

Environment, Food and Rural Affairs Committee

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

Wednesday 15 March 2017

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

Questions 212 - 333

Witnesses

[I:](#) George Eustice MP, Minister of State, Defra; Mr Robert Goodwill MP, Minister of State, Home Office.

Examination of witnesses

Witnesses: George Eustice MP and Mr Robert Goodwill MP.

Q212 **Chair:** Good afternoon, Ministers. It is good to see you both. It looks as if you are well supported by your civil servants. For the public record, you had better introduce yourselves, although we probably know who you are.

George Eustice: I am George Eustice, and I am the Farming Minister.

Mr Goodwill: I am Robert Goodwill, the Minister of State for Immigration in the Home Office.

Q213 **Chair:** It is good to have you both here, and it is good to have Robert here. George is a frequent visitor to this Select Committee, and he is most welcome, but it is good to have a Home Office Minister here today, because naturally we are talking about labour constraints, especially as we move towards Brexit. My first question is this: what is the Government's estimate of the shortfall in agricultural workers this summer? Do such statistics exist?

Mr Goodwill: Maybe I could give a few statistics to put this into context. We are all aware that, following the Brexit vote, there were a lot of



stories running in the press, with indications that large numbers of EU nationals were leaving the UK and that there would be a major crisis in agriculture, with food left rotting in the fields. Obviously, we took that very seriously. The agricultural industry is very important, not least to myself, declaring my interest as a farmer and a member of the National Farmers' Union and the Country Land and Business Association. It is something I understand all too well.

Following that, I had a number of meetings with NFU representatives. Minette Batters came. I have also spoken to Meurig Raymond, the president of the NFU. We took some of those claims with a lot of concern, because we understand, particularly in the intensive horticulture and food processing sectors, how reliant they are on labour. What has since transpired is that the stats do not bear that out. The most recent labour market stats, which came out recently for the year ending 2016, show that, for example, looking at Bulgaria and Romania, which are the two countries from which large numbers of people come here, we have seen a year-on-year increase of 82,000 workers; we have seen an increase from 204,000 at the end of 2015 to 286,000 at the end of 2016. To put that further into context, if you go back to the end of 2013, we have seen an increase from 130,000 to 286,000 at the end of last year. That is a 120% increase, and over the last year we have seen a 40% increase. It is not borne out by the actual stats.

Q214 Chair: What about other countries, such as Poland? I suspect you might be picking on the statistics, dare I say it, Minister, that suit your argument.

Mr Goodwill: For the EU 8, which are the eastern European accession states, at the end of 2015 there were 972,000 people here working in the economy. At the end of 2016, there were 1,013,000. That is an increase of 41,000 in total. As you can see, we have seen an increase, but particularly in those two member states from which large numbers of people come and work in agriculture.

If you look at the other figures, which are probably less able to stand up statistically because they are based on the international passenger survey—the stats that we announce every quarter, which everybody gets very excited about—you may recall, Mr Chairman, that we saw a drop in the year to September 2016 of 49,000. That is the first major drop we have seen. However, that was almost entirely due to fewer people being recorded as coming from outside the EU. For the first time, EU migration was ahead of non-EU migration.

Indeed, if you look at the EU 2, we saw a net migration of plus 16,000 in the year to September 2016. Of course, this includes the first quarter post the Brexit vote, that quarter when we were told lots of people were leaving the country. Both the labour market stats and the net migration stats seem to stack up and put us in the position to not put too much credibility on those early stories, of which one or two cases were reported in the press. Although we have kept this under review, the stats do not



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bear it out. We will of course continue to keep all this under review as the next set of labour market stats come out and we get the next passenger survey.

Q215 Chair: Your figures are interesting, because they show how reliant we are on a great deal of labour coming into the country. I have talked to several in the industry—I was talking to some this morning—who largely accept that the situation at the moment is tight but they can manage. The issue is now that, as article 50 is likely to be invoked at the end of this month, we will see a tightening in the labour market. We have taken evidence from individuals who are bringing in labour from central and eastern Europe, and they find they have to work harder to get that labour here.

The argument now is that, to some degree—I am not necessarily disputing your figures—we will want a system of getting seasonal workers and others in. How quickly can the Government move to that situation? At the moment, you are being a little too complacent, dare I say it. Governments, bless them, of whatever colour, do not move very fast, do they? Somebody told me it would take 18 months to get a system in place. You are going to move like lightning, are you, Minister?

Mr Goodwill: This is evidence-based policy, which could never be described as complacency. Indeed, we took the claims from the NFU and others very seriously, and the figures that they quoted us said that they would need 80,000 people in 2017, rising to 95,000 in 2021. The figures I gave you earlier, Mr Chairman, show that those sorts of numbers are still coming through.

It will not take 18 months to bring in a scheme, if indeed we need to bring in a scheme—at the moment, we do not believe that we will. We do not believe that there is sufficient evidence to justify a seasonal agricultural workers scheme in 2017. We will keep this under review. Of course, as long as we remain members of the European Union—so for the next two years—we will have freedom of movement.

Q216 Chair: Yes, but freedom of movement is only if they choose to move. If they see the value of the pound dropping and the economies in their countries growing, they will not automatically come to the UK. That is where there is a bit of complacency. You still have not answered my question. How quickly can you get a scheme in place? Is it months or years? I want it on record how quickly you reckon your Department and the Government will move when it is necessary to bring in a scheme, because it will be necessary.

Mr Goodwill: Bear in mind that we have had a scheme in the past. There was a scheme, indeed, that ran through to the end of the accession period, when there were restrictions placed on Bulgaria and Romania. We have experience of operating a scheme. The advice from my officials is that we are talking about five or six months. As I said, it would be too



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late to do one this year. The stats have reassured me that we do not have a problem this year.

As we move into the two-year Brexit negotiation period, people will continue to have freedom of movement. A person coming to the UK to work in a seasonal job for, say, three or four months is probably less worried about what will happen in 2019 or 2020 than somebody who is planning to come and spend the rest of their life in the UK. It is unlikely that any of the speculation we are likely to see in the press about a post-Brexit immigration system would affect their decision to come here for a short period.

The issue of the weakness of the pound is something that, generally, my friends in the farming industry in north Yorkshire are very pleased about. We are shipping malt and barley to Germany this month and getting another 15%.

Q217 Chair: That is not the question I am asking, Minister. Stop trying to deflect the situation. I want to ask you about labour. You said six months, so therefore, if we needed a seasonal workers system in place for next year, you would have to do something by at least December this year or January next year, because otherwise the season will be gone. We have asparagus growers here that need hundreds and hundreds of workers, most of whom are central and eastern European. If we do not get them to pick our vegetables, they will rot and we will not have vegetables that have been produced in this country in the shops—we will export our industry. It is quite serious, and I know that you are aware of it, as a farmer.

Mr Goodwill: It is important to bear in mind that, in the two-year period of the Brexit negotiations, people from the countries that, in recent years, they have typically been coming to the UK from can continue to come. To have a seasonal agricultural workers scheme in that period would indicate that we needed to attract people from other countries outside the European Union. At the moment, there are very high levels of unemployment in many southern European Union countries. If the problem is that, because of the weakness of the pound, the euro equivalent wage has come down and others become more competitive, it is up to the industry to respond through the way it pays wages. I am told that many people working in piecework, in particular, are earning much more than the national minimum wage. They are very productive and skilled workers, and therefore it may be that employers in this country would need to attract them. I am not sure whether Mr Eustice would like to comment.

George Eustice: The exchange rate issue is a point, because anecdotally I pick up a concern from farmers that the fall in the value of sterling makes it less attractive, but it is only 12 months ago that I was being told by farmers that there was no way they would be able to cope with the national living wage and the trajectory of that, rate-wise. The important thing about a falling sterling exchange rate is that it leads, pretty much



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across the board, to a firming of farm gate prices. Therefore, farmers have had a respite from the pressures on commodity prices, and, in some horticultural sectors, their relative competitiveness versus Spain, France and others in the produce sector has strengthened.

This probably puts them in a better position to pay that national living wage, and the national living wage, on the comparisons done about 12 months ago, put the UK near the top of the table in terms of the wages being paid across the European average. The fact that the exchange rate has gone down probably means we are not quite as close to the top as we were, but we would still be in a place that is at least affordable and means our industry is competitive.

Mr Goodwill: Of course, the competition from southern Spain and elsewhere is 15% more expensive, because of the weakness of sterling. In some ways, the UK industry is in a good competitive position, and therefore may be in a position to respond to any labour market challenges.

Q218 **Chair:** Your answer, Ministers, is that you expect all those growers just to pay more wages in order to get the labour. Is that what you are saying? I do not suspect that many of them will be hugely enthusiastic about your ideas.

Mr Goodwill: We operate in a market economy. Employers need to respond to supply and demand.

Chair: I accept that their returns are probably better, so they should be able to pay more for the labour.

Q219 **Jim Fitzpatrick:** Ministers, good afternoon. We want to ask specifically about the closure of the seasonal agricultural workers scheme and what happens after Britain leaves the EU. Minister, you mentioned the NFU. The NFU has asked for a new scheme to be introduced before the UK leaves the European Union. Is it just being too concerned, alarmist or not representing its members, which you are both among?

Mr Goodwill: That recognises that there is a degree of uncertainty about what a post-Brexit immigration system would look like. It would be a mistake to try to speculate about what it would be. What I can say, Mr Fitzpatrick—

Jim Fitzpatrick: That is the first time you have called me Mr Fitzpatrick in about 10 years, Robert.

Mr Goodwill: What I can say, Jim, is that we are intending, this summer, to embark on a wide consultation across the whole economy, talking to agriculture and food processing, but also the IT industry and banking—all the industries that rely on both EU and non-EU labour—to get a better picture of what their demands are. We have a pretty good handle on what is going on in non-EU migration, because people apply for visas and employers have permits to employ people. We know exactly



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what is going on. We know how many people there are, where they are working, what they are doing. In the labour market generally, where we have over 3 million EU people here in the UK, we are not necessarily sure what is going on everywhere. This consultation will enable industry to come back to us with its take on what is happening.

The one point we wish to get across is, as we move from the current position of being a member of the EU to a position where we can control numbers coming into the UK, which is central to delivering on that Brexit vote, we want to reassure industry in all sectors, but particularly the agricultural sector, that we do not have any cliff edges, any points at which there will be a crisis developing. Wherever we are now and wherever we are going to be, we need to ensure that there is a smooth transition through to whatever we negotiate with our partners across the Channel. It would be a mistake to speculate, ahead of the negotiations, as to what that specific immigration structure would be.

Q220 Jim Fitzpatrick: Are the NFU just acting as lobbyists and creating some space to make sure you are taking it as seriously as possible, or are they being alarmist, in that you do not think there is an issue and it will all be okay?

Mr Goodwill: In the autumn, I read the coverage in *Farmers Weekly* and elsewhere about food rotting in the fields. When I met Minette Batters, we talked very seriously about this potential crisis. Subsequently, the stats that have come through from the labour market and net migration figures show that some of those early stories have proved to be a bit of a scare story, based on specific people saying, "I am going because of the Brexit vote." Looking at the labour market position now, we have not seen people being deterred from coming here. Looking at the economic position in the rest of Europe, we still see very high unemployment levels, particularly youth unemployment levels, in many southern European Union countries, from which people have traditionally come here to carry out this migrant work.

Q221 Chair: Minister, can I make perhaps a political point? There is an argument that, with the Brexit vote, there are quite a lot of people who voted for fewer people to come into the country. The trouble is that industry needs as many, sometimes more. We are a little worried that there might be a political idea that we go very slowly on bringing in systems, because all the figures you have spoken about this afternoon talk about the amount of people coming into the country going up. A lot of the people voting in the referendum wanted the number of people to come down. How are you going to square that circle? In your great glee about the figures this afternoon, are you actually going to say, "It is all wonderful," but in the end not do anything about it, because you actually want to see those figures fall?

