentre directly on a sector-based work academy programme. Again, that was not focused on Hereford; we know they are not there in Herefordshire, so it was focused on a much broader area, reaching out to Birmingham, Bristol and further afield. We worked quite hard to set up a scheme and a programme. They failed to attract more than about five workers, even on the first basis, so we abandoned the programme.

Q19 Ms Margaret Ritchie: Before I come to David and Zoe, how do you think levels of unionisation—whether a level of unionisation existed or did not exist—have changed for agriculture workers in recent decades, and can this be connected to an increase in migrant workers?

Chris Chinn: That question might be above my pay grade. I am not aware of unionisation of workers affecting our particular business, but perhaps David or Zoe may be able to assist with that.

David Brown: Going back a few years, when there was an Agricultural Wages Board, at that time I worked for the National Farmers' Union in East Anglia. We had very close working relationships with the Transport and General Workers' Union. We subsequently came together and eventually formed what is now the Gangmasters Licensing Authority. I do not believe that unionisation, or lack of it, has a great impact in this area.

Q20 Ms Margaret Ritchie: What is the real difficulty, then?

David Brown: There are a number of things, anecdotally—I do not know whether it has changed, because I have not looked at it recently. Certainly our benefits system is not amenable to people coming out of the benefits system for relatively short periods of work and then getting back in. There are things like housing benefit. I have a friend on housing benefit, and because his income fluctuates he has terrible problems getting his housing benefit when he needs it, because there always seems to be a two or three-month lag in his particular situation. He does not work in horticulture; he is actually a self-employed teacher. However, it is an example of how the system does not particularly incentivise people to come into short-term positions.

Zoe Davies: There is an interesting report that AHDB did on agricultural labour. They highlighted some work from the Commission for Employment and Skills that said that job vacancies in agriculture and manufacturing were the two hardest areas to fill. When they delved deeper into that, it apparently was nothing to do with the money; it was just that people do not want to do the work. I mentioned before that it was related to rural locations and unsociable hours. Quite frankly, they



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could find jobs that they wanted to do that would be in easier and more agreeable conditions for the same amount of money.

It is certainly not for want of us trying to fill vacancies with home-grown people. The pig industry has worked exceptionally hard to try to attract people into the industry. We feel that there needs to be some sort of review of the benefits system to make it easier for people to come and work in the agriculture sector, but also more to be done in schools, at the careers advice level, because at the moment agriculture is the sort of thing people get advised to do if there is no other option, rather than a career of choice.

Q21 Ms Margaret Ritchie: This next question relates more to Chris's area. Have the prices set by supermarkets and the national purchasers played a role in driving down wages for agricultural workers?

Chris Chinn: We have come out of a scenario in which we were governed by AWO through the minimum wage and now the living wage. I do not think the focus on wage levels is necessarily the area that is the biggest issue. That is about competitiveness. We can all have our battles in terms of our costs and our sales prices. In terms of the staffing, flexibility is probably the biggest area where seasonal and migratory workers are more able to flex their terms of employment than UK workers, who are more established and have families and houses. Personally, I think the impact of pay is exaggerated. We are pretty good payers in agriculture, as a general rule.

Q22 Ms Margaret Ritchie: David and Zoe, have you any particular comment to make about that?

David Brown: Although we seem to be concentrating on manual labour, going back to the skills debate earlier on one of our problems in keeping young people in the countryside is the price of rural housing. If you have not seen it, I refer you to the report that the National Westminster Bank published last week, in which they highlight that if we are going to have success in the future, we need to start doing something about the price of rural housing.

Zoe Davies: Firms that I have spoken to say that they pay UK people the same as eastern Europeans. Farm management roles, because quite often they want to progress their careers, pay very well, so I think that is a bit of a red herring, if I am honest.

Q23 Rishi Sunak: I was going to ask what changes you would like to see in the UK system in order to encourage more home-grown workers, which I think you have largely answered. David, you mentioned more flexibility, in the benefits system and rural housing. Zoe, you talked about more awareness in schools. Are there any other tangible items you would put on the agenda to encourage and incentivise UK nationals working?

Zoe Davies: On a favourite topic of yours, apprenticeships, we are involved with the Trailblazer apprenticeships and one of the things we



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have been asking for is that they are recognised as STEM—science, technology, English and maths. If Trailblazers were recognised as such, not only would they attract a 60% increase in funding, but they would encourage more people to take them on. For us, particularly in that area, that is something we are very keen on.

In addition, with the apprenticeships, we would like to press that the apprenticeship at the moment is looking likely to become the qualification itself, but what we would like to see is that you can get additional qualifications within those apprenticeships, particularly in agriculture, with qualifications such as certificates of competence for, say, responsible use of medicines and antibiotics, which is particularly close to our hearts. It is important that they have those recognised within so that those taking the apprenticeships are able to prove to employers that they have gained these skills.

Rishi Sunak: Thank you. That is very helpful.

Chris Chinn: I completely agree with Zoe in terms of slightly more skilled work and certainly managerial work. That is all very relevant in that area, but the numbers available of those searching for work in the UK do not go anywhere near fulfilling the numbers required for basic manual labour in this industry. Yes, of course we should be encouraging more and more of those people to come into the sector, and we should be doing a lot more wherever we can to make it an attractive environment, but it does not solve the basic manual labour requirements.

Q24 **Rishi Sunak:** I guess the point I would make on that is that there is an assumption that everyone who is here will end up staying here, as is the Prime Minister's wish. What we are talking about is the incremental growth, the incremental need from this point forward, which is a much smaller number, which hopefully can be drawn from—

Chris Chinn: Yes, it sort of can, but there are over 5 million non-UK workers currently employed in the UK. The number might be as high as 8 million, but I could not get a complete number.

Q25 **Rishi Sunak:** In agriculture specifically, I think we were talking about tens of thousands, if they are going to stay. Presumably it is the growth in that that we will need to find every year though some new scheme or whatever it is—some new immigration arrangement or more UK nationals working. You are not going to have to find 50,000 people every single year, presumably.

Chris Chinn: Yes, we are. There are 80,000 seasonal workers coming in.

Rishi Sunak: On a seasonal basis, yes.

Chris Chinn: On a seasonal basis, yes. Horticulture is held up as an example of an industry within agriculture where we are growing that industry and we are supplying more fresh produce to consumers within



the UK. As I said before, that is based entirely on the availability of that labour. That allows us to invest more fully into the future on that. That is driving growth—quite big growth; double-digit growth—each year in some of these sectors. That does require quite significant numbers each year—granted, not 5 million a year and perhaps not 50,000 a year.

Q26 Rishi Sunak: There are obviously lots of places around the country where there is unemployment and there are people who are not fixed with families. What is it that makes someone willing to travel—I am guessing—2,500 or 3,000 kilometres from Romania to come and work for a while and then go back? Why are we not able to attract people 500 kilometres away within the UK to come and do that work? It is not as if we have zero unemployment across the country, right? What is going on there? What is your view as to why that is?

Zoe Davies: It is the same as you would have in any population. There will always be a given percentage of people who want to go to other countries to work, to further their careers. They see opportunities here, so you are not really comparing like with like when you compare these highly motivated people, who have left their families to forge a career in another country, with people who were born and bred here who perhaps do not have the same aspirations. Those people probably have already gone and worked in other countries. They have left the UK and gone to Australia, New Zealand or America. That population has already moved off somewhere else.

Chris Chinn: I do not think you can underestimate the economic impact as well. Fundamentally, if you are coming over from Bulgaria, you are earning five times as much as you can back home if you can find a job. Those factors are enormous.

David Brown: If I could follow on a bit as well, going back to the original point about the numbers, I do not know if this is the same in Chris's situation but a number of my members have built strong links with universities and agricultural colleges in these countries. These are actually students who come over for a year as part of their course and then go back. It is not necessarily the same individuals who come back the following year.

My plea is about what more we put on the table. I would not like to put a figure on the numbers that should be coming in each year, but I would plead that we go back to some form of seasonal agricultural worker permit scheme.

Chair: We are going to talk about that in the next question.

Q27 Jim Fitzpatrick: It is a perfect link, David, because Chris mentioned the seasonal agricultural workers scheme earlier on, and that it goes back decades. When the Government announced the ending of SAWS, which coincided to some extent with total free movement for all 27 countries, they were confident at the time that the ending of SAWS would mean



better UK recruitment and resident labour filling that gap. Your evidence quite clearly over the past half an hour or 40 minutes totally contradicts that, in terms of numbers, attractiveness and so on. Could I just ask you to comment on SAWS a bit historically? David, you were just about to say that a new SAWS arrangement might work. Could you just explain your views on SAWS and how the new scheme might work?