Mr Goodwill: It remains the Government's position that we wish to reduce net migration to the tens of thousands, not the hundreds of thousands. I said we had a 49,000 drop in the most recently published



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figures, so some progress has been made in the non-EU area of migration.

Q222 Chair: When we leave the European Union, technically speaking, if we bring in a million people—I do not know that we will—that will all be net migration, surely. How on earth can you get to tens of thousands of people coming in? It is just not practical. I do not know why on earth we as a Government have got ourselves back on that hook, because we are never going to deliver it, or are we going to export all our industries that need this labour?

Mr Goodwill: It will take some time.

Chair: Take some time, Minister? It will never happen in our lifetime.

Mr Goodwill: Let me put the figures into context, if I may. We are talking about net migration. You can talk about gross migration and the historic levels, and we have 3.2 million people from the EU here, but the figures we are looking at are for net migration. These figures are important, because they represent the additional pressure put on local services, housing, the health service and education by people coming in.

The NFU has told us that it wants to see numbers working in agriculture increase from 80,000 in 2017 to 95,000 in 2021. That is a 15,000 increase over four years. That is a 4,000 increase in net migration for four consecutive years. Those are the sorts of figures that we can certainly work with, in terms of reaching our target of reducing net migration.

Q223 Chair: Minister, let us be fair. It is great to have them in there for the farming industry, and we very much support that, but if you take the food processing industry, if you take all the industries in this country that have imported labour, it is massive, and you know it is. That is the point I make to you. It is not going to be easy to get anywhere near. You cannot just pick on another 5,000 in farming and says that solves all of our problems, because it will not.

Mr Goodwill: It is important to bear in mind, of course, that we are talking about seasonal agricultural workers, so people who come here for less than 12 months. These people do not appear in the net migration figures, because net migration by definition represents people who have been here for more than 12 months. If the industry were to require, in the next year for example, an extra 20,000 people and they came here, picked their daffodils or strawberries and went back to Romania, Bulgaria, Poland or wherever, that would not affect the net migration figures. It is slightly misleading to say that we cannot meet our net migration targets.

Q224 Chair: I am not sure who is misleading whom here, Minister. I do not share the public's enthusiasm for having many fewer workers here, because the country, if it is doing well, needs that labour. I think most people would not actually go along with your figures. You may or may not be right, but all they see is the number of people here who are



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non-British nationals and they add the whole figure up. I do not think they do all the niceties. Anyway, I am sorry I am hogging the questioning. George, do you want to make a point?

George Eustice: I am not sure that is right. In the context of the campaign, there was a lot of concern around pressure on housing, public services and infrastructure. That, by definition, is the sort of thing caused by net migration.

Coming back to the point that Mr Fitzpatrick raised, I worked in the soft fruit industry myself for 10 years, so I was familiar with the SAWS in its early days. It is important to recognise that, when it was conceived, there were 12 and then 15 member states in the European Union, and it was a way of getting short-term seasonal labour, predominantly people from Poland, the Czech Republic and some of the Baltic states. The reality is that, by the time you got to 28 member states and all those countries were in the European Union and had free movement of people, the rationale for it had moved on.

The NFU's position has consistently been that they would have liked it to stay in some way and be rolled out to even more countries—it is not a new position for them, if you see what I mean; they have always taken that position. The truth is that finding labour today, if you are a strawberry farmer, among those 28 member states is far, far easier than it would have been 20 years ago when I was doing it.

Chris Davies: I have a point of clarity on your description, Chairman. If I am going to pick anybody up, it is in your direction. I would say you have been particularly hard on the Ministers, because in my recollection when I was campaigning—

Chair: Are you creeping?

Chris Davies: No, I am not. I am just enjoying picking you up on this particular point, as a Brexiteer. What people were clearly after was, first, that this country is able to control our immigration.

Chair: I know exactly what they were after.

Chris Davies: Secondly, it was that the immigration coming in was working people. They were concerned about people coming over and having benefits, taking houses and so on. I have not heard on any doorstep people complaining about the numbers coming in to work here, because they realise that we need foreign labour to run this country. I think you were a little harsh.

Chair: Where is the question for the Minister? You are not questioning me. We are not having our own debate between ourselves; we are questioning the Ministers. Come on; ask a question, please.

Q225 **Chris Davies:** Would the Minister agree with me that working labour is required in this country?



Mr Goodwill: I can certainly react to that. Freedom of movement is not universal freedom of movement within the treaties and the agreements. People can come here to exercise treaty rights. They can come to work, to study or to be self-sufficient; they cannot come here to be destitute. Indeed, we remove people from other EU countries who are sleeping rough, if they are not exercising treaty rights. This perception that people are coming from Europe to take advantage of our benefits is not actually borne out in fact. The majority of people who come from Europe come to work, and they come to work very hard.

The reason why we need to control net migration is the pressure, as George said, on public services, on housing, on the health service, on education. Some communities, particularly in East Anglia—Boston is the one that journalists always go to—have seen tremendous pressure placed upon them by large influxes of people.

The second important point is that we need to upskill our own people. Some of these jobs are actually quite skilled jobs. I have a colleague in north Yorkshire who has a Polish guy driving a tractor, with all the electronics. This is not an unskilled job. It is important that we look at how to upskill our own people, which is why we have the target of 3 million apprenticeships. It is about training these people. We have a fishing school in Whitby, where we train people to do those jobs.

It is important that, as we continue to develop our economy, we can make sure that our people have the jobs, with people who are out of work getting the qualifications and skills they need to start work, but also people moving up the ladder and getting better skills and qualifications. This will obviate the need to bring in labour from outside, because our own people can take advantage of the opportunities we present. It is very important that in the Budget we have the new T-levels, a technical qualification that employers understand, so they can employ British people with confidence and ensure that they will do those jobs.

Q226 **Chair:** Therefore, Minister, as we get lower and lower unemployment in the country, there are going to be more and more people to look for those jobs, are there?

Mr Goodwill: We still have people without work. We still have a number of NEETs—people not in employment, education or training—who are difficult to get to.

Q227 **Chair:** I am not saying we cannot do better, but it is this idea that there are masses and masses of people out there queuing up for the jobs that we all have in our own constituencies, in slaughterhouses, processing plants and elsewhere. They are just not there. I do not disagree with you that we need to do better, but there is too much complacency that there is this magic number of people. As many companies will tell you, some British workers are very good; others do not stay very long, for various reasons, and I will not go into those details in public, but you know them. Therefore, it is not quite so easy as to say, "There is this



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great pool of labour somewhere.” Why, if there is this great pool of labour, is unemployment falling, and why have we not done it before?

Mr Goodwill: Nine out of 10 jobs in the economy are taken by British people earning wages, building their families. There are people still who do not have work, and there are a number of reasons why that may be. Some of that is about skills; some of it is about education and training.

Q228 **Chair:** Some of it is about attitude, as well.

Mr Goodwill: That is probably more difficult to address. In my own constituency, McCain Foods is our biggest employer. There is a big food processing plant, with around 1,000 people. They have engaged with other employers in the area to sponsor a university technical college, so that those 14 to 18-year-old students can get the skills they need to go straight into the workplace. It has often been a bit of an easy option for a company to say, “We will take somebody ready-trained. We will get the plumber from Poland, rather than getting the apprentice to come and train in this company.” That has to change.

Q229 **Chair:** I do not necessarily disagree with you but, with the timing of all this, we have to make sure there is enough labour in the meantime, as we move to new policies. That is the worry.

Mr Goodwill: Let us not forget that the EU workers who are here already are the people whose status we wish to secure. We made the offer to the Commission to get this sorted out and secure the rights of the 4 million people—the 3 million here and the 1 million Brits elsewhere. We said, “Let us get an agreement so we can reassure them that their status is assured.” So far, that offer has not been picked up, but I am very optimistic that early in the negotiations we can address that and ensure that those people working in the slaughterhouses, in the fields and in food packaging feel that their future is assured and they can continue to stay and work here, contribute to our economy, and not only in agriculture but in the health service and all those other areas where they have made such a good contribution.

Chair: That is a point we would all agree on.

Q230 **Ms Ritchie:** This is a question for both of you, and first to Minister Eustice. What will the cost be to the economy of a lack of agricultural labour this year, following the closure of the SAWS programme?

George Eustice: The SAWS programme was obviously closed some years ago now and was not replaced. As Robert explained quite comprehensively in his opening remarks, the evidence does not bear out the suggestion that there is a problem, in that net migration and the number of people coming, particularly from countries such as Bulgaria and Romania, continue to rise and will do after we have left the European Union. While we are picking up some anecdotal stories, they are not really borne out by the evidence and the figures we have seen so far.



Q231 **Ms Ritchie:** Can you quantify the impact on the agricultural economy?

George Eustice: We will have figures once we have seen what has happened this season. We know the industry estimate, which is that it has around 80,000 seasonal workers here. DEFRA's estimate put it closer to 67,000, but we will know those figures after the end of this current year. We will have some projections on that, and the Home Office will have figures. Certainly, to date, there is no suggestion that there is a problem, and as Robert explained, until we leave the European Union, we still have free movement of people and people are still able to come here. Nothing has changed.

Q232 **Ms Ritchie:** As a result of Brexit, the Department will undoubtedly have done some research and some predictive research into the likely impact of Brexit on agricultural labour. For the avoidance of any doubt, Minister, can you give us those figures?

George Eustice: The figure we have from the ONS is that around 5% of the agricultural workforce—excluding the seasonal workers—is from EU nationals. That is about 20,000 people. In addition, our estimates are of 67,000 seasonal workers from the EU and around 30% of people working in food and drink manufacturing, including fish processing, which is particularly reliant on migrant labour. This is 120,000 people. We know that around 40% in horticulture, around 28% in general cropping and around 30% in food and drink manufacturing currently come from European Union countries.

Q233 **Ms Ritchie:** It would put a big dent in our agricultural economy if those people encountered impediments on their way here.

George Eustice: At the moment, there is no evidence that that is happening, as Robert explained quite comprehensively. If we reach an agreement that people who are already here have their rights respected and they stay, it would go some way, particularly on the food processing side, towards addressing that concern.

Q234 **Ms Ritchie:** You also suggested that figures will come in later this year to show the impact on the economy of the existing policies. Could you supply us with those figures in writing, at a later stage, to help inform us in this inquiry and perhaps in future inquiries?

George Eustice: I presume these figures are published periodically by the Home Office and by the Office for National Statistics.

Mr Goodwill: The labour market stats come out quarterly, as do the net migration stats. In 10 weeks' time, we will have the next lot of stats out. Of course, one point we need to think carefully about is this: were we to introduce a seasonal agricultural workers scheme prematurely, at a point when there were still people coming from Bulgaria and Romania, bearing in mind we have free movement with Europe, any seasonal agricultural workers scheme would have to look at other countries, potentially Ukraine, Moldova, Belarus, Russia and wherever.



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That presents problems in itself, given that, if people are willing to come here from Romania and Bulgaria, they will have their noses pushed out of joint by people we have gone out to get from non-EU countries. At the moment, the evidence indicates that people are still coming from Romania and Bulgaria, and we will continue to monitor the stats. We are not intending to introduce a scheme for this year, but we will continue to work with the NFU—the president has my mobile number.

Q235 Chair: There may be a perception among those from Bulgaria and Romania that, once we trigger article 50, we have Brexited and they are no longer welcome here. There is definitely a tightening in the numbers coming over, so how are you going to make sure that is not the situation?

Mr Goodwill: The statistics do not bear out the statement that there has been a tightening in the numbers coming over.

Q236 Chair: We have not invoked article 50 yet, so surely that is the issue. When we have started the process of Brexiting, will many people not think that Britain has Brexited?

Mr Goodwill: That was possibly one of the problems following the referendum vote: that some people elsewhere in Europe thought we were leaving on 24 June. It is quite clear that people will still be able to exercise their free movement rights for the two years following the triggering of article 50, and there is every reason to expect, given the stats I have seen, that they will continue to come. If they do not, we will need to look at possibly revisiting the seasonal agricultural workers scheme. However, at the current time, particularly looking at the economic situation in some of these countries where they are not creating jobs, the best option for many of these young people is to come here. As I have already said, if a person comes for short-term seasonal work, what happens in 2019 or 2021 is probably quite irrelevant to them, if they are coming in 2018 for a three-month stint.

Chair: I am interested in whether your Department can act quickly enough when this situation occurs.

Q237 Ms Ritchie: I have a supplementary question. Minister, you are aware that we are also conducting a concurrent inquiry into food waste, and as a consequence of not having a sufficient and adequate numbers of workers, we have been given evidence that there has been some loss of vegetables and fruits that are highly perishable, such as strawberries. Have any estimates been done of the impact on the economy as a result?

George Eustice: I do not think you can put that down to labour availability, for the reasons we gave. The figures do not bear out the fact that there is a problem at the moment. In terms of whether triggering article 50 is going to cause some shock, it is important to recognise that most agricultural businesses use agents and recruitment agents to secure their labour need many months in advance. If you are a strawberry enterprise, you will be thinking about picking your early strawberries



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under protection around a month from now. It is a bit late to be thinking about labour. In fact, they would have been thinking about that last autumn and securing it. Therefore, I do not think we are going to have the kind of shock people talk about. They use recruitment agencies, they know what they are getting and we have not had that kind of evidence.

Q238 Ms Ritchie: I have a short supplementary question for Minister Goodwill. You and I have had various discussions and meetings about the non-EEA fishermen who are international seafarers. The fishing industry in the west of Scotland and the County Down fishing ports rely on that labour. Has there been any progress towards a resolution?

Mr Goodwill: I am aware of the representations that you and colleagues from the west of Scotland have made about the availability of labour to work in the fishing industry. The situation is that seafarers from outside the EEA can work on vessels outside our territorial waters. What has happened is that, in some cases, Border Force has encountered vessels—the Irish themselves have encountered vessels—not only operating within territorial waters, but in some cases they have seen conditions approaching modern slavery, in terms of the conditions people are being asked to live under and the wages they are being given. We have a great deal of concern about the way people are being treated, and indeed there were some recent interceptions of vessels by the Irish, which I read about in the media.

There is a challenge for the fishing industry. When I was out there in the referendum, I did not hear anyone say, “Let us fight to take control of our seas; let us build our fishing industry, so we can employ a load of Filipinos.” They were saying, “Let us create a future for our people, our fishing families, who have worked for generations and who have not had those opportunities, because of vessels being decommissioned due to the decline in the white fish industry.” There are great opportunities. I have already mentioned that in Whitby there is a fishing school, to train people to go into the fishing industry.

The challenge for the fishing industry is to train up our people to do those jobs. There are great opportunities, and I hope that the industry can respond to that. The same would apply to agriculture, where there are skills shortages. Let us look at where our own people can be trained up. We have some great agricultural colleges, and some great apprenticeship programmes, which I think will enable our people to take those opportunities.

Q239 Ms Ritchie: I appreciate what you are saying, Minister. You gave an undertaking that you would go away, look at the issue and come back to the fishing industry. What has been the response, some three months later?

Mr Goodwill: I will get a letter to you quite soon—that is my “soon”, not a civil service “soon”—and I will copy it to the Committee, so they can be aware of it. The industry really needs to rise to the challenge of training



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our people to get into those jobs. Indeed, there is a market of 380 million people in the European Union, who can also take those jobs in the fishing industry, but they will not be prepared to sleep on board those vessels 24/7. They will not be prepared to work 100 hours a week. They will not be prepared to work under some of the conditions or for the wages that I have heard are expected of the Filipinos.

Q240 **Chair:** Therefore, you think that the industry can afford all that, do you?

Mr Goodwill: If they are fishing within territorial waters, they need to comply with our legislation. It is not about what I think; it is what the law says.

Q241 **Jim Fitzpatrick:** Robert, on what you said about the seasonal agricultural workers scheme, and recognising the difference between skilled and unskilled—obviously there are demands for both—training British people to do the skilled jobs should be priority No. 1, I assume. Accepting that, in 2013, when we had free movement of labour, SAWS may well have been redundant, because people could move and we did not need to encourage them. The NFU's position, of course, is that after leaving the EU we will need migrant labour to come in, so we will need a structure and an arrangement to organise that. Do you anticipate a new SAWS after we leave the European Union for EU residents and people from other countries not within the EU to come in, given that, as the Chair has outlined, British agriculture says it is going to need to import labour on a seasonal basis at least?

Mr Goodwill: As we start the negotiations, it would be premature to speculate too widely on what may or may not be the situation at the end. Bear in mind that we have made clear our wish to have an immigration system that enables us to return net migration to sustainable levels; that is the tens of thousands, not the hundreds of thousands. We also need to respond to the needs of industry, which is why we are having the consultation over the summer, across the whole economy, to get a better picture of what the requirements of industry may be. We need to get the best deal for Britain and a deal that delivers on those two objectives in parallel.

Q242 **Jim Fitzpatrick:** I am still having some difficulty reconciling the Chairman's comments with your stats. The statistics demonstrate that there has not been a reduction, but the evidence we have taken in other sessions from the recruitment agencies that are supplying agriculture is that there has been a reduction in numbers of people wanting to come here. The NFU are asking for the introduction of a new scheme before we leave the EU. I assume you are not tempted by that at all, because your stats say that we are getting enough raw labour coming in to fill the jobs.

Mr Goodwill: I am reassured by the most recent stats from the labour force survey, and I suspect that when the NFU look at these in some detail, they may be slightly more reassured than they were that people are still being incentivised to come to the UK to work. A year-on-year



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increase of 82,000 Romanians and Bulgarians—a 40% increase in 12 months—does not show people being deterred from coming to the UK.

Jim Fitzpatrick: I am sure our Clerks will be reconciling the figures so that, when we arrive at our conclusions, we can compare the two different statistical bases and make a conclusion from that. Thanks, Robert. That was very helpful.

Q243 **Chair:** There is an argument that the figures are standing up better than many thought, but we are worried about whether you will be able to act quickly when those figures suddenly drop off. I suspect they will, and it is no good you just saying, “Well, they will carry on”—they will at some stage, and that is the issue. Will you be able to move quickly enough to get workers here? Otherwise, we will lose our industry. It is as simple as that.

Mr Goodwill: I am not sure what evidence you have, Mr Chairman, to support this prediction that numbers are suddenly going to drop off. There are jobs available here in the United Kingdom and there are unemployed people in their tens of thousands in other parts of the European Union. We have created more jobs in the United Kingdom since 2010 than the rest of Europe put together. We are a successful, enterprising economy, doing all the things that the previous coalition Government and the current Government have done to make us competitive.

There are opportunities for people here, and they have taken those opportunities. There is a big pool of unemployed, unskilled labour out there. Indeed, in some cases we have quite skilled people coming to do unskilled jobs, because they cannot find the skilled positions in their own countries. I am optimistic that the UK will continue to create jobs and that that will, indeed, create opportunities for people to come. The opportunity of Brexit gives us the chance to control those numbers in a sustainable way, in terms of our public services and our housing.

Q244 **Chair:** I agree with you, but the key is that, as we Brexit and there is no longer an automatic right for these people to come in, you are ready to have all these schemes in place to allow the workers to come in, whether they are coming from Europe or elsewhere. It is no good just saying that it is all going to be fine. Is it going to be fine, and will you be fleet of foot and move fast enough so that the industries do not get starved of labour?

Mr Goodwill: I will give some reassurances. The first is that, whatever the final outcome of the negotiations in terms of the way that the labour market migration happens—in both directions, because British people work elsewhere in Europe—we want to avoid any cliff edges, such as the sort of scenarios you paint. Secondly, we need to continue to remind people that, as long as we remain members of the European Union for the next two years, people still have freedom of movement to come here. Bringing in a seasonal workers scheme for people from countries such as Ukraine, Moldova and the rest would not necessarily be seen as wise, if in



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retrospect we found we had competition from the Romanians coming here to look for work when there was a Ukrainian already doing the job. There are some reassurances I can give out there.

The final reassurance is that we stand ready. If we need to bring in a scheme, that can be done in a matter of months. We continue to look at the stats and to engage with Minette, Meurig and the rest to ensure that we are aware of what is going on. If there is any information—any hard stats—that comes to the attention of this Committee, please feed that into DEFRA and the Home Office so that we can be aware.

Chair: We will, Minister; have no fear of that. Any statistics you have to reassure us would also be useful. I suspect we will have to move quite quickly when the time comes.

Q245 **Rebecca Pow:** Welcome, Ministers. The statistics about the 200,000 migrant workers we rely on, and the fact that there is a problem recruiting them, are interesting, because of the evidence that has been brought to this Committee. For example, Cobrey Farms quoted that they had to speak to eight people to get one to take a job. Another piece of evidence was from the Association of Labour Providers, which said it is getting much harder to attract labour to their farms, horticultural businesses and the rest of it. In order to make them stay or take the jobs, they have to pay them more, and they are working longer hours. I wondered whether you might comment on this point. Is that not putting added pressure on our agricultural sector, because it is pushing up all their costs, and they know—perhaps George Eustice would like to answer this—that coming down the track is potentially less financial support for them? These are all things that have to be thrown into the mix.

George Eustice: Given that we have free movement of people and they can still come here, I am not sure that the problem is so much down to Brexit. It may be.

Q246 **Rebecca Pow:** They are quoting a general unease. They are obviously noticing it on the recruitment side.

George Eustice: You sometimes find, though, as the agricultural industry have said for a number of years, that they do the recruitment work to get people here, who will work in the industry or the enterprise for a few weeks or maybe a month. They find it is quite hard work and it is relatively easy for them to get jobs in other, easier sectors, maybe in catering or construction, where they might be paid a bit more than they were being paid in agriculture and where the work might be easier. It is wrong to look at this straight through the prism of the decision to leave the EU. There has also, for some years now, been a growing tendency of farm businesses finding it difficult to retain staff on-farm. This comes back to the point that Robert was making earlier, which is that it is a competitive market. If you have complete free movement of people, you cannot force them to work in a particular industry; they can come and



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they can do whatever job they would like to do. That has been another dimension to this.

Q247 **Rebecca Pow:** Would that not mean we have put too much reliance on migrant labour in the agricultural industry? How have we allowed that to happen, and how will we be affected in future if that migrant labour has to be reduced?

George Eustice: We have had for many years quite a dependence on seasonal agricultural labour from other countries. We had schemes, for instance, for Commonwealth countries as well. It was quite common in the past for South Africans, Australians, New Zealanders and Canadians to come and do seasonal work in the UK. It is less so now than used to be the case, but up until 10 or 20 years ago that was quite common. There is a longstanding tradition of this for seasonal labour.

What is definitely new, if you look at the food processing sector, in particular meat processing and the abattoirs, is a growing dependence on migrant labour from the European Union. That is quite new. It started to develop as a trend only after the major accession, 12 or 14 years ago, when we had Poland and others join. Prior to that, a slaughterman in a local abattoir was typically somebody local. Now it is the case that most of them come from the Czech Republic or other eastern European countries.

Q248 **Chair:** The vets in the slaughterhouses are also nearly all foreign.