David Brown: In my nearly 30 years of being around the SAWS, it worked very well. This was very often where some of these links with universities and colleges originated. These people were coming in for a relatively short-term period, and the vast majority were then going back because they were going back to complete their studies or whatever.

What I was going to carry on to say was that I am not sure what the right number is now, whether it is still that 20,000 or 25,000. However, I would plead that you could press Ministers so that we could have some really frank discussions with the industry, and with all sectors of the industry, about the number required and bring back that type of scheme. We also obviously need to clarify the situation of those individuals who are already here and are making homes and have their families here—very many of them—and are in full-time employment. Again, we need to sort out their situation as soon as possible. Moving forward, we are going to continue to need to bring in people year on year, because many will be going back home because of the temporary nature of the work.

Chris Chinn: In terms of numbers, just to put some spotlight on that, the British Growers Association, which is a group of horticultural industries, of which we are part, commissioned a survey that showed that about 80,000 seasonal workers are employed each year in the UK currently. That is forecast to be closer to 95,000 by 2020. We therefore have a bit of an idea from our industry about where we are at the moment.

At the time that SAWS was disbanded in 2013, we also had quite a good reliable labour supply coming over from Poland, so some of the A8 countries, which only a few years before had had freedom of access. That was supplementing that labour source. At the time of the A2 countries' access, we said they should be careful about disbanding SAWS. It had existed for a very long time. It ran for about 50 years. It was a well-established scheme to bring seasonal workers into that focus of harvest in the agricultural industry. As has proved to be the case, really, it is getting harder now, and what we are urging the Government to do is to implement a scheme immediately as a trial.

Q28 **Chair:** As a pilot?

Chris Chinn: We have a blueprint. A decent blueprint in the old SAWS scheme. Implement a trial with a country such as Ukraine. There is no point implementing it with Bulgaria or Romania, as they already have freedom of movement rights, so it has to be somewhere outside Europe. Let us demonstrate, working with the Home Office, that we can manage



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that scheme as we have in the past. It is very targeted. There is a limited timeframe. We would argue that perhaps it should be nine months rather than six months, but a limited timeframe and very much in the envelope that was covered by the previous SAWS.

Q29 Chair: Under SAWS, do you have any responsibility to make sure that when workers come they go back again? This is what the referendum is about. That is the trouble. Whether we like it or not, a lot of people voted to make sure we have some control over who is here and who is not.

Chris Chinn: It is a bit of a challenge, is it not, because we cannot possibly be responsible for the border?

Chair: No.

Chris Chinn: As farmers we can do our bit. I think we demonstrated that through the previous SAWS; it was a fairly tightly controlled visa scheme. Those employees could not work outside agriculture. Indeed, they could not work on other farms unless they had been transferred, which did happen. We cannot control whether the UK Border Agency counts people in and out.

Chair: No, I understand that.

Chris Chinn: As a lay person, it seems remarkable that those people might disappear into the black market, claiming benefits or working in other sectors. If it is a limited visa scheme, then surely it is a limited visa scheme. We cannot control that as an industry.

Q30 Chair: No. That is for Government. That is what I am saying. That is possibly some of the weakness in the system; I do not know. It will be interesting to see. Of your 940 workers you have from central and eastern Europe, how many of them, in your view, are seasonal and how many of them are living here most of the time?

Chris Chinn: The 940 are seasonal.

Chair: All of them?

Chris Chinn: Yes, in terms of numbers, 90% of them are working for less than six months and 95% are less than nine months. The vast majority are seasonal.

Q31 Chair: You would not know when they come to your farm whether they have come straight from Bulgaria or Romania or whether they have come from somewhere else in the country.

Chris Chinn: No, granted, and we do not need to know at the moment because of freedom of movement.

Chair: I am not accusing you of doing something you should not be doing; I am just saying that nobody knows.



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Chris Chinn: We know that the vast majority are, because we are going over to Bulgaria and Romania and recruiting these people and interviewing them in those countries. Anecdotally we know but, granted, they can be here as long as they like.

Q32 **Jim Fitzpatrick:** Chris—I am sorry if you mentioned this before—can you give us a wee breakdown of the 900: male, female, young, old?

Chris Chinn: It is 50-50 male female, give or take a couple percent. That suits our business as well and matches the population; it is relatively easy. Age groups are getting older. We had noticed this with the Polish labour force previously. You moved away from students a bit under the SAWS and we tend to creep a bit older. The vast majority of that workforce is perhaps 25 to 35. Also, we probably have 10% to 20% in the 35-55 bracket.

David Brown: If I could just come back to the comment about SAWS and people returning to their home country, when it was a true SAWS scheme and a true permit scheme, of course it was totally transparent where those people were, because they had a permit to go to an individual farm, and “immigration” could and did, in my experience, visit to remind people that if they stayed beyond their date they would be here illegally, because they would be working illegally, and subject to deportation. In my experience, the vast majority did not disappear into any black market.

Chris Chinn: I think the stats are under 1%.

Chair: Very often it is people’s perception rather than reality, and that is one of the issues we are up against.

Q33 **Chris Davies:** I was just thinking, while we were talking, Chairman. This is excellent evidence, I must say, given by this panel. You are talking about a visa system, etc, and also the fact that the European market is getting older and getting more difficult. Do you not think that if we had a visa or a permit system, the workforce could come from so many other parts of the world and it would safeguard your industry? What we have done, certainly through your generation, if you will forgive me for saying so—because you are younger than me—is we have only had the opportunity really from Europe, whereas there are so many other opportunities that could be made out there. Your industry and labour could be safeguarded by going to other parts of the world. Have you done that in the past, and is it a possibility for the future?

David Brown: When I first started out, I was working in East Anglia. There was an agricultural camp and they used to tell me stories about employing north Africans in the 1960s and they had to be very careful about how they billeted those people, because certain nationalities did not get on with each other and they only found this out after they had done it. This was on one particular farm. So, yes, it has happened in the past.



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Q34 **Chris Davies:** Billeting or whatever, 50 or 60 years on, we are in a very different place to where we were in the 1960s.

David Brown: Yes, but you posed the question of whether it has happened in the past. Yes, it has happened in the past with people coming in not from Europe. That brings in a whole different political look as to where we might be looking to attract people from, shall we say. As Chris says, maybe Ukraine to start with.

Chris Chinn: We are not restricting that. We are happy to open that up to the world. The reality is that the further away you are, the more expensive it is to travel. Therefore, I suspect the reality is that we will gradually creep east. North Africa is possibly not that likely right at the moment, so I suspect we will gradually creep east.

Q35 **Chris Davies:** There was a story I saw in a paper the other day that it was cheaper for two friends to meet up in Spain by jumping on a plane than it was to have a train ticket from Yorkshire down to London, so it may not be that much more expensive.

Chris Chinn: These guys who are coming over at the moment are spending under £100 to travel, and do not forget that they are committing to that. That is a commitment that they are making before they come over.

Q36 **Chris Davies:** Is that their expense, or is that your expense as part of the package?

Chris Chinn: That is their expense.

Chair: The cost of getting here is part of their decision as to whether to come.

Chris Chinn: Yes, absolutely.

Chair: Interesting.

Zoe Davies: We would want to ensure that any scheme that is discussed in the future includes a discussion about permanent labour, not just seasonal, because for us it is a big issue. We have also looked at whether it would be possible to explore reinstating tier 3 of the five-point system, which effectively would allow low-skilled non-EU nationals to come in to fill a shortage of roles. It was suspended when the EU expanded because there was a big enough pool of eastern Europeans. If that was reinstated, that could well give access to exactly what you have been suggesting.

Q37 **Chris Davies:** I just have a small point of clarity, if I may. You say permanent labour; in that context, is that permanent as in indefinite or permanent as in non-seasonal?

Zoe Davies: Non-seasonal.

Q38 **Dr Paul Monaghan:** Good afternoon. Could I just probe this question



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about recruiting from other parts of the world in a little bit more detail? Chris, I think you said that you recruit directly from Bulgaria and Romania. You actually go there and undertake a recruitment process and recruit people back to your business. That obviously has a cost attached to it. I would imagine that in addition to the cost, you also benefit from language skills that are quite sophisticated in other parts of Europe, certainly probably better than parts of the UK. Is it fair to say that you are never going to be able to replicate that if you are recruiting from Mozambique or Zimbabwe or Brazil?

Chris Chinn: I would not say never. Our language skills around Bulgaria and Romania are based around Bulgarian and Romanian people who speak English. I think it would be the same if it was in Mozambique. In the last 10 years with A8—I forget the date exactly when the A8 countries came in—we have been able to promote those people to junior manager roles and senior supervisory skilled roles. Those people have become the backbone of our junior management and therefore can help us to recruit from countries where the language skills might be a barrier.

Q39 Dr Paul Monaghan: But what about the costs of recruiting them? You are not going to go to Brazil to recruit people, or Mozambique, are you? Do you want to be doing that?

Chris Chinn: That is why I suggested it is most likely that it would not be that far afield.

Dr Paul Monaghan: Indeed.

David Brown: What we also have to bear in mind, going back to some earlier comments, is that to a degree we are an international marketplace for the kind of seasonal labour we are talking about. If you look across Europe, southern Spain's primarily manual labour comes from Morocco. For the low countries it very often comes from Turkey. These other countries have their established sources, if you like. We traditionally had established sources in central and eastern Europe.

Chair: Certainly, Germany for years had a big influx of Turkish labour, did it not, and has done historically?

Q40 Kerry McCarthy: If I can return to Brexit and what the future holds in terms of where we source the labour, there has been a lot of anecdotal evidence about already seeing difficulties. The *FT* reported a few days ago that people were saying it was proving very difficult to get workers. If we fast-forward a couple of years and people from the EU do not have the right to work in this country, how will it work? There is already this issue of a dwindling pool of labour anyway, if people have the right to permanent jobs. What do we do?

Chris Chinn: Very simply, if we do not have labour, we do not have a business. There will not be British asparagus, blueberries and rhubarb on the shelves. It is very clear: if we do not have that labour source, we do not have a business.



Q41 **Kerry McCarthy:** Is there a realistic prospect of that happening?

Chris Chinn: That is a real threat. If the borders are closed and no scheme is put in place to allow unskilled—as the Government would define them—workers in then yes, absolutely. That is why I am here, because this is an absolutely critical issue for us as a business and as a larger industry.

Q42 **Kerry McCarthy:** Some people have said that there should be a quota system or a visa system, going back to the seasonal scheme, where these people do not have the right of freedom of movement but they could come in to do a bit of work but they would have that right to freedom of movement in other European countries. Is there any way that they are going to be attracted to coming here for seasonal work when they could go to Germany, Spain or wherever?

Chris Chinn: As we have said, we are in a competitive market. If we are attractive, then people will come here. If we put up barriers in any form or shape, be that economic or political or visas or whatever it might be, then we are going to struggle further. As we said, that pool is dwindling within the EU anyway. Therefore, it is pretty critical that we look beyond the EU post-Brexit for a solution.

David Brown: As it stands today, our production of ornamental horticultural products, give or take, is just over £1.1 billion and our imports are just about £1.1 billion, so we are already importing 50% of what we as a nation consume in plants, flowers, trees, shrubs, etc. What we will see is exporting some of the current jobs and importing a lot more, in my opinion.

Q43 **Kerry McCarthy:** As we have seen with the iceberg lettuce scandal—if you can call it that—of the last couple of days, we are not necessarily going to be able to get our hands on those imports.

Chris Chinn: No. There is a piece in the *FT* this morning regarding the security of supply. We are only just over 50% self-sustainable in terms of fruit and veg production now. The *FT* piece is suggesting that that is the real cause behind the types of food shortages we are seeing now. Frankly, that is scratching the surface. If we do not have labour post-Brexit, then we cannot produce any of these high-labour products in this country.

David Brown: I regret that I will probably be adding to the balance of trade next Tuesday, because most of the flowers that come into this country are imported.

Zoe Davies: In the short term, certainly, we will struggle. We know that 20% of our members have said they would find it very difficult to carry on. Of course, in many farms, if you have one or two people working and you lose half your workforce, it makes it very difficult for you to carry on. Longer term, with all the schemes and the things we have in place to try to encourage people working in the UK to work more in agriculture, that



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is something we would really like to explore, particularly with the Government in enabling us to be able to do that, so we are not so reliant on people coming from other countries to work here, in order to carry on and operate. That is really what I would like to see more focus on—encouraging young people into agriculture from our own country.

Kerry McCarthy: As you acknowledged, it is quite a difficult thing to do.

Zoe Davies: It is difficult but that does not mean we should not try.

Q44 **Kerry McCarthy:** Are people already thinking about less labour-intensive forms of food production and food growing. Are there certain things we could do more of, perhaps more mechanised and moving away from things like asparagus? Has that been talked about? I am not suggesting we should. I am keen we do not move away from growing asparagus here, but is that the decision that has to be made?

Chris Chinn: In terms of actual direct investment from UK farming businesses, as I suggested earlier, in order to mechanise to the extent where we remove sufficient labour that we might be able to cope in a post-Brexit world without any seasonal EU labour, we are 10 or 15 years away at least, so that is not an option. In terms of actual investments going on right now, those investments are going into producing abroad.

Q45 **Kerry McCarthy:** But that is talking about the things you already do and recognising things you already do. Are there other things, like potatoes or something, where—

Chris Chinn: We are fairly self-sufficient on potatoes, for example, because that is fairly well fully mechanised. Because of the types of crops, if you look at it in terms of where we are, we have relatively high levels of food security where we are producing most of it ourselves—in root crops. They are very well mechanised. My suggestion is that, if we cannot grow asparagus in this country because we cannot get the labour, then, as David says, we will employ people abroad and import the product. However, that is no good for the UK economy.

Zoe Davies: Clearly, mechanisation is not really an option for livestock, because it is very important that we have people there managing their welfare.

Q46 **Chair:** Going back to the horticulture side, people are used to having asparagus, they are used to having vegetables, and they are used to having it at all times of the year as well, are they not? It is interesting. I wonder, with the iceberg lettuce, how many people were so keen on having an iceberg lettuce until they decided they could not have an iceberg lettuce, and then they seemed to be much more keen. We take it for granted that we can get these vegetables at all times. Just on the 50% you say that we import, how much of that 50% could we not grow here, for example bananas and so on?



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David Brown: A significant amount. I will not deny that. The majority of it is cut flowers. I have to say: part of that has been political, where preferential access has been granted to the European market, and particularly to the UK market, because of our transport links, so things like Kenyan roses and Colombian carnations, where decisions were taken at a political level to encourage those countries to produce. As a result, again being very labour-intensive, people looked for other crops. Apart from the bulb side—tulips, etc—we do not have much of a cut-flower industry at all in this country, to be blunt. Could it be done? Yes, with the right incentives. You could be looking at things like tax allowances for investments, but over the last 10 years or so we have seen cut-flower production in this country plummet.

Q47 **Chris Davies:** My question has been absorbed into many others, but it would be a shame to sit quietly, so I will come back to the panel, if I may. Our job, as I am sure you know, is to scrutinise, get information like this, package it together, give it to the Government and say, "This is what this Committee recommends on the evidence we have heard." The Prime Minister stated in her Lancaster House speech that we are not going to remain in the single market. One would assume that it is everything to do with freedom of movement that is stopping us staying in that single market, so life is going to be different after Brexit. So what would you say to this Committee would be your ideal way forward, your utopia as far as taking on board the change and taking on board Brexit, and the way the Government should be offering a package of labour coming to this country? What do you recommend to us that we can recommend to Government, basically?

Zoe Davies: I have already mentioned tier 3, which is an option that we would like to be looked at in terms of allowing non-EU nationals to come in. It would certainly, in the short term, help us. We understand, clearly, that any scheme needs to look at permanent, as we have talked about before, and not just think about seasonal, although clearly that is very important. We want to make sure that if some kind of visa system is put in, there are no mass complications or delays to processing it, to put people off coming here. As has already been said, we want to make it as easy as possible for those people who rightly need to come here to be able to do so. In the longer term, we need to work with the Government on getting younger people into agriculture. We need to promote agriculture as a good industry to be a part of.

Q48 **Chris Davies:** The UK, you mean?

Zoe Davies: Not just the UK; obvious the UK is the focus but we want highly skilled and highly motivated people coming into agriculture, wherever they are from. It is really important to us. I have mentioned the Trailblazers scheme. I have also talked about education, putting things into the curriculum and talking to people about food production. We are working with FACE on developing some text for that purpose, which will be really useful. It is just really trying to encourage more



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people, particularly the economically inactive and unemployed, back into work and being proud about a nation that produces great food.

David Brown: And flowers and plants. The ask to Government is to recognise that we have a real issue here. It needs a packaged solution. Part of it would be—my preference—reintroducing a SAWS-type scheme where it is totally transparent, and going back to that system. That needs to be as cost-effective and with as little bureaucracy as possible whilst doing the job we want it to do, which is to bring in people who then do not disappear into the black market, if I can put it that way. It also needs to look at apprenticeships in the longer term; it needs to look at the work that FACE is doing and the NPA is doing, and that we are doing at the RHS to get gardening into the curriculum as well.