George Eustice: That is also a trend, yes, which is partly linked to the fact that, if you go back some decades, you did not have full-time vets at every abattoir. They would do maybe two days a week there, and often the norm was that the local private vet, who would do cats and dogs or farm animals by day, would do a rota in the local abattoir as well. Once you make it a full-time, professional position, it changed, and understandably, for people who studied veterinary science, their dream job was not necessarily working in an abattoir, dispatching animals. In Spain, in particular, some of the veterinary colleges run models dedicated to slaughterhouse veterinary science.

Q249 **Chair:** One pet subject of mine is that the French have veterinary trained meat inspectors, and surely there is an option, when we come out, for us to do that. If you are not careful, you expect vets to go into the slaughterhouses, you do not have the number coming from the EU, our vets, if they are available, will want more money and it will be even more difficult to keep the smaller slaughterhouses open and everything else. I do not want a long answer, but it is just something to throw into the pot, because I often think that most meat inspectors can work out whether an animal is ill, and they can call in a vet if they need to. Whether you actually need a vet all the time inspecting meat is an interesting question, I think. It is just something to throw into the pot.

George Eustice: It would be an interesting one to look to, but we have been clear and the advice from FAWC—the Farm Animal Welfare



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Committee—is that, whatever you might do in this area, it cannot be a substitute for official veterinarians, so I would not undertake such a move lightly; put it that way. This has been an important step forward to improve standards in abattoirs.

Q250 Rebecca Pow: This relates to our reliance on migrant labour. I think it was the Secretary of State, when she was speaking at the NFU conference, who said that DEFRA was exploring ways that innovation could help support our agricultural industry and business. Minister Eustice, would you say we are definitely trying to engineer a way of getting the agricultural industry to move away from such heavy reliance on labour? Would that solve one of our migration problems?

George Eustice: When I talk to some of the more progressive agricultural businesses that employ large amounts of migrant labour, they tell me two things. First of all, the industry has probably too readily accepted migrant labour from eastern Europe into some of its more senior, technical full-time roles, whether that is tractor drivers, supervisors, middle management or irrigation managers. A lot of these roles represent a good career that is well-paid and can offer good career progression.

Around 20 years ago, when you started to see the growth in some of the larger agri-businesses, the truth is that a lot of farmers' sons, who are of my generation and my age, were hoovered up into the middle management of those agri-businesses. The more progressive ones are starting to recognise that there is not another generation of farmers' sons who can be incorporated into these larger businesses, and that truthfully they have to work harder, using apprenticeships, to build career structures for those agronomists, irrigation managers, tractor drivers, agricultural engineers, fitters—the types of roles that they could do.

Q251 Rebecca Pow: As a Government, what policies are we introducing that are going to help Minister Goodwill reduce his figures for people, and us to have a successful agricultural industry, which the Government are committed to? Even today, the Prime Minister mentioned again that she is going to support British agriculture.

George Eustice: We have a manifesto commitment to treble the number of apprentices, in food and farming, and we worked with our colleagues in DfE in terms of the design of the apprenticeship levy, so that some of that can be spent by food processors in the supply chain, which we think might help smaller farm businesses take on apprentices in some circumstances. We have a big focus at the moment on driving up and improving skills, getting more people studying to level 3 stage apprenticeships.

The other side of this is the technology and agri-tech side. We have funded dozens and dozens of projects around precision agriculture, many of which are aimed at developing robotics in agriculture, to reduce the reliance on labour. It can vary from sector to sector, and it is not always



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about robotics and machines. If you look at the strawberry sector, they are doing quite a lot of work to breed strawberry plants that crop in a more condensed period, to reduce picking costs, and to expand the average size of the fruit, which reduces picking costs. It can sometimes be a plant breeding solution to reduce cost. In other situations, it can be smart laser robotic technology, which can tell whether a strawberry is ripe and pick it. That type of technology has been talked about for a long time and has always been quite elusive as a deployable technology.

There are also other things that could be done to improve the ergonomics of situations that stop short of directly picking fruit or flowers, for instance. I talked to a flower producer recently who has said that, although they will never get away from the problem of needing labour to physically pick flowers, because when a flower is ready to be picked is something you need a human to discern, they can do things in terms of handling the trays, using conveyer belts to move trays of flowers to the end of the row, to avoid people walking around. They can use quite readily deployable technology to reduce certain tasks and speed up the operation. Some of them have started to realise they could do more by way of that, and maybe they had become too reliant on doing things the same way as they had been done for decades, when a little bit of effort could help reduce those costs.

Q252 Angela Smith: Apologies for being so late. I wanted to follow up on the Minister's points about technology. We heard very much the same yesterday, George, from the Secretary of State in an APPG meeting, where she placed a huge emphasis on technology, and you have just very smoothly and persuasively presented the use of technology and other solutions as one of the ways of meeting the needs of agriculture in the future. However, this Committee heard the other week, from the NFU, that those kinds of solutions will require a great deal of investment and have a long lead-in time—you are looking at a 10-year timeframe. It does not absolve the Government of the responsibility to ensure that, as we introduce new technology, nevertheless in the meantime we do not leave the sector open to serious labour shortages.

George Eustice: I would accept that. The point I would make is that it depends on the technology. I can remember being at agricultural college 25 years ago, where people were talking about the potential for a machine that could pick strawberries. We are still not there yet, and it is still being talked about. There will always be some challenges. This is where I am a realist on this, having worked in the industry.

Q253 Chair: They do not grow so uniformly as all that, so a machine presents great difficulty, does it not? Unless it has a camera to watch where they are, it will not work.

George Eustice: That is a factor, but while you may not be able to have a fully automated harvesting system as with, say, combine harvesters on wheat or harvesters to do blackcurrants—it may not be as mechanised as that—there may be parts of the operation that could be mechanised and



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could reduce reliance on labour. As I said, in the case of some sectors, such as the soft fruit sector, genetic breeding to get a tighter harvest period can substantially reduce costs. This has already happened, by the way, in the cauliflower sector, that they now harvest them in one swoop, rather than having to harvest them every period.

Q254 Angela Smith: The cauliflower example is a good one, given the recent publicity around cauliflowers and the importation of them from within the EU. Do you nevertheless take the point that there is a long lead-in time on that kind of technological development, and it does not absolve the Government of responsibility?

George Eustice: I do not think any of us have suggested that by the time we leave the EU there will be fully worked up, fully made technical solutions to these. Yes, it will take time, and it will depend on the technology you are trying to deploy. If you wanted technology that reduced and improved the ergonomics around a flower-picking operation but stopped short of picking the flowers themselves, you could probably put those systems together with the technology we have quite quickly. If you were looking for a robot to pick strawberries, that would take longer.

Q255 David Simpson: You are very welcome, gentlemen. I am sure from the comments thus far you will have listened to the concerns. It is not only an employment concern; right across the process, farmers are in a state of flux, not knowing what the end game is going to be in agriculture per se. That is a concern. It is important that the gates are left open for immigration and workers coming into the agricultural industry. If we listen to the words of the Secretary of State, he said that it will be years and years before we get British citizens to work in agriculture, so it is important that an opening is left for people to come into the country.

Forgive me if this question crosses over some that have already been asked, but the Government have promised that key sectors of the economy will not do without labour and their needs will be met. How will you, as Ministers, meet the labour demands of the different agriculture sectors, both seasonal workers coming in for fruit and processors who are needed by abattoirs and poultry factories all year round?

Chair: There are semi-skilled workers in a lot of these processing factories. This is a bit of a longer-term question, but how do you see us getting that labour in?

Mr Goodwill: The main point to be made is that, as we start the negotiation process and, at the same time this summer, have the wide consultation across industry, including agriculture, we need to ensure that we have a migration system in place when we leave the European Union that can respond to these sorts of demands, but at the same time gives us the power, as I think people would expect, having voted to leave the European Union, to control the numbers that come here and meet our target of reducing net migration, to reduce the pressure on some of the services. I am optimistic that we can.



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Q256 **Chair:** Is it a general work permit system? Is that what you mean?

Mr Goodwill: I am not going to speculate as to what the situation may be at the end.

Q257 **Chair:** How long will it be before you have some ideas? Will you just wait until we do not have any labour and then come up with an idea?

Mr Goodwill: We have not started the negotiation yet, and it might be helpful, if you are going to play a game of cards with somebody else, that you do not show them your cards before you get to the table.

Chair: I just hope you have some cards there, but you are sure you have.

Q258 **David Simpson:** From the conversations that I have had, and I am sure others have had, right across the processing industry, they want assurances that the workers who are currently here—those who are living here, paying their taxes and whatever—will be able to stay here, which you imagine they will be getting. Whether it is a permanent system or whatever system for the casual and seasonal workers, that is a key component that needs to be addressed, because some of them have 150 people who work permanently with them and take another 200 on as seasonal workers. The flexibility and the speed of that flexibility need to be there. That is what I am getting from the industry.

Mr Goodwill: We are determined to get an early agreement on the status of the 4 million: the 3 million here and the 1 million of our people over there. While we remain a member of the European Union, people will continue to be able to exercise their treaty rights, and indeed there is no need for people to obtain additional documentation to give evidence for that. If anybody has been here for five years, they can apply for residency. There is no need to do that. I hope that the agreement we get will obviate that need, and I think it is only that the Commission fears that, if we start talking about this before we trigger article 50, we will start talking about other things as well.

I hope that it will very quickly be sorted out. We want to send a very clear message out to those people here from the European Union, who have been working here, many of whom have established families and businesses here: "You are vital to our economy. We are pleased you are here. We want to get a quick agreement to secure your status." The only situation where that would not be the case is if UK nationals living elsewhere in the European Union did not get similar reassurances.

George Eustice: Could I make a point on the processes? It is also important to recognise that there is quite a lot of variation between sectors in processing. The ones, as I said earlier, that are most dependent on migrant labour are fish processing, which tends to be quite hard work, quite cold and wet, and the abattoirs and slaughterhouses, which I appreciate in Northern Ireland is a very big industry, obviously with poultry. However, if you go to Bournville and visit the Cadbury



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factory there, or go to a plant run by a company such as Nestlé, you find a very different situation, where the reliance on migrant labour is very low. You will find large numbers of local apprentices who are attending the local college, doing courses in food processing and engineering, and learning on the job. There is a big difference. You should not look at food processing as a single entity. Sectors such as, notably, fish and meat processing tend to be the most dependent.

Q259 Chair: Minister, is there a perception, perhaps, that working in a chocolate factory may be slightly better than working in a fish processing factory or a slaughterhouse? That is the problem: the perception out there of those jobs. Is that not the problem I foresee happening?

George Eustice: Yes, I am sure that is absolutely right. It is a perception—either that, or it is a reality—that it is harder work and it is more difficult. A slaughterhouse is not everybody's idea of a job they would like to do. Yes, they have a tougher job attracting people; I completely accept that. That is similar to agriculture.

Q260 Chair: We talked about the need to increase the amount of mechanisation within the farming industry, but perhaps there is also a need to improve the mechanisation within the food processing industry, so there is not such need for manual labour. This applies also to the types of jobs. Putting it bluntly, gutting fish or slaughtering animals and cutting them up are not the nicest jobs in the world, are they? What is the long-term process if we do not have the labour for it?

George Eustice: Yes, you have put your finger on a very difficult issue, because you also need human judgment when it comes to decisions on slaughtering animals. I would not want to see a situation where it was all robotic. You need to become a slaughterman to do the stunning and dispatch an animal. It is actually a very skilled job, and you need people who take that job seriously and do it properly. I do not think that bit can be mechanised. It is certainly gruesome.

Q261 Rebecca Pow: On that point, if you are going to get this transfer to more innovation and technology, would the Government not need to be very behind it with grants and support? It is going to cost businesses a lot of money to suddenly magically transfer to all this technology. That is why lots of them have not done it already, apart from the human element.