Q49 **Chris Davies:** With the seasonal workers it is a completely different ball game. What more would you like to see? You are a businessman. You have done well. It does not have to be repackaging something we have had in the 60s, 50s, before, after or whatever. In blue sky thinking, what are you coming up with?

Chris Chinn: It is important that we do not necessarily restrict what that package might look like. We absolutely need labour. The UK labour market does not and cannot supply that labour, not at the level we are talking about. It is a red herring. Yes, we can do lots. We want to. I would love it if all the local kids were educated more about farming and came and did some work experience with us. That would be fantastic, but in terms of solving the numbers of in terms of labour, it is a red herring. It does not exist. The EU labour market is wilting. Even if we were staying in the EU, that would become a problem.

Therefore, we need some kind of scheme to bring manual labour into this country. It can be very targeted or not very targeted. I do not need to define necessarily how that looks. We mentioned the SAWS scheme because it is the scheme that ran for 50 years and ran pretty well. In these times of uncertainty, that is perhaps something quite useful to lean on as an example, but that sort of scheme would need to be, in the event where the borders were closed, at the absolute minimum 80,000 for horticulture. It cannot be the 20,000 that existed when it was disbanded in 2013, because at that time we had access to the European labour market as well. Fundamentally, the agriculture industry employs roughly half a million people. That is the same as the automotive and aerospace industries put together. Do not leave us out in the cold here. A lot—50%—of that cost reduction is labour, broadly, across the piece.

Q50 **Chair:** That is a very big cost of the production, is it not?

Chris Chinn: That is a huge labour market. Do not leave us out in the cold. Without that, all of that investment and that industry crumbles.

Chair: That is what you are here to tell us. Thank you. We get the message. We will try to make sure we get it to Government.



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Q51 Dr Paul Monaghan: Given the challenges we face, what discussions, if any, have you had with the UK Government on the future of agricultural labour following Brexit?

Zoe Davies: Obviously, we have been talking to Government about all sorts of things following Brexit, and labour has been one of them, certainly in terms of our concerns with the requirement for permanent unskilled. A large percentage of the discussion has been about seasonal work, and clearly it is a big issue but we do not want permanency to be forgotten. We have written to all the Ministers in the key Government Departments, and I have to say that the response from Robert Goodwill was the most disappointing of all, unfortunately. The others have all asked to engage with us. Robert was the only one who did not. It is useful to have that on the record, because we would desperately like to get in and talk to him about some of the ideas we have, just really to get agriculture on the board. Half the concern we have is that agriculture will be forgotten because other industries are clamouring more loudly than we can.

Chair: Perhaps we will try to get him here.

Q52 Dr Paul Monaghan: It does seem disappointing, to say the least, that Mr Goodwill did not want to engage with you. Did he give a reason for not wanting to engage with you on such a crucial and important issue?

Zoe Davies: No. He replied, but his reply was quite non-committal and high level, saying that the British public have voted to leave—which of course we all accept—and immigration was one of the key issues that needed to be discussed, but he did not go into any more detail. That was a letter written not just by the National Pig Association but by the British Poultry Council as well as the British Egg Industry Council, so it was a joint pig and poultry request.

Q53 Dr Paul Monaghan: That is particularly disappointing then. The other Ministers you wrote to are slightly more enthusiastic, are they?

Zoe Davies: Yes. We have been involved with roundtables all over the place. Liam Fox is having a roundtable and we have been invited to that. We have a meeting with DExEU in a couple of weeks, so there is a lot of active discussion going on, which we are very encouraged by.

Q54 Dr Paul Monaghan: That is good. David, what is your experience?

David Brown: Following on from what Zoe said, my guys seem to be involved in lots of roundtables as far as the horticultural industry is concerned, primarily working with DEFRA at present. We have brought together all representative bodies that are involved in horticulture to any degree at all. That is our route to DEFRA Ministers. Labour and the skills agenda in general is one of the major work streams in that round table. What response are we getting? We have an open door at this stage. Put it that way.

Q55 Dr Paul Monaghan: That is good. Chris, I know that your business is



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slightly different but have you had any discussions directly with the UK Government?

Chris Chinn: Apart from direct meetings with our local MP, Jesse Norman, and with our MEP, Anthea McIntyre, we have really routed our efforts so far, as a business focused on high-value, high-labour crops that we are growing, through the Asparagus Growers Association, linking it to British Growers and through that via the NFU and into Government. There is also a group of three representing the horticultural industry crops association, so Laurence Olins, John Shropshire and Christopher Mack, who represent vast swathes of our industry, working directly with the retailers to help put effort and pressure through those avenues. I am not myself really involved on that side, but generally the response back has been an open door, open to discussion and fairly understanding, with the odd exception.

Q56 **Dr Paul Monaghan:** As a businessman who recruits directly from Europe, have you had any discussion with the Governments of the countries you recruit from? Clearly, if you are not going to be recruiting staff from those countries, their economies are going to experience damage as well, so have you had any discussions with them?

Chris Chinn: Not directly. Our only experience really has been with the EURES, which is the European job centre, if you like. We work with them very closely in Bulgaria. They seem to be very keen. They have quite high unemployment in that country and a much more rural economy, and they are still working with us quite actively. In Romania, we are getting quite a different response post June than we had previously. They are being pretty short now. They are taking a similar line to some of the staff from the countries, where they are saying, "If we are not wanted, it is not right that we talk to you." So that is as official as we got to as a business.

Q57 **Chair:** We drilled down on most of these questions. The Government do want to have more home-grown UK staff in your sectors. We talked earlier about some of the benefit system. I get constituents—I expect all of us do—who have been on benefits and they take a job for a short while, it falls through and they cannot get back on benefits, so they decide it is probably better to try to remain on benefits. There is something more to be done there. Is there anything else we have not discussed where you think the UK Government could help you get UK staff? Is there anything that you can think of, or have we drilled down on most of it?

Zoe Davies: One of the other topics of discussion we have been having is about the role that schools can play in making students more employable when they leave school. It is not just about teaching them about agricultural or other sectors but actually instilling within them the skills they will need to become employable as individuals, so responsibility, team-working—all those kinds of behaviours they talk about within the apprenticeships. It is really important that the



Government take responsibility at school level to prepare those students better than they currently are before they leave.

Chair: You made a good point earlier on. If you went to a school and said, "What I want my son to do is go pig farming," it would not necessarily happen, would it? It is about food production and what the potential there is for that industry. Somehow or other, we have to get the concept different. That is probably quite a challenge, so that is something we can deal with. Is there anything else? We will try to get Robert Goodwill here as far as the Home Office is concerned, because we will need to get a Home Office Minister. In the end, the other Ministers are going to be much more sympathetic. The Home Office is going to be the one to say, "Hang on, we need to know whether, if these people come, they are going to go again, and we need to have a system that works." We will have to try to get that out of the Home Office so that you have the availability of staff. Also, we would encourage you, where you can get UK staff, that you try to get it, but it is not always easy.

We have had some very good evidence from you. Thank you. As I said, we very much appreciate you coming here this afternoon. What we are going to do is collate the evidence you have given us, and the evidence of the next panel as well, and then we are going to put it to Ministers, really to try to get some sense of how we can help you, and relatively quickly. The trouble is that you are being affected more quickly than most people over Brexit, because the trade arrangements and everything else are all in place. They will be in place for at least another two years. What is happening with labour is that it is partly the concept of coming here that people are worried about and we can see the concerns you have, so thank you very much.

Examination of witnesses

Witnesses: John Hardman, David Camp and Chris Rose.

Q58 **Chair:** Good afternoon, gentlemen. Thank you very much for joining us in our second round of witnesses. You are very much at the sharp end, I think, of how this labour is to be got. Could you please introduce yourselves, starting with John?

John Hardman: I am John Hardman, director of HOPS Labour Solutions. HOPS has been recruiting seasonal labour into UK farms since 1989. We have previously sourced in excess of 12,000 people on over 250 sites from Cornwall to Aberdeen. HOPS currently recruits predominantly from Romania and Bulgaria and was a SAWS multiple operator until the cessation of that scheme.

Chris Rose: I am Chris Rose. I have a background in commercial fruit farming. I was actively managing from a period when we were 100% home-grown labour to the period when we were 0% home-grown labour.



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I have lived through that whole process. I specialised in labour productivity and have worked with a number of businesses on labour productivity. I currently spend a large part of my time as commercial controller at Asplins Producer Organisation, which represents 12 growers with a turnover of about £65 million in the fruit sector, employing about 6,000 seasonal staff.

David Camp: Good afternoon. I am David Camp. I head up a trade association called the Association of Labour Providers. We were set up at the instigation of DEFRA in 2004. Our members supply about 70% of the temporary seasonal and contract labour into the food and agricultural sectors. We have about 300 members who are licensed by the Gangmasters Licensing Authority to supply workers. The numbers vary depending on the season; at the peak, it is perhaps 250,000 or 300,000 workers.

Q59 **Chair:** So you are saying you provide up to 70% of the workers.

David Camp: Our members do, yes.

Q60 **Chair:** Are all of those 70% non-UK workers?

David Camp: There is a very high proportion of non-UK workers. I would say between 90% and 95% of the workers provided into food processing and agriculture come from the EU, predominantly from the A8 states but more recently, in the last three or four years, the A2 states. In the non-food sector, such as the warehouses, which our members also supply into, there is a slightly higher proportion of UK workers. On average, around the country, perhaps two-thirds to 70% are EU workers, and 30% to 33.3% are UK workers.

Q61 **Chair:** My first question has been answered, in a way, by your introduction. It was about how much demand there is for non-UK staff in agricultural and food production, and I think the answer is quite a lot. We also got that from the other witnesses. Chris, I was interested in a point you made in your introduction, when you said that you lived through the situation from the time when you had nearly all UK workers to now, when there are hardly any to be had. Very quickly, what brought about the demise of the UK worker in the sector?

Chris Rose: When I started, we were relying on local women with children under school age who were allowed to be on the farm, and that worked for them. I have to say we were very glad when the law changed because it was not safe. The law changed: they could not have their children with them. We did try crèches. It was at a time when there was more employment elsewhere. We then went to what I might describe as the almost unemployable: people who were on benefits, giving false names, daily casuals. We did not have a clue from one day to the next who would turn up and who would not. It was impossible to manage and grow a business with that labour force. Even though we were still relying on some of that, as we introduced EU people we found that there were less and less of them. Unreliable as they were, they were just not



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turning up, and we ended up with three or four, and at that point the die was cast.

- Q62 **Chair:** In a way, you have led me quite neatly into the next question. I am sure you will throw this back at me, but is there a thought now that it is just easier to employ EU labour, and that trying to employ UK labour is more trouble than it is worth?

Chris Rose: What has happened is that businesses have grown and developed requiring labour to be available all the time. For example, notwithstanding the fact that we use a lot of polytunnels in food production now, when I was managing, if it was raining at 7 o'clock in the morning, picking did not happen the whole day; if it had stopped by 10 o'clock, they still did not come in. With labour on tap, you can be sure that you will have that labour when you need it. That is part of it.

It is not that work is too difficult for local people necessarily. Some of the work is good work and it is certainly well paid; some of the best workers are earning very good money. It is not that it is below what UK people would work for, but also the bulk of the UK labour that is available is in cities and the bulk of production is not in cities or close to them, so there is a mismatch there.

- Q63 **Chair:** Just for all three of you, in what sectors is the demand for non-UK labour the highest, or is it very similar across all food manufacturing, picking fruit, picking vegetables? Is it the same across the whole piece?

David Camp: In my experience, recruiters and labour providers do not make that distinction. In fact, to make that distinction would be discriminatory and would result in potential action and non-compliance against their gangmasters licence, so no discrimination on that grounds has been found by the Migration Advisory Committee or the Equality and Human Rights Commission. That distinction is not made.

- Q64 **Chair:** In practice where is the labour going?

David Camp: In practice, labour providers find very few UK nationals coming forward for temporary work in food processing, in seasonal work, in warehouses or in packing. The vast majority are EU workers. The model that is used in food production now is called the temp-to-perm model, so it is try before you buy. You recruit someone on a temporary contract. If they prove that they are a reliable and good worker, then they progress on to the permanent workforce, so the route into permanent work in the food industry and the agricultural sector is through that route as well. From my perspective, I see a vast predominance of EU workers in all sectors across the food industry.

- Q65 **Chair:** John—or any of the others who would like to answer—we have been talking about Bulgaria and Romania. We have talked about Poland. Which country is most of the migrant labour coming from, and is some coming from outside the EU as well?



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John Hardman: We predominately recruit only from the A2s, only on the basis that we were getting to the point where we were running out of labour from the A8s. So there was a very limited amount of labour from the A8s, but that tends to be at the customer's request.

Q66 **Chair:** What do you mean?

John Hardman: Romania and Bulgaria are A2s; A8s are Latvia, Lithuania, Estonia, the Czech Republic and Poland. We have almost exhausted our labour pool of good-quality picking staff from those countries. We are in the same position now with the A8s. It has been a cycle. We have recruited from Russia. We have recruited from Ukraine in the past under a different visa system.

Q67 **Chair:** Are you able to do that at the moment?

John Hardman: No, not at all. We would love to be able to recruit from outside the EU. We mentioned earlier today that Ukraine would great, but also we have the possible accession states of Serbia and Bosnia. They are next-door neighbours to the EU, so there are possibilities there, too.

Q68 **Chair:** Chris and David, do you want to add anything to those points?

Chris Rose: The only labour that the farms I go to have that is not from the A2 countries is where there is family that have come to that farm for a number of years—brothers, sisters, cousins—so there is a legacy there, but there is not any new labour. That was before 2016, when it got a whole lot worse. The weaker pound, as well as perhaps the post-referendum atmosphere, has caused a lot of people who were coming not to come anymore.

David Camp: The sector has not had such difficulty in sourcing a labour supply since pre-2004, pre the accession states. The industry barely scraped through in the peak leading up to Christmas. Significant extra resource had to be put into sourcing workers. The quality of workers was less. Those that were available had to work longer hours. Wages had to be put up to attract workers. We absolutely just scraped through for Christmas. The wisdom throughout the industry is that we will not scrape through this summer.

Q69 **Chair:** So you believe action is urgent.

David Camp: Action absolutely is urgent. If there is one message that we could give today, it would be that the industry needs a solution, and as swiftly as possible.

John Hardman: I could give you a flashpoint of the middle of July to the middle of September of last year. We had 400 posts that we could not fill, even though all of our customers ordered well in advance. Our orders, on a year-to-year basis from 2016 to 2017 at the end of January, increased by over 30% from our customers. That would indicate that they are anticipating a shortage of supply and not looking for what we



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call top-up labour halfway through the season. If that labour does not arrive, their strawberries will rot in the fields.

Q70 **Chair:** You are saying that you were short in September by 400. What sort of percentage would that be of the total workforce?

John Hardman: Last year, that would be around 6% of our total workforce recruited last year.

Chris Rose: I can report from the growers I have spoken to. If you have a list, as they do, of returnees—people who have said, “Yes, I want to come back”—generally, if you want to get 50 people, you only need 60 of that list and 10 will say, “No, I have changed my mind.” They are now saying they need 100 to get those 50.

Q71 **Chair:** Because half have changed their mind?

Chris Rose: Yes, that is the change now compared to last year.

David Camp: September was a very bad month. A lot of effort was made in October and November to source the supply. The figures we are seeing show that applications are 30% down on last year. The return rate is significantly up—that means people returning to their country and not working. Churn rates and turnover rates of existing staff are increasingly higher, and the quality of staff has decreased. Employers are accepting a lower level of English just to have some workers.

Q72 **Chair:** In your view, on the returners or non-returners, is their reason for not coming back the value of the pound—because they are not getting as many zlotys or whatever for their pound—or is it that they think they are not welcome. Which do you believe it to be?

Chris Rose: I think it is a combination of those. Anecdotally, a lot of people are heading to Germany, for instance, when they would have been coming here, so it is a combination of those.

David Camp: Building on that, there is the increase in the minimum wage in Germany, and the improving economies—

Q73 **Chair:** What is the minimum wage in Germany?

Chris Rose: Nine euros.

Chair: Our rates are very similar. If the pound was a lot higher, of course ours would be quite a lot higher.

David Camp: Yes, and of course you see other countries’ media reacting with headlines such as, “Britain slams the door on Slovaks.” So whilst we saw a spike in hate crime after the referendum, generally we have not seen that continue, but the negative media in other countries says Britain is not a good place to go to. They have labour shortages in their country. They want to retain their workers, so they say, “You are not welcome over there anymore. Stay here. This is actually more secure.” We are in



competition for good labour and competition for good workers. Britain has to put itself forward to be the place where good workers, and qualified and experienced workers, should come.

Q74 Chris Davies: We hear lots of reasons and lots of excuses to hide behind the Brexit situation, but when we look at it purely on an economical basis, these people are leaving their country and families to come over here to work, and to take as much money back with them as possible. If what they are taking back is one-fifth less than it should be, from what they have been taking, because of the devaluation of the pound, then surely they are going to go to other countries. It is pure economics. We can use other terms. You have elaborated very well on other ways and whatever, but surely it is down to economics.