George Eustice: Yes. As I have said to the Committee before, in terms of the context of thinking about future agriculture policy and support, we envisage having grants to support investment in the next generation of technology as being one of the areas that we would like to explore and possibly do more of than we do now, through the countryside productivity schemes. When it comes to food processing, these tend to be larger, quite well capitalised companies, which are usually listed on the stock exchange and are quite able to raise the capital they need to do what they want. The case there for government grant intervention is lower



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and weaker, and you tend to find that, if you go to most modern food processing factories, it is already incredibly mechanised. If you go to a large bread factory these days, the number of staff they employ on the plant itself is incredibly low.

Q262 **Rebecca Pow:** Ministry of Cake, in my constituency, and Ministry of Pudding, rely 90% on permanent EU workers from Romania and Bulgaria. They have not magically, mysteriously replaced them with technology.

George Eustice: It will vary from business to business. We can probably talk about that all day. I visited an Allied Bakery bread factory about a year ago, and there were no more than about 12 people on the actual plant, who were turning out something like 60,000 loaves of bread per hour. The actual cost to them was the cost of the plant, which was high, but they also had several hundred lorry and delivery van drivers to get the bread delivered. It was very interesting to see how you can have such huge variance between different plants.

Q263 **David Simpson:** On the mechanism of speeding things up and doing away with labour, in the United States a number of years ago they developed a system for the carcass of animals. When it went over the weighing machine it was x-rayed; it went into the cutting plant and the computer realised, through the bar code, and they dissected the primals with lasers. They are trying to do away with all that. You get into a problem with the laser of what its force is and what is happening with radiation. You get into that whole field. It is very difficult to cut down on labour when it comes to those sorts of processing plants.

Mr Goodwill: It is a general challenge facing the UK economy, in terms of productivity. We see growth, but a lot of that growth is down to migration and more people coming and working. The real challenge is to get that innovation, that investment. If the Committee ever goes on its travels to gather evidence, I would recommend going to the McCain chip factory in my own constituency, where they have the most amazing technology known as "automatic defect removal". You have probably 60 lanes of chips travelling at 20 or 30 miles an hour through a bank of lasers, and if they spot a defect it is chopped out by the machine. They are processing 1,000 tonnes of potatoes per day through that factory, with fantastic technology. As George said, it is sometimes the big, multinational companies that can invest the tens of millions needed to have that technology, which means they can be at the cutting edge of competition, when you have the Dutch breathing down your neck with their inferior products.

Q264 **Jim Fitzpatrick:** I am anticipating a future question, but this follows on from the discussion about the investment in technology. When the Government shut the SAWS in 2013, the justification was that it would attract UK workers, as we do not need to report. Of course, that has not been the case. Is the reality not that we subsidise farmers through the common agricultural policy, and the Government are committed to continue that until 2020, to make it viable?



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The Government's justification for the abolition of the Agricultural Wages Board was that it was an artificial obstacle to real wages, it was archaic and it had to go. The policy of the Government via the national living wage is to increase the living standards of unskilled workers. Is it not the case that we are too expectant to get cheap food, and we are not paying the rate for the job? If the rate for the job was higher, British workers would be more attracted to it.

The reason migrant workers are coming in is because, whether it is the old minimum wage or the new living wage, it is still two or three times more than they would get in Bulgaria, Romania, Poland or anywhere else. Are we too expectant to be able to purchase cheap food in our shops? Is it not an industry that needs to be recalibrated and moved up, notwithstanding the price that society will pay for that?

George Eustice: People can be quite schizophrenic about what they want on food prices. I can have a debate around how food affordability is an issue, and we all know that there are people on low incomes who struggle to afford food, so we do not want to see food prices go up in that sense. At the same time, we are very aware that in the last two years there has been a huge controversy about the fact that a bottle of milk is cheaper than a bottle of water. You can get a controversy there.

The truth is that you have to let the market decide these things, but there is an issue on labour that, if you have much lower labour costs in places such as Spain, or indeed France, it obviously puts your producers at a competitive disadvantage. It is a complex area.

A further thing is that, if you put subsidies into an agricultural system, you have to step back and ask who you are actually subsidising. Are you subsidising the farmers, or are you subsidising the landlords who charge higher rents? Are you subsidising the machinery manufacturer, who gets a slightly higher margin on the machinery?

Q265 **Chair:** Are you subsidising the price of food?

George Eustice: Indeed, are you subsidising the price of food, in that you are enabling farmers to produce food at a lower price?

Q266 **Chair:** Governments do not like high food prices, do they, Minister?

George Eustice: They do not, although there has been a growing demand—

Q267 **Chair:** Farmers like higher food prices, because they like to get their income from the marketplace. It does not always work well with Government, because immediately the consumer has to pay more for his or her food.

George Eustice: It does not always work well. Food prices tend to be driven by global commodity markets, which in turn are heavily linked to energy prices and exchange rates. We saw a big spike in food prices in 2008.



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Q268 **Chair:** Because of the exchange rate.

George Eustice: It carried on until around 2014. Food prices have actually gone down by about 7% since 2014.

Q269 **Chair:** They have started to go up now.

George Eustice: They have now started to turn again, as the result of exchange rates.

Q270 **Jim Fitzpatrick:** Was the expectation that UK workers would fill the vacuum created by the closure of SAWS too ambitious or too optimistic?

George Eustice: In my recollection, because I came into this role just after SAWS was closed, the crucial argument was that, after the enlargement of the European Union, particularly with Romania and Bulgaria joining, SAWS had almost become redundant, for the reasons I said earlier. It was conceived in an era when most European countries were not in the EU, and it was to give access to predominantly student labour from Poland, the Czech Republic and the Baltic states. Now, when you have an EU 28, the rationale for a SAWS has ended.

Q271 **Chris Davies:** Good afternoon, Ministers. There is a perception and a move out there to try to get the Government to say how many skilled and unskilled workers should come into this country, but do you not feel that we need as many as we need and we should not put limits on how many we need?

Mr Goodwill: The consultation we are going to engage in this summer will give us a better picture of what the demand for labour is, and we will then be in a good position, as we go through the negotiations, to deliver on that Brexit deal. It would be premature to speculate too wildly about what the post-Brexit immigration system might look like, but we are determined to get the best deal for the United Kingdom and, at the same time, deliver both on the referendum result and on our target of reducing net migration to the tens of thousands.

Q272 **Chris Davies:** George, do you think there should be a certain figure?

George Eustice: The old SAWS had an assessment of what the need was, set a limit and issued permits against that estimate. The problem with a very free market approach of saying, "If they can get a job, let them come," effectively, is that you then start potentially to deny people who could have a career in this job the chance to do so, because you drive down wage rates and destroy career paths. I do not think we should go to a system that is a complete free-for-all, which allows anybody who can get a job from any country to come here. We are in favour of a controlled immigration system. Having a controlled migration system does not mean pulling up the drawbridge or ending all migration; it means exactly what it says: you control it, you have an estimate of your need and you provide what you need.

Q273 **Chris Davies:** Going back to the numbers coming in, do you think there



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should be a different system for agricultural workers coming in, or should they be treated exactly the same as those coming into the tourist sector or the building sector? Are you looking at various stages and forms of immigration, or will they all be covered under one system?

Mr Goodwill: We are looking at demands right across the whole economy, but I will repeat the point I made earlier: seasonal workers do not register on our net migration figures. Those who feel that we would do something just to meet the targets are misled, because that is not something that would affect the net migration figures.

Q274 **Chair:** Seasonal workers are not part of the overall immigration figures; is that right?

Mr Goodwill: Net migration figures relate to people who have been here for more than 12 months. A person who arrives, picks the fruit and leaves within the 12-month period is not registered under the net migration figures. They are not seen as permanent residents, in the same way as somebody who stayed for longer.

Q275 **Chair:** We have just been looking at the latest migration statistics, and it looks to me like your latest statistics only go up to about three months after the referendum. Is that correct?

Mr Goodwill: Yes, the net migration figures are the 12 months to September 2016.

Q276 **Chair:** Right, let me stop you there, because the evidence we took was in January of this year, so your figures are four months out of date.

Mr Goodwill: The labour market stats are to the end of December 2016, which are the more accurate stats, as the net migration numbers are based on a survey whereas these are hard stats. The figures I gave you at the start from the labour force survey are more accurate.

Q277 **Chair:** That is up to the end of December, is it?

Mr Goodwill: Yes, the calendar year to December 2016, for the 12 months.

Chair: We need that to be very clear for the record.

Mr Goodwill: That showed an increase of 82,000 Bulgarians and Romanians, a 42% increase on 12 months previously. This indicates that the numbers are still coming and the stories that we read straight after the Brexit vote have not been borne out in fact, but we will continue to monitor the figures and see if there are any changes. It is important that the messaging we put out reassures people that, so long as we remain members of the European Union, people still have the freedom to come here and work, and contribute to our economy.

Q278 **Chris Davies:** I am not like the Leader of the Opposition, who reads emails out from a specific John, Freddie or whatever. I will not use the name, but I have, strangely enough, had an email from a constituent and



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I thought, as I was coming here today, I would mention it. It is from somebody who is EU-born, pays taxes in this country, but tends to travel a great deal with specialist information—an agronomist type of person, say, who is giving information and is required in other parts of the EU on a regular basis. They are concerned that, with travel documents and so on, there is going to be a very long and burdensome system to travel around Europe. Are we going to try to make life easier for this type of person, who pays their taxes in this country, to travel not just around Europe, but around the world?

Mr Goodwill: In terms of our objectives in the negotiations, we want to ensure that people can do business as freely as possible, and the representations I get from my tourist industry and others around Europe are that the way people move around Europe is something we need to get an agreement on. However, we have a number of countries around the world where you do not need a visa to go. I do not think anyone is suggesting we are going to have a visa operation to travel around Europe, but, once we are sitting around the table, some of these points will be dealt with then.

Q279 **Chair:** Are we going to have free movement still, Minister? Is that what you believe?

Mr Goodwill: We are talking about controlling the numbers that come here to stay, not those who come here as visitors. Those are two completely different things, and, as we get into the negotiations, it is important that we look at that.

Q280 **Chair:** Will we have a system at the airports that is able to differentiate this? We have not been very successful in keeping out of this country people who have come from the rest of the world, let alone the EU. I do not blame you for that, because you have not been that long in the Home Office. I am not convinced we have the necessary wherewithal to know this information. We know people have come in, but we never know whether they go again, do we?

Mr Goodwill: Yes we do.

Q281 **Chair:** We have no means of testing it.

Mr Goodwill: Yes we do. The first point is that the days when the Border Agency used to wave people through when the queues got long are long gone. Every single person entering the country is checked. People from visa nations must obtain a visa, and, in addition, they will be questioned when they enter the country. The majority of EU citizens have biometric travel documents.

Q282 **Chair:** I am not arguing that they are not checked when they come in. The argument I have is that you have no means of knowing whether they have left again, and you have no means of finding where they are.



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Mr Goodwill: We have exit checks. We have 100% exit checks, which were introduced almost two years ago.

Q283 **Chair:** That is not my argument. Surely nobody looks through the figures and says, "Well, these people have come in, and they had so many months to stay here. Where are they now?" You have no system. The Australians have a system, but we do not have a system.

Mr Goodwill: We have secure borders. Every single person coming into the country is checked, either through the EU channel, through the e-gates, or through the non-EU, where visa nationals—

Q284 **Chair:** That is not my argument. I am not saying they cannot be checked on the way in, but they are not checked as to whether they leave again.

Mr Goodwill: Yes, they are.

Q285 **Chair:** They are checked when they go through the border, yes; I accept that, but only if they choose to go through the border again. There is nobody actually working out who has come in here, who is staying here and whether they have gone again.

Mr Goodwill: We have 100% exit checks, which were introduced two years ago. Everybody leaving the country has their biometric data taken, and we know exactly who they are.

Q286 **Chair:** I am not arguing that point. The point I am making is that when people come in, they are checked. They are in this country. Now, if they have overstayed the amount of time they should be here, who is making sure they have left?