David Camp: It is, but when you make a decision like this about where to go, you weigh up a number of things.

Chris Davies: They are not coming here for the weather, are they?

Chair: They might be; we don't all live in Wales.

Chris Rose: I can say from my experience of working with a lot of farms and a lot of different growers, working closely with their labour and training a lot of supervisors, it is not just the money, because if it was just the money every worker would be working flat out all the time. Actually, one of the problems we have on farms is that some of the labour force is less motivated. They come and spend a lot of money and make a lot of effort to get here but they are still not as motivated as people typically were 15 years ago. Their lifestyle is different. Their aspirations are different. There are things other than economics that bring them here and keep them here. Certainly, what is going to happen now is that the farmers who give a really good environment to their workers and treat them very well are going to do better than the farmers who just see you as a number and a way to make money.

Dr Paul Monaghan: You are saying that it is not just economics, because you have all been very clear that EU nationals coming here do now feel unwelcome. That is how it has been reported in their media, and they are aware of the spike in hate crimes as well. All of that is having an impact, not just the economic situation here.

Q75 David Simpson: I want to ask a question on skilled and unskilled labour, but just before I do that, what would your response be to the myth that is out there that recruiting workers through yourselves is an easy way for employers not to be responsible for holiday pay and PAYE? If they do not like five people, they can say, "Send me another five." That is a myth that we have in Northern Ireland. I am very honest about it. What is your response to that? I then want to ask about the skilled and unskilled breakdown.

John Hardman: I will kick off with this one because our business model is slightly different from agency work, which you related to.



David Simpson: It is about that, yes.

John Hardman: We are paid a finder's fee by the farm. We recruit through our partners in Romania and Bulgaria. Those workers are then employed fully by our growers, so their stamp and tax are all paid by the grower.

Q76 **David Simpson:** That answers that. Is it the same for you?

David Camp: No, we have members who operate like John's business but others who provide temporary workers into businesses as well. I had the honour of being on the board of the Gangmasters Licensing Authority for 10 years. It is an organisation that I have a lot of respect for and that has contributed to a great improvement in the treatment of temporary workers in the food and agricultural sectors. All workers supplied into those sectors through agencies should receive their legal entitlements to the minimum wage, holiday pay, statutory sick pay, the right not to be discriminated against, and all the rights that accrue to workers in this county.

You are right that there is a benefit from using agency workers. It is a great benefit to business because the food and agricultural sectors fluctuate. They fluctuate for various reasons. They fluctuate for seasonal reasons. They fluctuate through the times of year when we send bouquets of flowers to our loved ones. They fluctuate because we eat more salad in the summer. They fluctuate because supermarkets put "buy one, get one free" offers on, or they do promotion deals. There are various reasons why supply and demand changes. Having an element of your workforce that you can flex up and down enables you to have the right number of workers every shift, every day, for that workforce. That enables you to control your costs. It is a fiercely competitive market supplying to the supermarkets, which are in a never-ending price battle and for whom price increases result in the media stories we saw recently.

Chris Rose: Even if some growers have questionable ethics and morals—and I am saying "if"—businesses are getting larger. There is consolidation. When you are a business that has a turnover of £10 million, £20 million or £30 million, you are above the radar and you are getting audited left, right and centre, to take the risk of employing labour illegally is just a risk too big to take, even if you were minded to in other respects. In my experience, there is far less of it than there was. The GLA has done a great job, and continues to, to suppress it further.

David Simpson: I am in danger of the Chairman coming down on me hard in a moment.

Chair: I am being very soft this afternoon. Now get on with it.

Q77 **David Simpson:** Very quickly, what would the breakdown be between skilled and unskilled in your experience of people coming in?



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Chris Rose: Certainly in the soft fruit sector, what has happened, as was alluded to earlier, is that there is a large requirement, in harvesting in particular, for seasonal unskilled labour. There is a skill involved—we skill people up very quickly—but we refer to it as unskilled labour. When farms are looking for the next level up and the next level up, and junior management and senior management, there is a big pool of experienced people who know the business and have a good work ethic and are proven and are the obvious people to choose from. It would be fair to say the net is not being cast widely among the UK population, because there is such a big pool of people they can choose from there. Increasingly, there are skilled as well as unskilled people.

John Hardman: It is a similar picture. If you took a look at all of our farms, the pack-house supervisors, managers, fieldsmen, and the guys who are going into junior and middle management, they are Polish, Latvian or Ukrainian. They began as pickers 10 or 15 years ago. They learned English here and have progressed here.

David Simpson: Very good. David, do you want to say anything?

David Camp: I have nothing to add.

Q78 **Kerry McCarthy:** I will be very good and ask just one question. You have already explained pretty well why there is such a demand for migrant workers in the sector. Is there anything that could be done to make the sector more attractive to UK workers, for example by improved pay and improved conditions, or is that, in your view, just not feasible?

John Hardman: As a company, we ran a welfare-to-work scheme through the DWP. We have been very conservative in what we have said. We said it had limited success. I am a little more frank: it was just an unmitigated disaster, and it cost the UK taxpayer a huge amount of money. The problem that we have is that the areas where our farms are have very low employment, so the centres of unemployment are a million miles away from where we would have to commute them to. These guys have families and commitments. There is not an appetite in the UK marketplace for the type of work that we offer. That is not just the UK. That also applies to the A8s that I referred to earlier. They do not want to do this type of work either. We are struggling to find labour from any sector, not that we have not tried. I can assure you that all of our growers would love to employ British people. Not one would say they would not take them on, but they are not available. It is not a career that is appealing enough.

Q79 **Kerry McCarthy:** Why is that? Is it not appealing because of the pay or the conditions? I get your point about the geographical distance but people do travel from Romania to work there, so from Bristol to Somerset is not that far.

John Hardman: The pay can be good. Sometimes the conditions are not so nice. You probably all had Brussels sprouts on Christmas day. The guys picking them were out there at 5 o'clock in the morning, with



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sideways winds, at -4°C. It is not the most pleasant of conditions, but this is why it is easy to pick for soft fruit. This is why we are one of the easiest sectors. It is in the middle of our summertime; it is a nice place to be. Working in Kent through our summertime is a nice occupation, and you take a pile of money home.

Kerry McCarthy: But it is still difficult to recruit.

Chris Rose: Yes, of course more could be done. There is always more. A lot has been done without any success. Part of the problem is that we are talking about a large number of relatively organised small businesses that do not have a large recruitment budget. If UK horticulture plc was to advertise and have a programme that everybody committed to across the sector, there may be some chance. We talked earlier about going into schools. It is changing the perception of horticulture. In the horticultural industry as a whole, British people are involved in the research sector and on the marketing side of things, but much less so in the production side. We have not successfully changed the perception of horticulture as being hard work at unsociable hours for low money. Low money is not real, particularly as you go up into management. It is very difficult to find a good farm manager of any nationality, and people are paying good salaries to attract them, so it is not the money, in my opinion.

Q80 **Chair:** It is interesting what you say about coming to Kent and perhaps it is not so far from the beaten track. Are you finding that it is more difficult to place workers in various parts of the country where the farms might be more isolated? You have whetted my appetite for this one. What is the issue there?

John Hardman: I have found it incredibly difficult to recruit for Scotland. I do not think there is anything against Scotland.

Q81 **Chair:** Do they think it is a long way away? They are all lovely people. We have a great representative here, you see.

John Hardman: Kent has accessibility to the city—bright lights and the big city. There are things to see and do. That probably applies also to the Vale of Evesham, where there is quite a big eastern European community. We find it very difficult to recruit for Scotland because they think it is a very long way and that it is cold, isolated and grim. That is their perception, unfortunately.

Q82 **Chair:** In a way, we have talked a lot this afternoon about perception. There are people's perceptions of what they are seeing Britain as at the moment because of Brexit. These preconceived ideas are interesting. Parts of Scotland have a very nice climate. Parts of the west of Scotland and south-west Scotland has a climate similar to that of the west of England. It is interesting. Would it be the same in the north of England as well, the further north you go? Is the attraction of Kent that they can travel to the continent if they want to? Do they travel much when they get here?



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Chris Rose: It is London.

John Hardman: It is the bright lights and the big city.

Chris Rose: I have spent a lot of time on Scottish farms and actually they are glorious places. The labour, when they do get there, as long as they are looked after well, which they generally are, enjoy working in Scotland. It is the perception beforehand. My first Polish employee, in 1988, arrived at Dover, got out a map, found out where Scotland was and pitched up on our farm via the Jobcentre: "I'm not going all the way up there." You are right, but I think the Scots are, to use the term, a canny bunch and they work hard to make sure that their farms are attractive and they get a lot of returnees. The ones who do not are struggling, but plenty of them are staying.

Q83 **Ms Margaret Ritchie:** On the issue of the seasonal workers schemes, what effect did the closure of the seasonal agricultural workers scheme have on the supply of labour, John?

John Hardman: Immediately at the cessation of SAWS, our business had a significant decrease in orders, because a lot of the growers considered that they could recruit themselves; they could recruit their returnees quite easily. We anticipated that that would happen. 2014 dipped and the core of our customers remained with our business model. In 2015 we had a small number of farms return but similar sorts of numbers. In 2016 we saw a significant increase in both customers and those orders being placed. That would give the perception that they were struggling to get supply themselves, or it was just easier to outsource this. As I referred to earlier, for 2017 we are already 30% up on where we were at the same point at the end of last year. So our guys who are recruiting directly are finding it immensely difficult to do so.

Chris Rose: I wish we could forecast the weather as accurately as we forecasted the labour situation from the end of SAWS, because what growers felt was that it would be all right to start with but each year would get progressively a bit more difficult. I remember it being said: "2016; that is when it is really going to hit." We knew nothing about Brexit at that time. It has been the case. It has got progressively more difficult—2016 particularly, with what has happened with the living wage. I do not want to go into whether we should or should not be paying the living wage. It is great and we need it, but growers said, "We cannot afford to continue making up the money on workers who are not working fast enough, so we will have to be tougher and spend less time making money up and lose workers more quickly." Some growers were starting to over-order, expecting some wastage. That, combined with a cold, wet spring, meant that the atmosphere on the farms at the beginning of 2016 was less good than it had been in previous years. Throw in 23 June and it made for a very difficult year.

David Camp: Echoing what has been said, our members were saying, "Yes, we will be okay in 2014", and it was. It was okay in 2015. We just



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about made it in 2016. Only a couple of months ago, we changed our policy. Prior to that, we had not been stating that we believed there was a need for the reintroduction of the seasonal workers scheme. Now we do believe that there is a need for the reintroduction of the seasonal workers scheme for this season.

Q84 Ms Margaret Ritchie: The Government expected that closing this scheme would lead to greater employment of UK residents. Has that been the case?

David Camp: When the scheme closed, there was a DEFRA-convened SAWS transitional working group. A number of members of that undertook extensive programmes to seek to recruit British workers. John was one of those. Other members did. In all the experiences, they were successful in recruiting a handful of British workers, when in reality tens of thousands of workers are needed.

Q85 Ms Margaret Ritchie: Chris, in relation to the expectations of the Government, do you think that it led to a greater employment of UK residents?

Chris Rose: No. It did not in my experience at all. I echo what the others are saying. The larger businesses were better equipped with HR departments to make greater efforts to try to employ local UK labour. I know of one example where a lettuce-grower took on 25 people. They offered a salary of £25,000 and said, "This is a permanent job." It was all UK people, and the whole thing folded within three weeks. The last person left. It just has not worked.

Q86 Ms Margaret Ritchie: What do you think, John?

John Hardman: We certainly would not try to enter into another welfare-to-work scheme. The other issue that has not been pointed out is that if you have a workforce of 350 strawberry-pickers who are a mixture of Romanian and Bulgarian, it is very difficult to integrate British people into that workforce. I will point out that there are quite a lot of the UK workforce who work on farms, and they are referred to as hedge-hoppers, because if the welfare people are seen arriving in a transit van, amazingly enough they jump over the hedge and over the dykes to get away. These are entrepreneurial welfare claimants who are working. If you go to Cambridgeshire and south Lincolnshire, that is a problem, as is illegal gangmastering. That is a black market there. Yes, they are GB people who are working, but just not legally.

Q87 Chair: We learn new expressions every day, do we not? We have learnt "hedge-hoppers" today. If we say to the Government that we need a new form of the seasonal agricultural workers scheme, in your view what needs to be added and subtracted to it, and how as a country can we be sure that, if they come in, they go again? That is what the political issue is all about, to put it bluntly.



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John Hardman: The SAWS previously worked very efficiently. It was exceptionally well run by the Home Office. We had one point of contact. We counted people in and counted people out. If those people were not counted back out, then they became technically an illegal and they would not be returning for any work. That was incentive enough to be able to count everybody in and everybody out. I do not know what our attrition rate was over the period we had SAWS, but if it is more than five people, I would be very surprised, out of hundreds.

Q88 **Chair:** In your view, the seasonal workers system could be resurrected, then, and the Home Office should not have too much of an objection. It will be interesting, when we get the Home Office Minister in, to see what the Government's attitude is.

David Camp: I think there will be less objection to such a scheme than to other schemes because the numbers will not add to net migration flows, which I know is an important political consideration. That will overcome one of the most significant hurdles. The previous seasonal workers scheme was very popular with farmers. There are certain improvements that can be made to the detail of it, which is probably not for this Committee, but in essence, yes, it was a good scheme. It ran for many years. There was, as far as I am aware—I do not have statistics on it—little evidence of individuals disappearing into the black economy, such as there has been with student visas and the like. It was a robust scheme.

Q89 **Chair:** If you were looking for workers outside of Europe under a scheme, you were talking about Serbia and Bosnia and possibly Ukraine, and would it even be Russia?

John Hardman: I think if it was our utopia, we would have a mixture of Belarussians, Ukrainians and Russians. They work exceptionally hard. Our growers would fall over themselves to come to us and say, "Yes, supply us with those people." Obviously with all those countries there are political implications that are rather serious.

Chair: Of course. I was going to say that some of those countries are interesting at the moment.

David Camp: Just to add to that, it might become relevant or a consideration in future trade negotiations as to which countries we have such arrangements with. There was an added benefit to the old seasonal agricultural workers scheme when students from agricultural colleges were used, in that it developed strong, long-lasting ties between UK agriculture and farms and the agricultural sectors in those countries as well.

Chris Rose: Can I just make a point quickly, going back to what Chris was mentioning earlier. At that level, it is economic. We had people 15 or 20 years ago from Poland who were very hungry for money and would work very hard. I remember asking one girl why she was working so



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hard. She said, "I am working for my nine brothers and sisters as well as for myself." I visited her home and her parents' life had been completely changed by that experience and by the money she had been able to bring back. That is not the case so much now. It is not the case for Poland at all now, and it is less the case for Bulgaria and Romania. It would still be the case with Ukraine, for example, so there are some hungry people who would work really hard.

Q90 **Chair:** So you think there is an available workforce in Russia and Ukraine, do you?

Chris Rose: Yes, that is our understanding.

Q91 **Chris Davies:** That could of course help with world relations. Even not mentioning the "Trump" word, that would help Russian relations. It is quite interesting. Fifteen years ago, Brexit was not even being talked about or thought about, so it was a very different world from what we have now. Just because their enthusiasm is perhaps not what it was, that does not necessarily mean it is a Brexit argument; it just means their whole way has changed.

You said you were struggling at the moment for agricultural and horticultural workers from abroad. I suppose you are up against people who came over for the building world and people who came over for the hospitality industry. How much of a factor is that? How is your competition in other sectors to get foreign workers over here?

David Camp: There is competition from everywhere. There is competition from other EU countries; that is the first one to get over. There is then the competition from other sectors. Working in a Starbucks is rather more comfortable and warmer than working out in the fields. You are competing against sectors that can give you regular, permanent work. You are in a country now that has the highest employment levels that we have ever experienced in our lives. Whether we say we are in a full employment economy or not, there are lots of vacancies. The job boards post over 1 million vacancies in the UK at the moment.

Chris Davies: That is the Government, some would say.

David Camp: There is huge competition. When it comes down to individual farms, as Chris said, you have to be a good place to work. You have to have good accommodation. You have to treat people fairly. It has to be a nice environment, and somewhere they want to work and come back to. It is fierce competition for these workers at the moment, and you are in competition with everyone.

Q92 **Chris Davies:** Are you holding your own?

David Camp: We are blessed with the best labour providers in any sector. They are pulling out all the stops.

Chris Davies: He is earning his money.



John Hardman: I might renew my subscription.

Chris Rose: We are in a period of uncertainty, of course. We may be holding our own but there is less certainty as to whether we are and a lot of trepidation about the coming season as to whether we will. It is one thing to say, "We think we are here" but it is a big concern. One of the attractions of a SAWS-type scheme would be that if people were given visas, as before, to work on that particular business and no other business without that visa being officially transferred to another business, there is no freedom of movement; there would not be that leakage into other sectors. We would be able to plan our labour force.