Mr Goodwill: Border Force and Immigration Enforcement.

Q287 **Chair:** You are absolutely certain that they are enforcing that, are you?

Mr Goodwill: Yes, we returned 40,000 people last year, including 5,810 foreign national offenders. We have one of the most robust systems in the world for ensuring that people who overstay their visa requirements are removed, and we have had some high-profile operations in certain locations up and down the country, where people who are working illegally have been found. We have also, through numerous Immigration Acts, brought in measures so that, for example, a person with no legal status cannot get a driving licence, rent accommodation, get a job or open a bank account. It is almost impossible for a person with no legal status here to function. We have a very robust system in this country, which has moved on a long way from the days when Labour Home Secretaries had to resign because they were letting people out of prison without considering them for deportation.

Q288 **Chair:** I am very interested in all of that, and it is all down on the record, so it will be interesting to see. I am still not convinced that we know where everybody is when they come into this country and when they



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have left again. You have made a very good point.

Mr Goodwill: We introduced exit checks two years ago, and that enables us to check people out, which was never done before.

Chair: Chris, do you have any more?

Chris Davies: I was very happy with the Minister's answers.

Angela Smith: Mr Eustice has been getting away with it for a few minutes.

Chair: He was having a rest.

Q289 **Angela Smith:** I wanted to challenge him slightly on his statement that, in terms of labour, we will estimate what we need and we will allow in the numbers of people we need on that basis. Now, forgive me; it is quite odd for someone from the left to challenge someone on the right on the grounds that this sounds very much like a planned economy. How on earth can that kind of approach, which is more common to totalitarian states, work, especially given that we have Government Departments that cannot even get their economic forecasts right in the first place? How on earth can we have confidence in the ability of Government to properly estimate what we need, and what happens if it all goes wrong? This is the problem with planned economies. When the plans and estimates are wrong, it is the economy that suffers. How on earth can this be the right approach?

George Eustice: It is not a planned economy; it is a controlled migration policy. It is what every other country in the world has: a controlled migration policy. As Robert Goodwill said at the outset, they are going to do a consultation and analysis to look at where the labour needs are and in what sectors.

Q290 **Angela Smith:** How can we have any confidence in that? We can have no confidence in the economic forecasts any more, which is what this will be based on.

George Eustice: All I can say is that there used to be estimates of that sort done, when it came to the old SAWS, and in fact one of the reasons the SAWS was dropped is that there were estimates about how much migrant labour you would have coming from Romania and Bulgaria, and we knew that would provide what was needed. As I said, there are ONS surveys that show how dependent different sectors are on migrant labour at the moment, so we know what those industry needs are. It is absolutely possible to have a controlled migration policy.

Q291 **Angela Smith:** On that basis, are we going to have quotas, or are we going to have points? Who is going to decide what a skilled worker is, what an unskilled worker is and what a semi-skilled worker is? Are we going to have points or visas?



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Mr Goodwill: From an immigration point of view, it is unhelpful to speculate as to what the final deal is before we get around the table. We are about to trigger article 50 and sit around the table. We want to achieve a deal that allows us to control the numbers who come here. The consultation we are having with industry over the summer will put us in a better position to understand the labour market needs. We want to reassure industry that there will be no cliff edges. Whatever changes come in will need to be done in a way that does not provoke those issues. I am confident that we will get a good deal, in terms of the new relationship we have with the European Union and our migration system.

Q292 **Angela Smith:** Can you guarantee, Robert, that our key industries, particularly food processing in this context, will not suffer labour shortages as a result of a controlled migration system, be that a points system, a quota system, a planned economy or whatever you like to call it? Can you guarantee that there will not be labour shortages?

Mr Goodwill: It would be a mistake to speculate as to what that system will look like.

Angela Smith: Can you guarantee that this approach is going to work?

Q293 **Chair:** Further to that, I do not expect you to show your whole hand here this afternoon, Minister, but we would like to be reassured that your Department, the Home Office, is at least looking at all these systems that actually might work. You yourself do not know what deal we are going to get, so surely you have to deal with several scenarios. I would hope, at least, that you are looking at various scenarios. Are you?

Mr Goodwill: We are, and one of the most interesting aspects of the negotiation will be when we see exactly what the European Commission's opening statement is. Be in no doubt that the post-Brexit immigration system will give us the opportunity to control the numbers who come here, which will assist us in delivering on our target of reducing net migration to the tens of thousands.

Q294 **Angela Smith:** Will it guarantee that industry, particularly food processing, will not suffer labour shortages as a consequence of the Government getting it wrong? Will you guarantee that they will not suffer labour shortages?

Mr Goodwill: That is why we are consulting with industry. Any negotiated deal will need to meet the requirements of the British economy and the British people. It would be foolish to suggest anything else. I am confident that we can get a good deal. I am determined to negotiate with my colleagues in other Departments to get that deal, and that will enable us to be in a position to achieve our goals of reducing net migration, at the same time as getting a good post-Brexit arrangement.

Angela Smith: I do not think I got the guarantee I was looking for, Chair.



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Chair: We are very interested in the reduction of net migration to the tens of thousands. I would be very interested in that one.

Q295 **Dr Monaghan:** Good afternoon, gentlemen. This is a question for both of you. Picking up on the issue of negotiations, in evidence to this Committee the Association of Labour Providers noted the potential for agricultural visas to form part of the offer to companies in future trade negotiations. The question is this: what discussions have each of you had with the Department for International Trade on using agricultural visas as part of the offer to countries on new trade deals?

Mr Goodwill: That is not something I have had conversations with anyone in the Department for International Trade about. It is an interesting suggestion, and no doubt we will consider it.

George Eustice: We have not had discussions on that specific issue. We meet regularly with colleagues in the Department for International Trade. Initially they will be focused very much on what happens after article 50 and the nature of any free trade agreement with the EU. There is all the consequential work that needs to be done around WTO schedules and that kind of thing. That is the priority at the moment, because we know we will not be able to commence formal negotiation on future trade deals until we have left the EU. At that point, we can have those sorts of discussions. That is not a particular suggestion I have heard, if I am honest, but it is premature to have those sorts of discussions.

Q296 **Dr Monaghan:** Do you have any indication of which countries you might target for trade deals outside the EU?

Mr Goodwill: You have the wrong Ministers for that.

George Eustice: You have the wrong Ministers, yes. You need to get Liam Fox, I think, who could give you a rundown. We all know we could not commence any formal negotiations anyway, until we have left the European Union. Lots of countries have expressed an interest in free trade agreements with the UK after we have left.

Q297 **Dr Monaghan:** Is it the case, then, that you have not commenced negotiations with the World Trade Organization on these issues, either?

George Eustice: Again, that matter is being led by the Department for International Trade. I suspect there is technical-level consideration being put into this, but we have not triggered article 50 yet.

Q298 **Dr Monaghan:** Have either of you discussed with the Department for International Trade the opportunities in negotiating with the World Trade Organization?

George Eustice: Yes. There is a huge amount of Government work going on to look at all these technical issues, including WTO schedules. Yes, within Government there is a lot of discussion of that nature.

Q299 **Dr Monaghan:** When do you anticipate discussions with the WTO



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starting?

George Eustice: That matter will be a lead for the Department for International Trade, but it will be at some point after the commencement of article 50 and the triggering of the negotiations we will have with the EU.

Q300 **Dr Monaghan:** Would you describe it as a priority?

George Eustice: It is an element of the discussions that will have to form a feature of any future free trade agreement we have with the EU, and indeed that itself could be bound up in the exit agreement we have with the European Union. These are all matters that I am sure will be dealt with in earnest after the triggering of article 50.

Q301 **Dr Monaghan:** Given that you cannot or will not say much about negotiations with the Department for International Trade or the World Trade Organization, can I ask what discussions you have had with the devolved nations on using agricultural visas to promote and sustain local economies?

George Eustice: We have had regular discussions with devolved colleagues, on roughly a monthly basis since last November. Recently, the Secretary of State had a meeting with Fergus Ewing, from the Scottish Government, and counterparts from other devolved Administrations as well. We are having regular meetings to discuss some of the issues around fisheries and future agricultural policy. At an official level, there is a lot of work going on at the moment in terms of the great repeal Bill, because obviously the devolved Administrations have a role in that as well. Some of the regulations that stem from directives are implemented directly through their own legislatures, and there is a lot of that work to be done in DEFRA. At a technical level, with officials, a huge amount of work is going on there as well.

On the contrary, when I was in front of this Committee last week, I described in quite a bit of detail the issue of the WTO schedules, including the aggregated market support allowances and the way the amber and green boxes work. There is a lot of consideration being given to these issues and a lot of discussion between Ministers and between officials within Government.

Mr Goodwill: It is very important that we continue to engage with the devolved nations. Indeed, very early after my appointment I had a meeting with Angela Constance, who deals with many of these matters in the Scottish Government. We will continue to make sure we listen to the views of the devolved Administrations as we negotiate on behalf of the United Kingdom.

Q302 **Dr Monaghan:** As a constituency MP, my mailbag is quite full of issues about visas, immigration, right to remain and citizenship generally. It is causing real hardship in Scotland now. Is there anything you can do to alleviate the concerns that I and my colleagues in Scotland have about



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the current visa and immigration situation, and how we can improve that to make sure local companies are not suffering? They are at the moment.

Mr Goodwill: I assume these are EU nationals.

Dr Monaghan: There are some EU nationals, and some people from other countries.

Mr Goodwill: Certainly, we have a robust visa system, and if people have a visa to be here they are entitled to be here. If they have overstayed their visa or they are here illegally, we take steps to ensure they leave the United Kingdom.

Q303 **Dr Monaghan:** I would suggest to you that there are quite a large number of individuals in Scotland who are trying to extend their visas or secure their right to remain, and they are not being particularly well received by the Home Office in terms of their applications. It is causing great difficulty. Many of them are genuine people, and the system does not seem to be particularly sympathetic towards them or helping them. These individuals are vital for the local economy in Scotland, and particularly vital to smaller, rural economies. What can you do to address some of these issues now, pending negotiations further on with the WTO, the European Union or whoever? This is a pressing, immediate problem.

Mr Goodwill: I am not quite sure what relevance this would have to seasonal agricultural workers, because people who come on visas as visitors are not entitled to work.

Q304 **Dr Monaghan:** It is not just about seasonal agricultural workers.

Mr Goodwill: If people are coming on tier-2 visas, they need to have a sponsor employer; either they need to be a person from a shortage occupation or local market tests need to be carried out to ensure there is nobody locally who can take those jobs. If they come on their visas, they can work while their visa is valid, and then at the end of that visa they must either apply to have it renewed or leave. There are quite strict limits to people from outside the EU who can come in to work. There is the salary threshold, and it is generally graduate-level jobs that enable them to do that. We have a very attractive visa regime for people who want to come and work here, and we continue to attract the brightest and best around the world to our universities. Where we have shortages in some of these high-skilled graduate-level jobs, there is a visa route whereby these people can come and work here, and make a great contribution, not least in the health service.

Q305 **Dr Monaghan:** While the visa scheme might appear to be attractive, I would suggest it is not working. Would you mind if I write to you privately with one example of a situation where the visa system is not working, to see if we can get it sorted out? You might find it useful to look at that particular case.



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Mr Goodwill: I am always happy to look at individual cases. Sometimes applicants do not provide sufficient documentation, and that can sometimes be looked at.

Q306 **Dr Monaghan:** This is an excellent example of why and how that is not working. Perhaps you can look at it and make modifications to the system.

Mr Goodwill: I would certainly be happy to look at it.

Dr Monaghan: That is kind of you. Thank you.