David Camp: On a serious note, the cost of labour has gone up because of the national living wage, auto-enrolment and the forthcoming apprenticeship levy. The competition has put up labour costs, and the cost of finding workers has gone up. The ideal for a labour provider is that all these workers come to you. They walk through your door and say, "Have you got a job?" That is easy and it costs nothing. Where you have to go into other countries, spend money on advertising and invest in people to go around putting up signs, posters and vacancy notices, go on to all the websites advertising, and go into hard-to-reach communities in Bulgaria and Romania to engage with whoever, to find parts of these countries we have not yet tapped, that all adds to the cost of workers. As well as not having enough workers, we are seeing a significant increase in labour costs as well.

Chris Rose: In 2009, I was working with a labour provider. We were in Poland and had 100 people in front of us. We gave them a presentation showing exactly what the work was like and 20 people got up and walked out the door. We said, "Great. We have lost the 20 people we didn't really want, who didn't really want to do the work." Labour providers now in those countries—in Bulgaria and Romania—are less likely to do that because they need those 20; we just cannot afford to lose people. There are not enough. The calibre of people we are getting is declining, because we have to take more of the lower level. Would that be a fair comment?

David Camp: It is very important that labour providers give an accurate picture of what the work is. Certainly they would not mis-sell because that could come back and really backfire. The difference is that where the clients might have set the previous threshold for a level of English language speaking, then that level is getting lowered. We are seeing workers with less English skills being taken on and businesses having to adapt as best they can.

Q93 **Chris Davies:** That is interesting. Just as an aside, 18 months ago you could have been sitting here telling us that the minimum wage was the worst thing for your industry and that your industry was not going to survive on the minimum wage. Have we moved on from that completely?



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Chris Rose: That is a good point. Personally, I had mixed views about the living wage at the time. Eighteen months ago, I would have thought we are going to need this. The better workers are already able to earn above the living wage. Yes, it is a fair point.

Chair: But surely without the living wage we would be in an even worse situation to get labour, for the simple reason that when they convert back, there will be even less conversion.

Chris Rose: You could argue that the living wage is not relevant, because we are having to pay a lot more already.

Chair: That is your view. You reckon that you are paying above it.

John Hardman: If you look at someone who is on piece rate with strawberries, they will definitely be earning well above the national living wage because the more efficient you are, the more you earn.

Chris Rose: Of course what people cannot do—and I am not saying they should be able to—is, if you go back to the original days of piece work, you picked so many trays of strawberries, apples or whatever, and you got paid for that. If you did not work, you did not get paid anything. Piece work, as soon as we had a national minimum wage, went out the window because you have to make up the money to the national minimum wage. That is right and proper—I am not arguing against it at all—but it does mean that as an employer you can pay over the living wage but not beneath it, so the average has to be above it by definition, does it not?

David Camp: If 30% of the workers cannot reach that level, you cannot use that 30%, whereas previously you would have been able to. You could pay them for whatever they picked. There is a limitation on workers through that aspect as well.

Q94 **Ms Margaret Ritchie:** What should the Government's policy on agricultural labour be post Brexit, or what should it look like?

John Hardman: A curve ball.

Ms Margaret Ritchie: Our job is one of scrutiny and probing.

John Hardman: Brexit or no Brexit, our issue as an industry remains the same: we are running out of people. We would like to see more post-graduates entering the professional side of agriculture and horticulture, because it is a delightful industry to work in. Very simply, we do need a replacement seasonal agricultural workers scheme of some shape or form. Post Brexit, all the EU countries are opportunities from which to source. Potentially, that gives us a wider pool of people. If we look at Russia, Ukraine and Belarus, as well as Europe and Serbia and Bosnia, the answer is yes. It is a very difficult question on which to give a potted answer, but there are unquestionably opportunities post Brexit.

Q95 **Ms Margaret Ritchie:** Before I go on to Chris, a little supplementary



question: what support do you think the Government should, could or can give industry to help businesses transition to higher pay and better working conditions for agriculture workers?

John Hardman: By positive and motivational training.

Q96 **Ms Margaret Ritchie:** Chris, what do you think about the post-Brexit situation and then how the Government can help businesses?

Chris Rose: I will start from a different angle. The Government—UK plc, if you like—have an opportunity to take control of UK horticulture, to make sure that this dynamic sector that ticks so many boxes, that feeds the healthy diet that we need, that will help the obesity crisis in the NHS, provides real employment and so on, can continue to grow in the way it has been in recent years. We clearly need the labour to be able to do it, because the alternative is for the industry to be decimated and for all of that to go abroad, with all the consequence with relying on imports. If we take that as a vision and say that makes sound sense, then the Government need to work with the industry.

There are lots of industry bodies that could come together with the Government to put together the most effective scheme. It may be dynamic; it does not have to be set in stone for the next 10 years. The Government need to understand, as this Committee is understanding, the labour issues that we have so that we can work together. I think a SAWS-type scheme is the obvious short-term solution. The long-term solution, for what it is worth, could well be robotics, but that is not medium-term; that is long term.

David Camp: I will try to say a lot very quickly. The UK food industry is a very competitive industry. We have been driven by years and years through supplying a group of supermarkets. Productivity has increased in the last five years by 11%, compared with the national average of 0.5%. The food industry is absolutely crucial to food security, as we have seen by the dearth of iceberg lettuces on our shelves just recently.

What do we need to do? We need to give early security and certainty to the EU nationals working in our industry. We need to provide as close as possible to free movement for EU workers. We need to reintroduce the seasonal agricultural workers scheme. There needs to be a quid pro quo for those businesses using the seasonal agricultural workers scheme, in that they should engage with some programme of bringing harder-to-reach British nationals back into the world of work.

There needs to be a new inquiry into skills shortages within the food industry—those skills that we need to go outside of the EU to source. For those businesses that need to take advantage of such a sector-based scheme—a shortage occupation list—there should be evidence that they are using their apprenticeship levy to reskill or to upskill current British nationals into those shortage occupation lists.



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A number of people have said this: we all need to pull together. There are some very good initiatives out there supporting UK food and agriculture. We see good coverage on the TV of what the world is like in our sector. We need to bring it together into one consolidated campaign to promote our industry to young people and to the working population at large.

Q97 Dr Paul Monaghan: We have touched on this issue earlier. It does seem that the UK Government would like UK-resident staff to fill the gaps in the agricultural sector. They have been absolutely clear about it. Is that feasible?

David Camp: No.

Chris Rose: I cannot say that I can see any different—no.

John Hardman: I will choose my words carefully, because I find this very emotive: no, not at all. Another issue is that the difference between what people actually get on welfare and what they take home in their pockets is not a big enough incentive for them to come off welfare. I am not going to say any more.

David Camp: Just to add to that, the acceleration of universal credit and the ability to mix benefits and work in a more flexible way than is currently possible may benefit that, but to what extent I am not sure. I do not have a feel for what difference that would make.

Dr Paul Monaghan: It does not sound like you hold out much hope.

David Camp: You always have to have hope.

Q98 Chair: They say that necessity is the mother of invention. Therefore, if what you are left with is that there is not as much labour that you can get from across the water, or wherever it might be, you have to deal with British labour, do you not? Do you have any contingency plans as to how that is going to work?

David Camp: I do not have any up my sleeve, but business will not just give up the ghost. Certainly, the difficulties in sourcing labour and the increase in the cost of labour change the equation for the return-on-investment decisions for mechanisation. More likely is increased overseas sourcing. The networks are already there and the businesses are already there. They source at times of the year when UK production is not available. Ukraine markets itself as this great new hidden opportunity where labour costs are significantly lower. As we have seen, many food companies—not to mention any chocolate companies—have closed UK production and switched it to Poland and elsewhere.

As you can tell, we are passionate about the UK food industry and we want it to remain the UK food industry, but business is business. However, if it does not have a workforce, or it does not have a workforce it can afford, then it looks for other opportunities



Q99 **Chair:** John and Chris, would you echo that?

Chris Rose: I would echo that. If you are trying to grow crops in a desert, you either bring water to the desert or take the production to where the water is. The same applies to labour. If you cannot get the labour in this country, the production will go to where the labour is. That may be that British businesses set up in Poland or wherever. There are plenty of larger businesses in the veg sector that are already in Spain. It would be a small step to be in a northern European country as well, which would be very sad.

Chair: We do not want to export our industry, basically. You are saying that quite clearly.

John Hardman: Just to add to what these guys have said, we have quite a big tennis tournament that we hold in London, which is quite a big global brand. At the moment, those strawberries that are eaten by everyone at Wimbledon are picked pretty much by eastern Europeans. I do not want to see production of the strawberries that go to that tennis tournament go somewhere else.

Chair: That is a very good note on which to end: Wimbledon and strawberries. Can I thank you very much for some very good evidence? We have had a very good afternoon. It will give us plenty of meat to present to the Ministers when they come. Thank you very much for your straightforward and open evidence.