Q307 **Rebecca Pow:** Picking up on something that was said just now, we had a panel of experts in front of the Committee this week, which was very interesting. They were agricultural professors, agricultural economists, world trade experts, legal experts and people like that. One of the points they made was that we really need to know what we are going to Europe to ask for. We have to go with our plan, whereas Minister Goodwill said just now that you are going to wait and see what the Commission will offer us on labour. Ministers, what will our plan be? Will you wait for the result of the consultation this summer and make a plan on labour? "We want this. This is best for our economy". Will you go there and wait until they tell you what they think they can do for us? I am suggesting that may not be as positive for the agricultural industry here as we need.

Mr Goodwill: If there is any doubt, I will make it clear that, once we have triggered article 50, we will start the negotiations. That will be up to a two-year process. The consultation we are carrying out over the summer will better inform us as to what the needs of various sectors of the UK economy are, in terms of labour that they cannot procure within the UK. Be in no doubt: we have made our preparations for those negotiations, but we do not yet know what the opening position of the European Commission might be. I hope, particularly in the case of securing the status of EU nationals here, we can get an early agreement and, in that way, reassure the very many people here working and contributing to our economy, not just in agriculture, but in health and elsewhere.

Q308 **Rebecca Pow:** We would like some reassurance that there is a very clear plan for agriculture and the food industry that says, "This is what we need, and this is what we want." It sounds simplistic, but if we do not have that plan initially, with all the evidence, we are going to let the industry down.

George Eustice: As I said to the Committee last week, we have been doing a large amount of very detailed analysis of policies around fisheries and agriculture, and consideration of what we might do after we leave, but also understanding what kind of settlement we would need by way of a customs agreement. A lot of analysis has been done by DEFRA on both of these policy areas, and indeed on food processing as well. That information has been fed into the Department for Exiting the EU, so that, when David Davis goes to commence those negotiations, which we all



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hope he will do shortly, he will be well armed with all the evidence and information that he needs to understand what we are trying to achieve in DEFRA.

Q309 Angela Smith: Earlier this afternoon, I cannot remember which Minister it was who said we have an unskilled workforce out there that is not currently in work, and I read it is as an implicit suggestion that we could do more to get that workforce into our seasonal agricultural workforce. Is it feasible to expect that to happen?

Mr Goodwill: It must be part of our long-term solution that the sector becomes less reliant on migrant labour and uses more UK workers. The Government reforms to the benefit system, for example, are aimed at encouraging more people back into the workforce. We recognise that it is a complex issue, and that the agricultural sector faces a particular challenge, particularly where the jobs are located and where the people who might be able to take those jobs themselves are located. That is not unique to agriculture; we have seen people move to where the work is. We will continue to work with the sector to monitor the situation and find sustainable solutions to labour supply issues where they arise.

Q310 Angela Smith: The problem here, as I mentioned the other week, is that traditionally, particularly in the post-war period, a significant proportion of the seasonal workforce in agriculture was made up of women. Witnesses the other week agreed with this. Over the generations, those women had gone into the full-time or part-time permanent workforce, into more formal employment. My first school was a land army building. Where I grew up, the seasonal horticultural workforce was entirely women. I do not understand, given the very positive structural changes and the fact that women are nowadays much more a part of the formal workforce, how you expect to meet this challenge unless you force people to work in the fields. Are you going to force them? What are you going to do? As you know, Robert, it has traditionally been women who have made up a big proportion of that workforce.

Mr Goodwill: There are more women in work than ever before. We have record levels of employment.

Angela Smith: That is my point.

Mr Goodwill: That is why the consultation that we will carry out over the summer will better advise us as to how the needs of the industry can be met by a post-Brexit immigration system, which we are determined to negotiate in order to get the best deal for the UK.

Q311 Angela Smith: If the structural changes in employment in the UK have led to a situation where British people, for a variety of reasons, including the one I have mentioned, no longer want to work in the fields—this has been examined thoroughly by the NFU and other bodies—what are you going to do about it? How can you crack that particular problem without forcing people to do it?



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Mr Goodwill: There are a number of jobseekers in the economy who are looking for work, and if work becomes available then they are certainly encouraged to apply for those positions. I have done all of these jobs; I have harvested swedes in a frosty field in north Yorkshire, and I have hoed sugar beet and picked potatoes. I understand what these jobs entail.

Angela Smith: It is backbreaking work.

Mr Goodwill: Actually, potato harvesting is now much more mechanised and better. These are jobs that, traditionally, people in the UK have done. There are opportunities for British people, in many cases, to take some of these jobs. Our changes to the benefits system are part of that picture of incentivising people to enter the workforce, build a career, build their families and have the dignity of employment. In some communities, there have been a number of generations where that has passed them by, and that is not doing those people any favours at all and not giving them the opportunity to have the dignity and self-respect of work.

Q312 **Angela Smith:** It would be very interesting to get the NFU's response to those comments, Chair. Is the phrase "incentivising the workforce to work in the fields" a euphemism for forcing them, or are you genuinely going to incentivise them? That would mean better pay, contracts, terms and conditions of employment.

Mr Goodwill: You will know that jobseekers in Sheffield will be required to apply for jobs and to go to interviews. The option of being out of work and not looking for work is not one that is there.

Q313 **Angela Smith:** They are not going to pick potatoes in north-east Lincolnshire, are they?

Mr Goodwill: One of the great things about being in the UK is that job opportunities are being created all the time. We are creating jobs, and it is good news that so many of our young people are getting into work. Many of the people we were talking about in terms of seasonal agriculture are people whose own countries have abandoned them. There is 40% unemployment in some of these southern European countries; there are no opportunities there. In the UK we have opportunities, because we have a vibrant economy that is creating jobs in a whole variety of sectors.

Chair: The point that Angela is making is whether the people who are looking for work will go and pick potatoes.

Angela Smith: Are they going to do it?

Q314 **Chair:** Picking potatoes is probably the wrong example because there are mechanical harvesters, and you stand on them and it is much better. For something like asparagus, will people go out and do it?



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Mr Goodwill: There are jobs in food processing. The vast majority of people who work in the factory I mentioned in Scarborough are British people.

Angela Smith: I am talking about seasonal agricultural workers.

Mr Goodwill: They are taking home good salaries, buying their houses and doing all those things that unemployed people elsewhere in Europe are unable to do. The opportunity of work is one that we must ensure our young people are skilled and motivated to take. The changes we have brought in to the benefits system are part of that picture, to make sure that work will always pay.

Q315 **Angela Smith:** We are not talking about food processing at the moment; we are talking about seasonal agricultural workers specifically. My absolutely final point, Robert, is to ask, given that you are an ex-Transport Minister, how the person in your example who is living in inner city Sheffield and may be offered a seasonal job in my constituency, where the unemployment level is 1.7%, is going to get out there? The bus services have been slashed to ribbons.

Mr Goodwill: That is the challenge.

Angela Smith: How are they going to get there? How are they going to get to Crow Edge or the Howden Moors to pick the bilberries for the farmers?

Mr Goodwill: We are talking about people who travel from Bulgaria to Lincolnshire to do those jobs, which is a slightly longer journey than that from central Sheffield. There are challenges there in terms of public transport and opportunities.

Q316 **Angela Smith:** Where do they live when they come over? They are much closer to the place of work.

Mr Goodwill: People can build careers. It is a vibrant sector. There are good opportunities. As George said earlier, the farmers' sons are not coming through. We need people. The daughters are not coming through either.

Q317 **Chair:** Jim made the point about the Agricultural Wages Board being abolished, and that was going to get more British workers into the workforce for the agriculture. Is there any sign of that? That was 2013. From 2013 to 2017, I do not see any sign of more British workers doing these particular jobs that we have been talking about all afternoon. I do not suppose that you have any statistics that will drill down on that. This is the problem we have with some of the arguments that you have made this afternoon. They are not necessarily wrong, but will they actually work? They show no sign of working, at the moment, in getting more British workers into those particular sectors.



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George Eustice: We want to treble the number of apprentices that are working in agriculture.

Chair: I am going to come on to apprenticeships.

George Eustice: In terms of building those full-time careers in agriculture, yes, we are doing quite a lot in those areas. I want to pick up on Angela's point around seasonal labour. A lot of strawberry and flower farms will run their own transport to the main towns. Indeed, when I was in the soft fruit industry that is what we used to do. As well as some migrant labour, we used to run minibuses to all the local towns, to pick people up in the morning, free of charge, and drop them home at the end of the day. You will still find a lot doing that, to overcome this issue. We have transport issues in Cornwall as well. It is always going to be a challenge to get local people to do seasonal labour, and it has been for some years.

However, some of these jobs are less seasonal than they used to be. 25 years ago, the strawberry season was roughly six weeks. You had a few varieties, and it ran from the middle of June until the end of July, roughly. If you look at the season now, you will have heated glasshouses with English strawberries starting about now, literally in March. The season runs right up until Christmas, with heated glasshouses again at the end. There is quite a spread of production. The use of modern polytunnels and temporary structures of that sort can really stagger the crop. It has become quite a long season. You can start picking strawberries in March and still be picking strawberries at Christmas, if you wanted something that was a bit less seasonal than used to be the case.

Q318 **Angela Smith:** I take that point entirely. It is a very interesting point, which we may want to explore further, but it does not negate the fact that people in the industry still think they need these seasonal workers.

George Eustice: That is true. I do not know whether there is still a need for some seasonal work, for the same reason that I gave earlier. Equally, as I said, some sectors of food processing in the last 12 years have become very dependent on migrant labour in a way that they had not been previously. There are some trends here, and a lot are linked to the fact that there has been an availability of labour after accession.

Q319 **Chair:** You are taking it for granted that, when there is less availability of foreign workers, workers will automatically come from the UK. It is an assumption that you make, but there is no sign of it actually happening. That is the issue. I do not necessarily disagree with what you want to do. It is probably right, but what worries us is whether it will actually happen, not that it is perhaps not the right thing to do. Will it happen? It has not happened up until now. You have more or less admitted that the situation has become worse, not better.



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George Eustice: We have not denied that for a long time some of these sectors have been quite dependent on migrant labour. All I am saying is that there have been changes to the way the industry works, particularly in soft fruits, making it less seasonal. It has become easier, because they are typically now grown in systems at shoulder height than on the ground, so it is less backbreaking work than it used to be. Would it be possible and easier to rebuild, with local people taking these jobs, than before? Yes. Are they going to miraculously replace all the migrant labour we have? No, probably not, and I have never pretended that they would.

Q320 **Chair:** We have partly covered this. Earlier, we talked about the changes that could be made to agriculture apprenticeships to make them more appealing to young people. It is partly about the way we look at agriculture. For instance, a lot of people probably think it is still backbreaking to pick potatoes, whereas they are harvested by a harvester, and even if you are working on the potatoes themselves you are standing on a harvester to do so. How can we change the concept that it is all dirty, cold, wet, with long hours and low pay, meaning that people do not want to go into it? How do we change the perception of agriculture and some of these jobs for apprenticeships?

Mr Goodwill: We have a number of projects on this front. There is an organisation called Bright Crop, which sends young graduates in their 20s, who have studied agriculture and are working in farm enterprises, as ambassadors into secondary schools to describe their careers to teenagers who are considering what GCSEs to take. There are schemes run in some sectors where they try to get graduates to do their year out in the food and farming industries. Dairy UK runs a project to get degree level students to do their placement within the dairy industry, so that they are more likely to come back to the dairy industry afterwards.

We have a challenge to change perceptions. It is a combination of the sort of work that Bright Crop does to encourage teenagers to consider agriculture—I have been to the Big Bang Science Fair in Birmingham for two years running, and there is an agricultural project there to encourage teenagers to understand more about the career opportunities—and building career pathways. I am a great believer in trying to find ways that somebody can start as an apprentice in a business, then become a manager and then, at some point, hopefully in their 30s, have the opportunity to take on a farm tenancy or a contract farm agreement, and start to earn a stake in the business, so that they have capital.

We have to get away from the old fashioned concept that either you have the farm that you have inherited down the family or you are a farm worker and there is a glass ceiling that you cannot get above, which is a largely historic perception. We need to make it easier for a bright young person in an agricultural college, who may not have come from a farming background at all, to nevertheless be able to set up an enterprise and earn capital in this industry.



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Chair: That is a bit like some of the systems in New Zealand.

George Eustice: That is right. Some of those contract farms and share farm agreements have the potential to provide that career pathway.

Q321 **Chair:** We are a little further down the road, but, in the future, you would possibly be looking at that through changes to an agricultural policy, would you?

George Eustice: We are looking at these issues, and whether we can do more to incentivise and support that type of contract farm agreement, or whether we need to look at tweaks in tenancy law to make it easier for new entrants and give them more security than is currently offered through the farm business tenancies if they come in. There is an interesting piece here to try to change perceptions about the industry. We know that the number of people studying agriculture is going up, so there is a demand and an interest there. This an incredibly rewarding career in many ways as well.

Chair: I could not agree more. It is just making sure that youngsters in schools and colleges, and even the parents, see it as such. Sometimes the parents may have a downer on coming into the agricultural world.

Mr Goodwill: I suspect Adam Henson on "Countryfile" has done more than anybody to show people what modern agriculture is like in the 20th century and what opportunities there are. The equipment people use and the technology have moved on a long way since our farm started.

Q322 **Jim Fitzpatrick:** I have a tiny question on the point that George just made on students at agricultural colleges and Robert's point about Adam Henson. The number of young women showcased on "Countryfile" comes into it. Are agricultural colleges more attractive to young women now? Is there a breakdown of the percentages of girls as opposed to boys taking up the courses?

George Eustice: There has definitely been an increase. I do not have the figures with me, and it can depend on the courses. The old tradition of having lots of girls doing equine studies, while agricultural engineering was very much for the boys, has changed. That mix is changing. We are getting some very successful women coming into the industry.

Jim Fitzpatrick: That includes engineering and other traditional male preserves.

George Eustice: Indeed. Crop science and agronomy is an area where we are seeing more women coming in.

Q323 **Kerry McCarthy:** Do you not think that we need to start a lot earlier if we are to get young people interested in careers in this sector? Learning about the environment, about food and farming systems, can be embedded in the curriculum. There are some good initiatives, but it is all a bit piecemeal at the moment. Pitching it to them at the time they are



looking to go to college or do apprenticeships is a bit late in the date.

George Eustice: We need to do it at every level, and we do so. The Department for Education has a school food plan that it launched several years ago in 2013-14. Linked to that was some strong guidance in the curriculum that said it was important for primary school children to visit farms and have interaction with the farms, to understand where their food comes from. It also encouraged primary schools to teach children how to prepare basic dishes, so that they developed an appreciation and understanding of where their food comes from and how to prepare it. I have also seen some good projects run in Cornwall, which have been copied in Devon. Obviously, good ideas start in Cornwall and are copied by Devon.

Chair: Did we copy something from Cornwall? I thought it was the other way round.

George Eustice: There are some very good projects that run outside of the show season. There is a big operation to showcase various sectors of agriculture to all primary schools on the showgrounds, where there are toilet facilities and no health and safety issues. They can show children everything from tractors and arable through to sheep, cattle and poultry, on one day for all the primary schools, so that it is easier for them to access.

Q324 **Kerry McCarthy:** The point I was making, though, is that there are some good projects, but it is not an intrinsic part of the curriculum. For example, GCSEs and A-levels in environmental studies and suchlike, as I understand, are on their way out. People are being encouraged to study pure science instead. Actually, you are far more likely to get a young person wanting to study environmental science than physics or chemistry, or something that seems to be a very pure topic. Should it not be something that we do across the piste, rather than relying on local initiatives to do good things?

George Eustice: Yes. We are straying into DfE areas. For understandable reasons, there has been a desire not to overcomplicate the formal curriculum, and to have a core curriculum with all the basics in it. Alongside that, there is a lot of guidance. For instance, there is the school food plan. There is guidance in the curriculum about doing this as well. The DfE has stopped short of making too many of these things compulsory. This is what happened over a number of years. The danger with the curriculum, as has happened over a number of years, is that every time there was a storm about something in the media somebody said, "Add it to the curriculum." After a while, the curriculum is unwieldy and teachers cannot cope with it.

The approach of having guidance and encouraging schools to do certain things within the curriculum, while having a core, compulsory curriculum, is the sensible way to go. I agree with you, and a lot of schools do some very good work in this area. My own brother's farm regularly has local



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primary school children visit, and they are given a tour of all the different activities.

- Q325 **Kerry McCarthy:** Finally, I happened to meet the Horticultural Trades Association this morning. Are you aware of their Grow careers initiative, what they are doing in terms of apprenticeships and so on?

George Eustice: Yes. I met them previously. I mentioned Bright Crop and there is Grow. There are a number of different schemes in this territory that are all doing fundamentally good work, sending ambassadors into primary schools to support young people in making the right career choices. The evidence shows that you need people who are not our age, but in their 20s. If you are 14 and thinking about your GCSEs, somebody who is 18 or in their 20s and has just graduated or left college can inspire you about the career in a way that people like us probably could not. They can relate to it and see themselves being there in three to five years' time.

- Q326 **Chair:** It is an interesting point that Kerry made there. It is not only horticulture; it is the garden centre and all those plants that are grown. It is a massive industry now, and perhaps that is something else that could encourage quite a lot of people in, as I imagine it is a relatively lucrative side of the market. Do we do anything regarding that? Sometimes the horticulture side almost feels left out.

George Eustice: It can, but I studied horticulture myself at Writtle College.

- Q327 **Chair:** I am not just talking about horticulture itself. Growing vegetables and fruit is great, but there is also the flower and ornamental side of it, such as tree growing and landscaping. Do we do enough on that?

George Eustice: We do. I worked on a tree nursery and a rose nursery for 12 months. Yes, we do work with the Horticulture Trades Association. The Royal Horticultural Society also has a scheme to offer grants to support getting glass houses in primary schools, for instance. A lot of primary schools will have a school garden, allotments and greenhouses, to encourage children to learn about growing food.

- Q328 **Ms Ritchie:** What assessment have you made of the operation of the apprenticeship levy within the agricultural workers sector?

George Eustice: Most agricultural businesses are below the threshold. The vast majority do not employ sufficient people and do not cross the turnover threshold. There will be a few that do. I am not going to name names, but some of the very large agri businesses, particularly in the veg and horticulture sectors, will cross over the threshold. As I said, we see apprenticeships as being an important route to build careers in that middle tier, be it irrigation managers, agronomists or supervisors. There are lots of technical and semi-technical roles where we could build full-time careers using apprentices.



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The other thing that we in DEFRA were very keen on, which the Department for Education adopted, was to enable some of the apprenticeship levy in the case of processing to be used within the supply chain. McCain is a good example of the kind of concept we had in mind. They have a very good track record of running apprenticeships. Within their supply chain they have around 300 potato farmers, grouped regionally. A lot of those potato farmers might, if they had some support from McCain, be able to take on an apprentice. The apprentice may be moved around to spend a stint in the factory and understand what is happening at the end, while being predominantly based on the farm. You could get apprentices on lots of different farms to come together for certain projects organised by McCain, so that you do not have one apprentice rattling around on his own in the Norfolk countryside feeling detached from everything, but he feels he is part of something.

Chair: McCain has had a good number of mentions this afternoon. It has done very well. I accept it is a very good point.

Q329 **Rebecca Pow:** I have a small point on a previous conversation. I wondered whether the Minister had considered if there might be opportunities within the national citizenship scheme, for which Royal Assent is coming through later, and if this is an area where young people aged 16 to 19 could be encouraged on to programmes. They have to learn about food; they do cooking and all those things. This might be a chance to introduce them to where our food is grown, work on our farms and horticultural enterprises. There must be opportunities.

George Eustice: There may well be, and it is obviously something to consider. I visit the NCS programme in my constituency every year, and some of the things it has done include gardening projects, landscaping projects, improving play areas and that kind of thing. There is also, as you said, a sort of independence on the residential side, where they prepare their own food as a group. There is an opportunity.

Q330 **Rebecca Pow:** If we are trying to promote agricultural jobs in the industry, which is very wide, would you agree that other aspects of working in that industry ought to be promoted? One of the things that attracted me to go into the industry when I went to do agriculture at university was that you could work outdoors, be out in the air and get exercise. You could have a very diverse life. Do you think we are not selling it quite well enough?

George Eustice: That is probably a fair point. Lots of people pursue the career for that reason. They want to be outdoors and do not want to be cooped up in an office. Others are passionate about animals or about looking after a flock of sheep. It is one of those industries that people tend to get passionate about once they go into it.

Q331 **Rebecca Pow:** Do you think we are making people aware enough of the huge breadth involved? It is not just digging up swedes or picking strawberries; it is scientific, you are achieving something and you are



feeding the nation. You are actually needed. You are looking after the environment.

George Eustice: There is no doubt that both farming and food processing generally have an issue with perception as career choices. That is why we just have to redouble our efforts, through things such as the outreach work to schools that the agricultural shows operate, which they are doing around this time of year, and through organisations such as Bright Crop, which go into schools and promote careers. We have a task to change perceptions of the industry. These perceptions have been ingrained for some time and we have to work to change them.

Q332 **Chris Davies:** Ministers, thank you very much indeed. The filming of this particular Select Committee is avidly watched by millions all over the world. In fact, people are looking to buy boxsets of it now because it is so popular. There will be a lot of people looking into this and waiting for this particular part of the inquiry, because agricultural workers and migrant workers are of great concern to so many people out there. With two former farmers in the chairs that you are in, do you feel, as I do from the two and a half hours of evidence that we have just sat through, that they can be assured out there that you get it and understand that we need the workers?

Chair: There is a soft question for them. Come on, Ministers.

Mr Goodwill: I want to put on record that I am not a former farmer. I am still a farmer. This is just a part-time distraction.

Q333 **Chris Davies:** We understand that you cannot give detail on everything. This is the thing that we hear time and time again. People are concerned that, as we go into this two-year stretch of negotiations, Ministers do not understand. Please assure us that you do,

Mr Goodwill: I absolutely understand. I have a degree in agriculture, and I have been in the industry all my life. Our family farm started business in 1850. I understand it, and I have a very good working relationship with senior officers at the NFU. Locally, I am in touch with farming groups in my own very rural community. In my constituency, there tend to be a lot of hill farmers who so far have not seen the need to employ much migrant labour. However, I understand the importance for the food processing industry, in particular, especially meat processing, and the intensive horticulture industry. We understand their needs. That is why, as we consult over the summer and we build a post-Brexit immigration system, it will be one that both responds to the needs of the industry, provides opportunities and incentives for British people to take the jobs that are available and, at the same time, delivers on a key element of Brexit, namely to control the numbers coming here into the UK.

George Eustice: I worked in the farming industry for 10 years, including horticulture. We had a 60-acre soft fruit enterprise employing some 250 people during harvest. Locally, our farm was nicknamed the United



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Nations because, yes, we had quite a lot of migrant labour from both Europe and, in those days, Commonwealth countries who came here on those work permits. I understand it, and I understand the challenges that they face. We recognise that, and it is why we are working closely right across Government to make sure we get this right.

Chair: Thank you very much, Ministers. You have been very generous with your time. We believe that the matters are safe in your hands, but you would expect us to be very firm in keeping an eye on what is happening and on the statistics. Just be ready to get those schemes in place if the labour market gets very tight. That is the thing we would really emphasise. You have been very generous with your time. It has been a very good-tempered debate. We have all asked the questions that we wanted to and you have answered well. Thank you very much, both of you. You were a good double act. Thank you very much for coming this afternoon.